



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 [infrastructure development](#) 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?

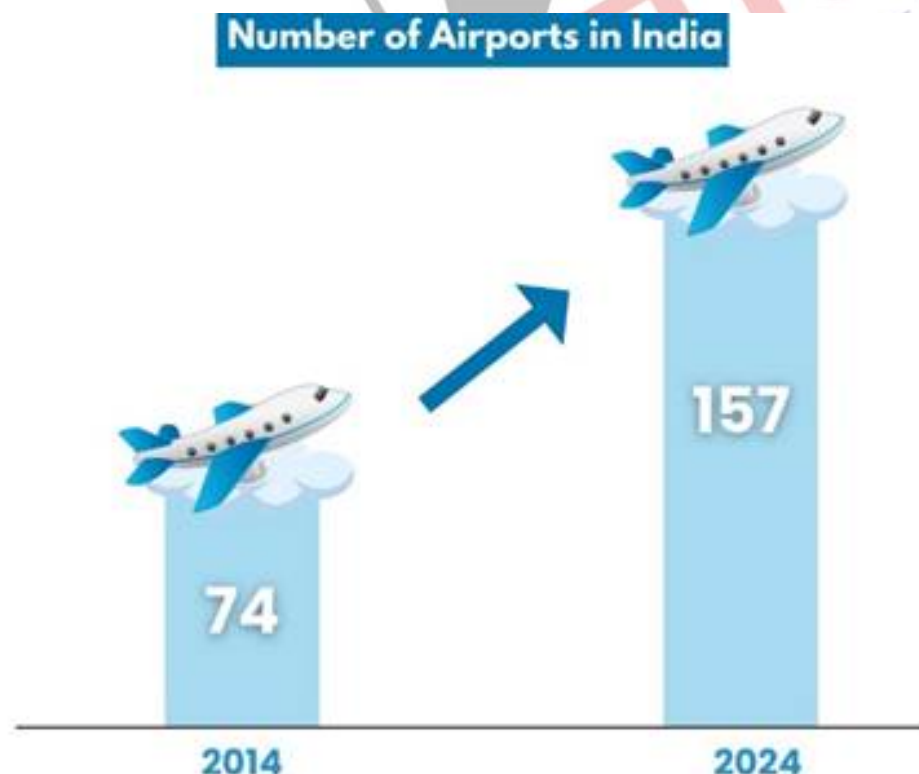
- **Infrastructure Financing:** **Rs 10 lakh crore** worth of assets would be **monetised** in the **next 5 years (2025-30)** under the [National Monetisation Plan](#).
 - [Urban Challenge Fund](#) of **Rs 1 lakh crore** will be set up to implement the proposals for 'cities as growth hubs', 'creative redevelopment of cities' and 'water and sanitation'.
 - Government to provide certainty in taxation of [Alternative Investment Funds \(AIFs\)](#) in infrastructure.
 - States to propose projects funded by India [Infrastructure Project Development Fund \(IIPDF\)](#) 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 [maritime industry](#), promoting competition and long-term financing.
 - **Large ships** will be given [infrastructure status](#) 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 **greenfield airports** in Bihar will complement **Patna and Bihta (in Patna)** airport expansions in Bihar.
- **Housing:** **SWAMIH Fund 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**.

