

INFRASTRUCTURE NEWSLETTER

Infrastructure Policy & Finance (IPF) Division, Department of Economic Affairs



सत्यमेव जयते



KEY DATA AND INDICATORS

Public Debt (₹ Lakh Crore)

Period	Internal	External
Q4 2019	86.03	6.25
Q1 2020	80.19	5.85

Source: [DEA](#)

Foreign Investments (₹ Crore)

Period	FDI	FPI
Q1 2019	113,511	41,209
Q1 2020	49,820	3,794

Source: [DIPP](#) and [NSDL](#)

CPI & WPI Inflation (%)

Period	CPI	WPI
April '20	7.2	-1.6
May '20	6.2	-3.4
June '20	6.1	-1.8
July '20	6.7	-0.3

Source: [Office of The Economic Advisor](#)

IIP (Base Year 2011-12)

Month	Aug 20	Sept 20
Mining	83.7	87.6
Manufacturing	118.3	125.3
Electricity	162.7	166.4
General	116.9	123.2

Source: [MOSPI](#)

In – Focus

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10th UK- India Economic and Financial Dialogue held on 28th October' 20



The 10th UK-India EFD stressed on strong bilateral ties and investments that support over half a million jobs across two countries. Among other things, the dialogues focused on impact on Covid-19 and imperatives for sustainable recovery.

The delegation announced a new annual UK-India Financial Markets Dialogue to share expertise, experiences and deepen collaboration between financial sectors. The first meeting is slated to take place in 2021.

The delegation also announced UK-India strategic collaboration to accelerate the development of GIFT City (Gujarat International Finance Tec-City), India's first International Financial Services Centre, and promote greater links between GIFT City and the UK financial services ecosystem by bringing together both governments, regulators and business to share experiences and expertise.

The UK delegation welcomed India's initiatives aimed at strengthening markets and improving investment flow.

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INFRASTRUCTURE POLICY ENABLEMENT

MNRE issues guidelines for procurement of Power from Wind- Solar hybrid projects

Ministry of New and Renewable Energy (MNRE) has issued the guidelines, to ensure availability of renewable energy to Discoms at competitive rates.

The objective is to provide a framework for procurement of electricity from ISTS Grid Connected Wind-Solar Hybrid Power Projects having minimum size of 50 MW. SECI will be nodal agency for implementation of this framework.

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MoPNG modifies India Strategic Reserve policy

The modifications will enhance commercial viability of Strategic Petroleum Reserves (SPRs) of Indian Strategic Petroleum Reserves Limited (ISPRL).

The move will allow UAE based Abu Dhabi National Oil Company (ADNOC) to export crude oil it has stored in Indian strategic reserve and lower the quantity of crude oil it must always keep in the emergency stockpile. It will make it commercially more attractive for the foreign investor to fill Indian Strategic Reserves.

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Relaxation in qualification norms for NHAI Projects

NHAI has relaxed the qualification norms for Projects to be bid out under Hybrid Annuity Model (HAM) and Build, Operate, Transfer (BOT) mode.

Major relaxation includes, annual turnover requirement reduced from 25% of estimated project cost (EPC) to 15% of EPC and no prior experience of bidder required for constructing tunnels up to 200 meters and bridges up to 60 meters length.

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NITI Aayog launches National Program and Project Management Policy Framework (NPMPF)

NITI Aayog and Quality Council of India (QCI) launched the NPMPF to bring radical reforms in the way infrastructure projects are executed. The framework has been designed to adopt a program/ project management approach in projects development, institutionalise the framework and among the professionals and improve institutional capacity. The framework focuses on project management certification of professionals and adoption of best practices.

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Finance Minister holds review meeting on CAPEX of CPSEs

The Hon'ble Finance Minister held a review with secretaries of MoPNG and Ministry of Coal along with the 14 CPSEs under these ministries to review the capital expenditure (CAPEX) in this financial year. This was 4th in the ongoing series of meetings that the Finance Minister to accelerate the economic growth amidst ongoing COVID-19 pandemic.

