

LOK SABHA

UNSTARRED QUESTION No. 3575

TO BE ANSWERED ON FRIDAY, MARCH 16, 2018/PHALGUNA 25, 1939 (SAKA)

PRIVATE INVESTMENT IN INFRASTRUCTURE SECTOR

3575. SHRI AJAY NISHAD

SHRI ASHOK MAHADEORAO NETE:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has encouraged investment by private sector in basic infrastructure projects like roads, railways, power etc. along with consumer and social sector;
- b) if so, the details of private sector investments during the last three years and the current year;
- c) whether any policy has been formulated in this regard and if so, the details thereof;
- d) the details of the sectors in which investment has been made as per the policy; and
- e) the estimated amount of funds required for the development of basic infrastructure projects during the next/ensuing five years?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)**

(a) to (e): Yes, Madam. The Government has taken several steps to encourage investment by private sector for development of infrastructure like launching of innovative financial vehicles such as Infrastructure Debt Funds, Infrastructure Investment Trusts/Real Estate Investment Trusts, laying down a framework for issuance of municipal bonds, relaxation in External Commercial Borrowing (ECB) norms, mainstreaming of Public Private Partnerships (PPPs) across infrastructure sectors, periodical review of Harmonized Master List of Infrastructure Sub-sectors, establishment of National Investment and Infrastructure Fund (NIIF), relaxation of norms for Employees' Provident Funds Organization (EPFO)/pension funds for infrastructure sector, bringing in 5/25 scheme to extend long tenor loans to infrastructure projects, take-out finance and flexible structuring etc. Further, higher budgetary allocations to infrastructure sectors have been made in recent years. The total outlay for infrastructure in Budget 2018-19 stands at Rs.5.97 lakh crore.

As per NITI Aayog, the revised projection for investment in infrastructure that include electricity, renewable energy, roads & bridges, telecommunications, railways, mass rapid transit system, irrigation (including watershed), water supply & sanitation, ports (including inland waterways), airports, storage and oil & gas pipelines sectors, in the period 2012-17 is Rs. 38,22,822 crore at current prices, out of which the share of private investment is projected to be about 34% amounting to Rs. 12,81,223 crore at current prices. As per Budget Speech 2018-19, investment requirement in infrastructure is estimated to be in excess of Rs 50 lakh crore.