



PM Gati Shakti Scheme

Why in News

Recently, the government of India has launched the **ambitious Gati Shakti scheme** or **National Master Plan for multi-modal connectivity plan**, with the **aim of coordinated planning and execution of infrastructure projects to bring down logistics costs.**

Key Points

▪ About the Scheme

- **Aim:** To ensure **integrated planning and implementation of infrastructure projects in the next four years**, with focus on expediting **works on the ground, saving costs and creating jobs.**
 - The Gati Shakti scheme **will subsume the Rs 110 lakh crore [National Infrastructure Pipeline](#)** that was launched in 2019.
 - Besides cutting logistics costs, the scheme is also aimed at **increasing cargo handling capacity and reducing the turnaround time at ports** to boost trade.
 - It also **aims to have 11 [industrial corridors](#) and two new [defence corridors](#)** - one in Tamil Nadu and other in Uttar Pradesh. **Extending 4G connectivity to all villages** is another aim. **Adding 17,000 kms to the gas pipeline network** is being planned.
 - It will **help in fulfilling the ambitious targets** set by the government for 2024-25, including expanding the length of the national highway network to 2 lakh kms, creation of more than 200 new airports, heliports and water aerodromes.
- **Integrated Approach:** It intends to **bring together 16 infrastructure related Ministries.**
 - This will help in **removing long-standing issues** such as disjointed planning, lack of standardisation, problems with clearances, and timely creation and utilisation of infrastructure capacities.
- **Gati Shakti Digital Platform:** It involves the creation of a **common umbrella platform** through which infrastructure projects can be planned and implemented in an efficacious manner by way of coordination between various ministries/departments on a **real-time basis.**
- **Expected Outcomes**
 - The scheme will help mapping the existing and proposed connectivity projects.
 - Also, there will be immense clarity on how different regions and industrial hubs in the country are linked, particularly for **last mile connectivity.**
 - A holistic and integrated transport connectivity strategy will greatly support **[Make in India](#)** and integrate different modes of transport.
 - It will help India become the **business capital of the world.**

▪ Need for Integrated Infrastructure Development:

- There exists **a wide gap between macro planning and micro implementation** due to the lack of coordination and advanced information sharing as departments think and work

in silos.

- According to a study, the **logistical cost in India is about 13% of GDP**, which is higher than developed countries.
 - Due to this high logistical cost, the **competitiveness of India's exports is greatly reduced.**
- It is globally accepted that the **creation of quality infrastructure for Sustainable Development** is a proven way, which gives rise to many economic activities and creates employment on a large scale.
- The scheme is in synergy with the [National Monetisation Pipeline \(NMP\)](#).
 - The NMP has been announced to provide a clear framework for monetisation and give potential investors a ready list of assets to generate investment interest.

▪ **Associated Concerns**

- **Low Credit Off-take:** Although the government had taken up 'strong' banking sector reforms and the [Insolvency and Bankruptcy Code](#) had yielded about Rs. 2.4 lakh crore of recoveries on bad loans, there are concerns about declining credit offtake trends.
 - Banks give credit off-takes to help businesses acquire financing for future projects through the promise of future income and proof of an existing market.
- **Lack of Demand:** In the post-Covid-19 scenario, there is a lack of private demand and investment demand.
- **Structural Problems:** Due to land acquisition delays and litigation issues, the rate of implementation of projects is very slow on global standards.
 - Getting approvals is very difficult in terms of land access, environmental clearances; also impending litigation in court delays the infrastructure projects.

Way Forward

- PM Gati Shakti is a step in the right direction. However, it needs to address structural and macroeconomic stability concerns, emanating from high public expenditure.
- Thus, it is imperative that this initiative is underpinned by a stable and predictable regulatory and institutional framework.

Source: IE

PDF Reference URL: <https://www.drishtias.com/printpdf/pm-gati-shakti-scheme>