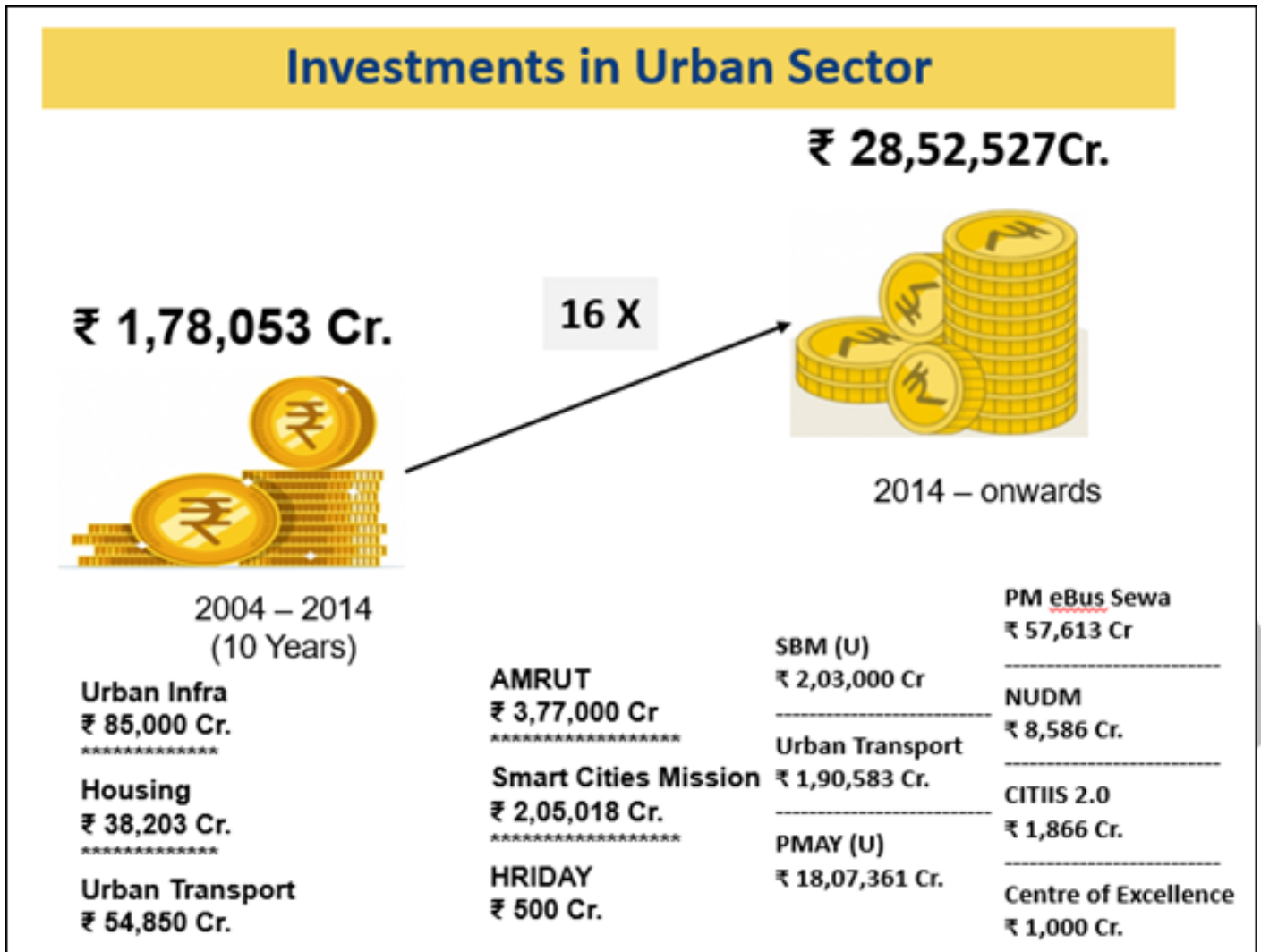
What is the Status of Infrastructure Development in India?

- **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 high-speed corridors** 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 **Bio-toilets** in coaches stands at **80,478 coaches** in the year 2014-2023.
- **Civil Aviation:** India is **the 3rd-largest domestic aviation market** globally with **operational airports increased** from 74 (2014) to **157 (2024)**.
 - Under the **Regional Connectivity Scheme (RCS) - UDAN**, **147 lakh passengers** benefited as of December, 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 **Smart Cities Mission (SCM)**, 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:** [Jal Jeevan Mission](#) 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 [power](#), [coal](#), [petroleum](#), [cement](#), [railways](#), [ports](#), [civil aviation](#), [roads](#), [Cybersecurity](#) and [telecommunications](#) 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>

