

Highway construction gathers pace

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AFTER THE GRADUAL increase in highway construction in the initial two years of the Narendra Modi government, it seems to have entered a higher growth trajectory in recent months: as against 22.3 km per day in the last financial year, the pace of building highways has accelerated to 30 Km/day-mark in May, 2017.

Sources said with several projects awarded in the last few years having reached the construction phase now and their “better monitoring” by the ministry of road transport and highways (MoRTH) and NHAI, the construction would gather further pace in June and subsequent months.

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The average construction in the first two months of the current fiscal at 26.6 km/day, is much higher than the 19.26 km/day clocked in the same period last fiscal. It, however, still falls short of the ministry's ambitious 41 km/day target for the entire 2017-18 fiscal.

Of course, most of the projects being constructed are through the EPC route where the funding is by the government. Although pure PPP (build operate transfer) projects are hard to come by, speaking at the *Indian Express* Group's Idea Exchange programme, roads and highways minister Nitin Gadkari has said hybrid annuity model – which involves minimal risk to the private developer – is fast becoming a success with a large number of such projects reaching financial closure.

MoRTH sources said a total of 1,627 Km highways have been built in the first two months of this fiscal: 1,176 Km by MoRTH and state PWDs, 435 Km by NHAI and the balance 16 km by National Highways and Infrastructure Development Corporation (NHIDCL). MoRTH had built 792 Km and NHAI 383 Km during the same period last year, taking the total to 1,175 Km.

In the last fiscal, the Gadkari-led ministry kept the target for construction at 15,000 km, but only 8,142 km could be built, averaging at an all-time high pace of

22.3 km per day, though this was the highest till then. The target, however, has been kept at the same level for the current year.

One of the focus areas of the Narendra Modi government, construction of highways figures prominently in its overall effort to multiply infrastructure investments. The pace of construction has been growing steadily since the NDA government assumed power in May 2014. Compared with 4,216-km highway construction in 2013-14, the number grew to 4,410 km in 2014-15, 6,061 km in 2016-17 and 8,142 km in 2017-18.

The pace of project awards, however, was slower during the April-May period of the current fiscal compared with the same period last fiscal. While MoRTH and NHAI awarded 376 km and 3 Km highway roads for construction in the first two months of the current fiscal, the two agencies had cumulative awarded 639 Km in the same period last fiscal.

NHAI did not award any project in April this year and awarded just 3-Km projects in May this year. However, in the last two months of the last year, NHAI had awarded 225 Km while MoRTH awarded 382 Km and NHIDCL 32 Km. Unlike in the past, MoRTH or NHAI do not award any highway project now unless 90% of the land is available.

Gadkari had earlier attributed the slow pace of highway construction to problems in land acquisition and utility shifting, non-availability of aggregates, poor performance of contractors and delay in various clearances.

Any project worth below Rs 500 crore is awarded by the highways secretary. The minister has

the power to award projects worth up to Rs 1,000 crore and beyond that, the Union Cabinet takes the call. Starting from 2014-15, in the last three years, 7,980 km, 10,098 km and 16,036-km highway projects have been awarded and it generally takes two to two-and-a-half years to complete a highway project. For the current fiscal, the target of awarding highway projects has been kept at 25,000 km – same as the last fiscal.