



PM Gati Shakti to be a game changer in the space of infrastructure development: Brickwork Ratings

Brickwork Ratings, 19 October 2021, Bengaluru: Prime Minister launched the Gati Shakti master plan on 13th Oct 2021. The plan envisages a centralised portal to unite the infrastructural initiatives planned and initiated by 16 central ministries and departments including Railways, Roads and Highways, Petroleum and Gas, Power, Telecom, Shipping and Aviation etc.

The Gati Shakti Plan aims to put the projects under the National Infrastructure Pipeline under the same umbrella by sharing resources and developing synergies by various ministries. India's infrastructure growth was hampered by interministerial delays, approval delays and the communication gaps between various stakeholders. This often led to slow decision-making, time and cost overruns, and thus, a lacklustre pace for infrastructure-led growth. Gati Shakti Plan consolidates infrastructure projects in specific corridors and will help various ministries plan projects together without getting hampered by the specific/ time consuming approval processes. The geographic information system (GIS)-enabled digital platform under Gati Shakti will help various ministries and stakeholders get access to the required information regarding the topography, satellite images, physical features and existing facilities. This will help the projects to save time and funds on approvals and the problem of delays in implementation can be solved.

Vipula Sharma, Senior Director – Ratings, Brickwork Ratings (BWR), said *“PM Gatishakti is a landmark initiative that will enable coordination among different ministries, states and departments, facilitate ease of planning and bring down the overall costs of implementation as well. There could be initial bottlenecks with the platform however, once these are taken care of, this system can turn out to be a game changer in the space of infrastructure development.*

With the information available to all the stakeholders at different levels - central, state, cities and even panchayats, taking up projects would get simplified, bundling of projects within ministries or departments, single approvals for multi-faceted projects and avoiding duplication of efforts and costs would become possible. A holistic approach to the infrastructure and logistics projects would ensure faster pace of development and is indeed expected to bring out efficiencies as well as governance in the system.”

The plan aims at a centralized transportation and logistics grid. Currently, logistics and supply chain costs account for around 12% of the Gross Domestic Product (GDP) as compared to the global average of 8%. This is due to excessive dependence on transportation by road and the



under-utilisation of waterways, air and rail networks. Due to these inefficiencies, India's products become costly as compared to the other countries and are less competitive globally.

The major targets/highlights of the new plan includes:

- Roadways capacity to be increased with the National Highway network to touch the 2 lakh km mark.
- Aviation will receive a massive boost with around 200 new airports, heliports and water aerodromes envisioned in the plan.
- Capacity of railways transport cargo to be increased to around 1600 tons by FY25.
- Ease in the electricity access with the transmission network to be increased to 4,54,200 circuit km.
- Renewable capacity to be increased to 225 GW by FY25. Also around 17,000 kms of gas pipelines will be completed in the same year.
- 4G connectivity for the villages by FY22.
- 20 New mega food parks.
- Substantial new employment opportunities will be created through the launch of the Gati Shakti Plan.

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