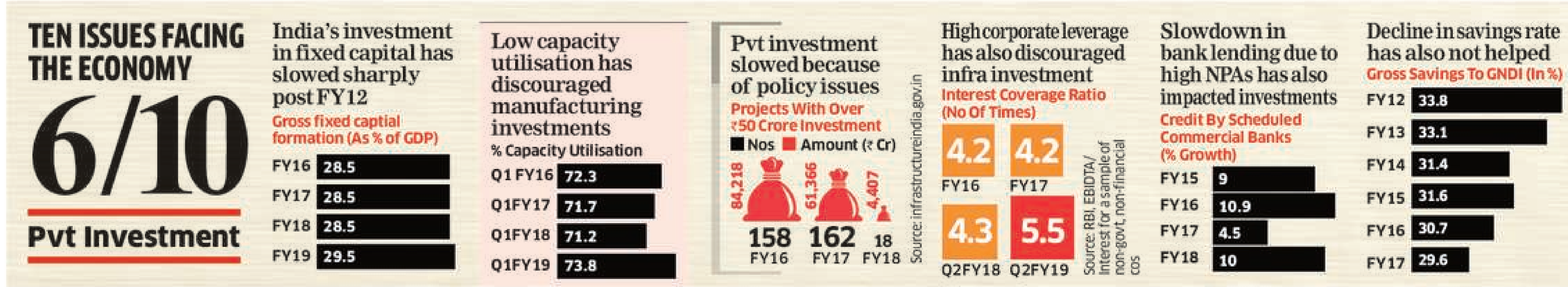
INFRASTRUCTURE



IN FOCUS

Operating Ratio of Railways Likely to Improve

It's expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 and to 95% in 2019-20

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The government has sharply accelerated the development of highways, ports and waterways, and made the Indian Railways much safer and financially more efficient, interim finance minister Piyush Goyal told Parliament on Friday.

Goyal made the highest ever capital-expenditure allocation of ₹1.58 lakh crore for the railways in the interim budget, while leaving passenger fares and freight rates unchanged ahead of general elections this year.

India is building roads at 27 kms a day, the minister said, calling it the fastest pace anywhere in the world.

He said the country had made rapid progress in helping ordinary citizens get access to air travel. There are more than 100 operational airports, which have helped increase air traffic and create jobs, he added.

India's long coastline is also being used to create jobs and expand shipping and ports under the Sagar Mala project. "Our efforts in the Sagar Mala programme will be scaled up and we will develop other inland waterways faster," he said.

Goyal, who is also the minister for railways and coal, said the country's rail transportation was getting better, safer and more efficient.

The operating ratio of the railways is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 and to 95% in 2019-20, he said. The operating ratio — a measure of expenditure against revenue — is an important parameter to gauge the health of railway finances.

Terming the year as the safest in railways' history, Goyal said the government had made steep progress in eliminating unmanned level crossings, which have been a major cause of accidents. "All unmanned level crossings on the broad-gauge network have been completely eliminated," he said.

The minister said the railways was set to offer passengers a world-class experience with the introduction of an indigenously developed semi-high-speed train, Vande Bharat Express.

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"Passenger will get the world-class experience with speed, service and safety," he said, adding that this major leap in locally developed technology would give an impetus to the Make in India programme and create jobs.

The capital support from the budget for the railways is proposed to be ₹64,587 crore in 2019-20. The gross budget estimates under revenue for the year 2019-20 is ₹2,72,705.68 crore, recording an increase of ₹22,854.67 crore over the revised estimates for 2018-19.

He allocated ₹7,255 crore for construction of new lines, ₹2,200 crore for gauge conversion, ₹700 crore for doubling of tracks, ₹6,114.82 crore for rollingstock and ₹1,750 crore for signalling and telecom.

Can't Eradicate Poverty If 85% Oil is Imported

ANIL AGRAWAL
Executive Chairman, Vedanta Resources

The interim budget for FY2020 is big on vision and big on delivery. In one stroke, it aims to address the stress in the farming sector, provide social security cover to the unorganised sector, and put more money in the hands of our tax-compliant middle class. The government must be applauded for presenting a holistic budget with an aim to boost India's consumption story while keeping a firm check on inflation.

The budget unveiled a series of measures to address various facets of India's economy and was not limited by the fact that this was the last budget of a government before 2019 general elections. To my mind, reforms are a continuous process and governments can continue with such ideas and thoughts to take India's growth story forward.

The farm package under 'Pradhan Mantri Kisan Samman Nidhi' was the need of the hour to provide relief to small and marginal farmers in the country. The farmers have been battling several challenges, including drought in some pockets, rising input costs, erratic climate and lack of adequate remuneration for their output. The announcement to provide direct income support of ₹6,000 per year for cultivable land of up to 2 hectares will provide assured supplemental income to the most vulnerable farmer families.

Another significant takeaway is the social security net for the unorganised sector. Finance minister Piyush Goyal was spot on when he said half of India's GDP comes from the sweat and toil of 42 crore workers in the unorganised sector, working as street vendors, rickshaw pullers, construction workers, rag pickers, and domestic helpers. These critical cogs in India's economic wheel get no support from the formal economy. I wish to compliment Prime Minister Narendra Modi for arriving at a comprehensive social security cover for this segment of the society, where they will receive a pension of ₹3,000 per month from the age of 60 and they need to contribute only ₹100 per month till the age of 60 years.

Beyond these immediate relief measures, the budget also drew a comprehensive outline and identified 10 core areas to build a New India by 2030. This vision perfectly complements the government's mission to make India a \$5-trillion economy in five years and a \$10-trillion economy in eight years. The 10 dimensions range from building robust physical and social infrastructure for ease of living to expanding rural industrialisation, taking digital economy to all sectors, and lead the world in transport revolution through electric vehicles, renewable energy and energy storage devices. If future governments start to implement this vision with right policy measures, India will be firmly on track to be a developed nation in the coming years.

The budget unveiled a series of measures to address various facets of India's economy

However, it is critical that igniting the engines of growth on multiple fronts does not suffer from paucity of finances. Further, the government must ensure that the poor, the marginalised, and the rural economy are not left out even as the rest of the nation moves to the new orbit of development. Thus, social sector schemes must continue to help these sections of the society raise their standard of living.

All this will require copious amounts of funds. It is here that the government must add an 11th dimension to its multi-pronged approach — monetise what is below the ground.

While our natural resources sector across metals and minerals hold tremendous potential, we cannot think of eradicating poverty if we import 85% of oil. We have to produce 50% of oil in this country. Same applies to anything below the ground, whether it is gold, coal, uranium or iron ore. An all-round development of India's natural resource sector will not only generate sufficient funds to boost various social sector programmes, but also generate a large number of jobs, create a vibrant and supporting ecosystem of processing units and SMEs, and usher in prosperity and quality life across the length and breadth of the country.

It is high time the government focused more on under-the-ground exploration, not only to drive self-sufficiency and cutting dependence on imports but also to propel Indian economy towards the \$10-trillion mark.

IN A NUTSHELL

- **Social sector schemes must** continue to raise standard of living
- **Development of natural resources** must to drive self-sufficiency
- **Engines of growth on** multiple fronts shouldn't suffer from paucity of finances