

# Infrastructure Development in India

For Prelims: Infrastructure, Power, Coal, Petroleum, Cement, Railways, Ports, Civil Aviation, Roads, Telecommunications, National Highways (NH), Bio-toilets, Aviation Market, Regional Connectivity Scheme (RCS) - UDAN, Smart Cities Mission (SCM), Swachh Bharat Mission-Urban 2.0, Metro Network, Jal Jeevan Mission, National Monetisation Plan, Urban Challenge Fund, Alternative Investment Funds (AIFs), Infrastructure Project Development Fund (IIPDF), SWAMIH Fund, PM SVANidhi.

For Mains: Infrastructure push in the Union Budget 2025-26. Status of infrastructure in India.

### **Source: PIB**

# Why in News?

India has made remarkable progress in <u>infrastructure development</u> over the past decade that is the **backbone of economic development**.

■ The total infrastructure investment (capital expenditure) in India has increased to Rs 11.2 lakh crore in 2025-26 from Rs 10 lakh crore in 2023-24.

# What Infrastructure Initiatives were Announced in Budget 2025-26?

- Infrastructure Financing: Rs 10 lakh crore worth of assets would be monetised in the next 5 years (2025-30) under the National Monetisation Plan.
  - <u>Urban Challenge Fund</u> of Rs 1 lakh crore will be set up to implement the proposals for 'cities as growth hubs', 'creative redevelopment of cities' and 'water and sanitation'
  - Government to provide certainty in taxation of <u>Alternative Investment Funds (AIFs)</u> in infrastructure.
  - States to propose projects funded by India <u>Infrastructure Project Development Fund</u>
    (IIPDF) loans.
- Railways: India aims to become the 2nd-largest cargo-carrying railway in the world after China and producing indigenous high-speed 'bullet' trains.
  - Indian Railways will complete 100% electrification of its network in FY 2025-26.
- Shipbuilding: A Rs 25,000 crore fund will be established to support the <u>maritime industry</u>, promoting competition and long-term financing.
  - Large ships will be given <u>infrastructure status</u> reducing financial costs by up to 10 percentage points.
    - infrastructure status enables better financing, tax benefits, government support, and fewer regulatory hurdles.
  - **Credit notes** will be introduced for **shipbreaking** in Indian yards to promote a circular economy.
    - Credit notes are commonly used when a buyer returns goods. It can help shipbreaking companies to return or recycle materials, such as steel, copper,

# and aluminum obtained from dismantled ships.

- Aviation Sector: UDAN scheme has been extended for another 10 years and a revamped
   UDAN scheme will connect 120 new destinations, serving 40 million more passengers.
  - New <u>greenfield airports</u> in Bihar will complement Patna and Bihta (in Patna) airport expansions in Bihar.
- Housing: <u>SWAMIH Fund</u> 2 of Rs 15,000 crore will be set up to speed up completion of 1 lakh incomplete housing units with contributions from the government, banks, and private investors.
- Local Economy: PM SVANidhi will be revamped to provide enhanced loans from banks and UPI-linked credit cards with a Rs 30,000 limit.

# What is the Status of Infrastructure Development in India?

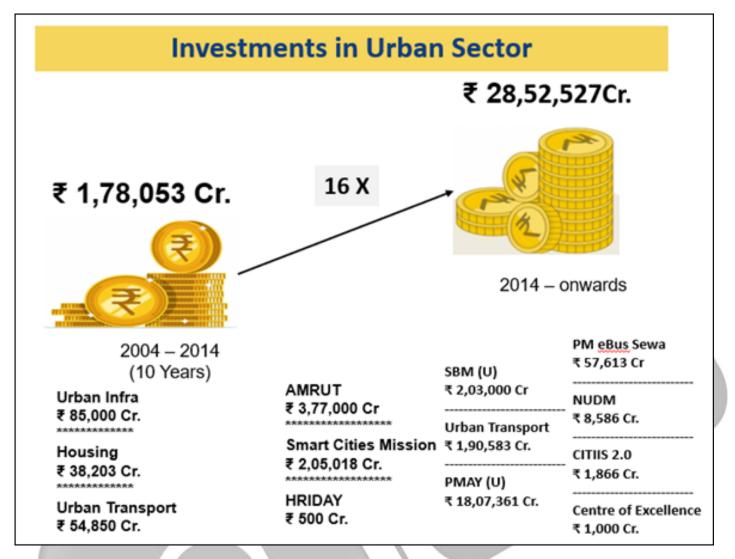
- Highways and Roads: India has the 2nd-largest road network globally (after the United States), with National Highways (NH) standing at 1,46,145 km in 2024.
  - The length of operational <u>high-speed corridors</u> has increased to 2,138 km (2024), NH construction pace has risen 2.8 times (12.1 km/day in 2014-15 to 33.8 km/day in 2023-24), and capital expenditure increased 5.7 times (2013-24).
- Railways: As of December 2023, 93.83% of the broad-gauge tracks (called large line and distance between the two tracks is 5 feet 6 inches) were electrified, up from 21,801 km in 2014.
  - The provision of <u>Bio-toilets</u> in coaches stands at 80,478 coaches in the year 2014-2023.
- Civil Aviation: India is the 3rd-largest domestic <u>aviation market</u> globally with operational airports increased from 74 (2014) to 157 (2024).
  - Under the <u>Regional Connectivity Scheme (RCS) UDAN</u>, 147 lakh passengers benefited as of December, 2024.