The Finance Minister encouraged the CPSEs to perform better to achieve their targets and to ensure that the capital outlay for FY 2020-21 is spent properly and within time.

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Finance Minister announces measures to stimulate capital expenditure

The announcement covered both Central and State Governments. Union Finance Minister while announcing the scheme stressed upon the role of capital expenditure and its multiplier effect on economy.

Under the scheme State Governments will be issued a special interest free 50-year loan for Rs. 12,000 Crore expenditure. States will have to spend allocated money by the end of FY 2021.

Additional budget of Rs 25,000 Crore provided for capital expenditure on roads, defense, water supply, urban development and domestically produced capital equipment.

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CABINET APPROVALS ON INFRASTRUCTURE

Cabinet approves revised cost for Kolkata Metro

The Union cabinet has approved the revised cost for East West Corridor Project. The Project will be implemented by Kolkata Metro Rail Corporation (under Ministry of Railways) at a cost of Rs 8,575 Crore. The cost will be shared by Ministry of Railways (Rs 3,268 Crore), Ministry of Housing and Urban Affairs (Rs 1,148 Crore) and Japan International Cooperation Agency (Rs 4,158 Crore).

The Project will be completed by December 2021

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Cabinet approves “Natural Gas Marketing Reforms”

In a significant step towards gas-based economy CCEA has approved “Natural Gas Marketing Reforms”. The objective of the policy is to prescribe standard procedure to discover market price of gas to be sold in the market by gas producers, through a transparent and competitive process. The policy permits Affiliate companies to participate in the bidding process.

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INFRASTRUCTURE MARKET NEWS

120 Applications received for PPP in train operations

Ministry of Railway (MoR) has received 120 applications from 15 firms in response to RFQ floated by it in July this year. This is first of a kind initiative in railways sector, wherein MoR will privatise operations of passenger train services in 12 clusters comprising 140 Origin-Destination pair of routes through introduction of 151 modern trains.

The clusters include Mumbai, Delhi, Chandigarh, Patna, Chennai, Bengaluru, Prayagraj, Howrah, Jaipur and Secunderabad. The project is expected to entail private sector investment of about Rs 30,000 crores.

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L&T wins Gujarat stretch of Bullet Train Project

The project was awarded at a cost of Rs 25,000 Crore. L&T will execute a portion of Ahmedabad- Mumbai High speed line. The project has to be completed in 4 Years.

Earlier bids were opened by the National High-Speed Rail Corporation Limited (NHSRCL) for the nearly Rs 1.08 lakh crore rail corridor project covering the Gujarat stretch.

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PPPAC approves Eco Tourism Resorts in Andaman

Ministry of Home Affairs (MHA) proposal to develop Eco tourism resort in Lalaji Bay, Long Island, Andaman & Nicobar under DBFOOT model has been approved by Public Private Partnership Appraisal Committee (PPPAC).

The Estimated Project Cost is Rs 391 crore and will be operational in next four years. Concession period will be for 75 years. Concessionaire will be selected based upon Annual Concession fee offered by bidders.

PPPAC accords In Principle Approval for Redevelopment of New Delhi and CST Railway Stations

New Delhi Railway Station (NDLS) and Chhatrapati Shivaji Maharaj Terminus (CST) will be redeveloped along with commercial facilities on DBFOT basis under PPP mode. The objective is to provide world class amenities to passengers and promoting overall development of the station and surrounding land parcels into an integrated transit-oriented development. The project will cost Rs 4,425 crore for NDLS and Rs 1,796 crore for CST. Concession period will be for 60 years. Implementing authority for New Delhi railway station and CST will be Rail Land development Authority (RLDA) and Indian Railways Stations Development Corporation (IRSDC) respectively.

Passenger handling fee and User Fess will be fixed by MoR. The concessionaire will be free to determine and collect income from advertising, ROW and such other income.