

## Sansad TV Perspective: Budget 2022-23: Economic lifelines in focus'

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: Budget 2022-23: Economic lifelines in focus'

Video link: [https://youtu.be/\\_epxs\\_KTxEk](https://youtu.be/_epxs_KTxEk)

### Guests:

- K. Pandey, Member, Projects, NHAI
- Gopal Krishna, Former Secretary, Ministry of Ports, Shipping and Waterways
- Vinod Kumar Yadav, Former Chairman, Railway Board

**Anchor:** Vishal Dahiya

### Context:

- In the light of the upcoming budget, the article discusses the significance of the transport infrastructure in an economy and analyses the trends in the three main transport sectors of roadways, railways and waterways.

### Transport infrastructure:

- Transport includes well-developed roads and highways, a widespread railway network, fast-growing aviation and developing ports, shipping and inland waterways infrastructure.

### Significance of transport infrastructure:

- Transport infrastructure is one of the most important factors for a country's progress. Good physical connectivity is essential for economic growth and development. It impacts the pace, structure and pattern of development. Quality and adequate transport infrastructure can add speed and efficiency to a country's progress.
- One cannot overemphasize the importance of transportation than call it the 'lifeline' of an economy.

### Roadways:

#### Current status:

- The total road network in India is approximately 6.4 million km comprising of national & state highways and urban and rural roads.
- Roadways account for a major share in the freight as well as passenger segments. It accounts for around 90% passenger and 65% freight transport.
- While the National Highways account for only 2% of the total 6.4 million km length of roadways in India they handle about 40% of the total transport volume. Hence the National highways are the lifelines of the roadway sector in India.

#### Work being done:

- Roadways is the fastest growing area in infrastructure. Road building rates have reached record levels. It has reached about 37 Km a day.

- Not only the quantity of roads but the quality of roads being built has also improved. Increasing number of expressways are being built.
- Huge investment is being funneled into the roadways sector. Around \$275 billion investment is envisaged under the National Infrastructure Pipeline for the period 2019-2025.
- India's PPP framework in the Highways sector has been ranked first by Asian Development Bank in terms of operational maturity.

**Recommendations:**

- High accident fatalities continue to remain a major concern in India and in this regard the improvement of road safety scenario should be a top policy priority.
- Road construction should take a whole lifecycle approach to minimize not only the associated costs but also the environmental and social impacts of road construction.

**Railways:****Current status:**

- India has the fourth-largest railway system in the world, behind only US, Russia and China
- Indian Railways is the single largest employer in India and eighth largest in the world employing close to 1.3 mn people.
- It remains a lifeline for connectivity and freight movement in India.

**Work being done:**

- Around 9000 kms of new railway lines have been added in the last 7 years. This includes both the construction of new lines as well as multi tracking of lines.
- Around 25000 kms of the railway lines have been electrified over the last seven years.
- Thanks to technology upgradation and adoption of safety measures, the safety record of railways have improved over the past few years.
- The projects such as the Mumbai-Ahmedabad high speed rail projects mark a significant upgradation of railway standards in India.
- The average speed of freight trains have improved significantly over the past few years though they still are low compared to other countries. It currently stands at 44.36 km/h.
- The recent years have witnessed one of the highest capital expenditures in the railway sector.
- A futuristic long term perspective policy and plan has been prepared for the sector: Railways Plan 2030.

**Concerns:**

- There has been very less infra development in the railway sector as compared to the demand. While the traffic volumes have increased by 16 times, the network has expanded only by 25%

**Recommendations:**

- There should be higher budgetary allocations for the railway sector. Also given the huge investments required by the railways sector, there is the need to come up with measures to incentivize and facilitate private investment in the railways.
- The railways should focus on dedicated freight corridors and creation of multimodal logistic parks.
- The focus should be on upgradation of existing infrastructure and improving of safety standards via technology development and adoption of modern signaling systems. The emphasis should be on modernization and provision of improved facilities to customers.

- Given the high concentration of traffic on high density networks, such high density networks should receive increased attention. The focus should be on multi-tracking of such high density network

**Shipping:****Current status:**

- India has around 12 major and 200 non-major/intermediate ports.
- Maritime transport handles around 70% of India's trading in value terms.

**Potential:**

- India is strategically located on the world's shipping routes with a coastline of approximately 7,517 km.
- India is home to a number of river systems which can be harnessed for the inland waterways construction.
- Waterways offer a cheap mode of transport.

**Work being done:**

- India is taking measures to mainstream inland waterway through a number of policy initiatives and projects as well.
- There was a major regulatory change with respect to ports in the form of the Port Authority Bill which aims to bring structural changes to port management and operation functions. It would facilitate PPP projects and envisages a landlord system for port operation.

**Concerns:**

- The Inland waterways remain extremely underdeveloped. They account for around 1-1.5% of the total transport sector. The sector remains plagued by the weak private sector participation.
- The Indian flag ships account for very low volumes of traffic.

**Recommendations:**

- There is the urgent need to incentivize and facilitate private sector investment and participation in the shipping sector. This can facilitate the development of good fleets and vessels.
- There have been a number of PPP failures in the sector. Hence appropriate mechanisms like dispute resolution mechanisms and concession agreements need to be put in place to correct the failures in an efficient manner.
- Though coastal trading is reserved for Indian companies, Indian origin companies continue to remain non-existent in the sector. There is the urgent need to delicense this sector through appropriate policy changes. This will allow foreign lines to create a good logistics ecosystems along the coasts.

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