# Number of Airports in India 157 74 2014 2024

- Shipping and Ports: India has 12 major ports and 217 minor/intermediate ports.
  - Cargo handling capacity rose from 800.5 MT (2014) to 1,630 MT (2024) (+87%), boosting India's shipping rank to 22nd in International Shipment category as against 44th rank in 2014.
- Urban Affairs and Housing: Under the <u>Smart Cities Mission (SCM)</u>, around 91% projects have been completed.
  - Under **Swachh Bharat Mission-Urban 2.0**, urban waste collection has **increased by**

**97**% (2014-15 to 2024-25), while waste processing has risen from **18**% **to 78**% in the same period.

During 2015-2024, 118.64 lakh houses were approved under PMAY-U.



- Metro Rail: India's metro network expanded from 248 km (2014) to 993 km (2024), with commissioning rising from 0.68 km to 6 km/month and metro cities increasing from 5 to 23.
- Tap Water Connections: <u>Jal Jeevan Mission</u> increased rural tap water coverage from 3.23 crore (17%) to 15.44 crore (79.74%) households by February, 2025.

### What is Infrastructure?

- About: Infrastructure (capex) refers to the basic systems essential for the functioning of a business, region, or nation.
  - Sectors like <u>power</u>, <u>coal</u>, <u>petroleum</u>, <u>cement</u>, <u>railways</u>, <u>ports</u>, <u>civil aviation</u>, <u>roads</u>,
     <u>Cybersecurity</u> and <u>telecommunications</u> are part of infrastructure.

### Features:

- Long-Term Investments: Involves large-scale, long-lived structures like power grids and transport systems.
- Public Utilities and Works: Includes utilities (e.g., power, water) and public works (e.g., roads, railways).
- **Natural Monopoly:** High initial costs make **competitive supply inefficient** (e.g., power grids).
- Non-Tradable Services: Services like water and electricity can't be sold across borders.
- Public and Private Good: Benefits society but often requires usage charges.
- **High-Sunk Costs:** Once invested, resources in infrastructure projects **cannot be**

recovered, regardless of success or failure.

- Infrastructure as a Public Service:
  - Non-Rival Nature: One person's consumption does not reduce availability for others.
  - **Price Exclusion:** They are provided on a **paid basis**, unlike pure public goods.
- Social Infrastructure: Infrastructure also includes social sector facilities like hospitals and schools, though lacking monopoly characteristics.

# What are Government Initiatives for Infrastructure Development?

- PM Gati Shakti National Master Plan (NMP): NMP has onboarded 44 Central Ministries and 36 States/UTs.
- National Logistics Policy: India's World Bank Logistics Performance Index (LPI) ranking improved by 6 places from 44 in 2018 to 38 out of 139 countries in 2023.
- Bharatmala Pariyojana: A total of 18,926 km of roads have been completed under the project by November 2024.
- Pradhan Mantri Grameen Sadak Yojana: In 2024-25, 7,71,950 km of roads were completed.
- Regional Connectivity Scheme (RCS) UDAN: 619 RCS routes have so far commenced operations connecting 88 airports including 13 heliports & 2 water aerodromes.

# Conclusion

India's infrastructure development has seen significant **growth with advancements** in **roads**, **railways**, **civil aviation**, **and urban affairs**. The government's initiatives, including financing schemes and project proposals, aim to further **boost infrastructure**, making it crucial for economic growth and improving **citizens' quality of life**.

# **Drishti Mains Question:**

How can infrastructure development contribute to the overall socio-economic well-being of India?

# **UPSC Civil Services Examination, Previous Year Questions (PYQs)**

# **Prelims**

- Q. In India, the term "Public Key Infrastructure" is used in the context of (2020)
- (a) Digital security infrastructure
- (b) Food security infrastructure
- (c) Health care and education infrastructure
- (d) Telecommunication and transportation infrastructure

### Ans: (a)

- Q. With reference to 'National Investment and Infrastructure Fund', which of the following are statements is/are correct? (2017)
  - 1. It is an organ of NITI Aayog.
  - 2. It has a corpus of `4,00,000 crore at present.

### Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

# **Mains**

**Q.** "Investment in infrastructure is essential for more rapid and inclusive economic growth." Discuss in the light of India's experience. (2021)

PDF Refernece URL: https://www.drishtiias.com/printpdf/infrastructure-development-in-india

