



Highways sector on expansion drive but project delays persist

KEY HURDLES. Delays in land acquisition, utilities shifting and environmental clearances among concerns

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Leaving behind a good infrastructure is a legacy which every government aspires for. “We consider infrastructure development as the driving force of the economy,” Prime Minister Narendra Modi emphasised last month highlighting his government’s efforts in the last 10 years to expand roads and highways infrastructure, an exercise crucial to propel India among the top three economies globally.

The tenure of the Modi government can be delineated into two phases — 2014-2019 and 2020-2024 — with the first focused on policy formulation to expand national highways (NH), while the second concentrated on increasing the role of private sector, monetisation and focus on high-speed access controlled roads to reduce travel time, a key to boost logistics connectivity.

Infrastructure, particularly logistics, is the key to develop manufacturing capabilities of an emerging economy. To this effect, the Centre expanded the NH network by 60 per cent to more than 1,46,145 km at the beginning of 2024, from 91,287 km in 2014.

The total length of four-lanes and above NHs rose from 46,179 km in December 2023 from 18,387 km in 2014. While the total length of high-speed corridors in 2014 was 353 km, it rose to over 3,913 km in 2023. The Government also raised capital expenditure on infrastructure. As per Crisil Market Intelligence & Analytics, India spent an estimated ₹66.7-lakh crore between FY17 and FY23.

Roads and highways play a critical role in transportation, serving about 85 per cent of passenger traffic and 70 per cent of goods movement annually.

REFORM AND PERFORM
Daleep Thusu, Senior V-P and Transportation Expert at Rudrabhishek Enterprises (REPL), noted that road network has grown and assessing the two phases reveals significant progress, albeit with variations.

“During 2014-2019, there was a significant push towards infrastructure development,



BIG PUSH. The Centre expanded the national highways network by 60 per cent to more than 1,46,145 km at the beginning of 2024, from 91,287 km in 2014, apart from increasing capital expenditure on infrastructure

with focus on awarding contracts for new highways and enhancing connectivity across India. The Government successfully accelerated highway construction, increasing NH length substantially. However, challenges such as delays in project implementation and land acquisition issues persisted,” he pointed out.

In 2020-24, emphasis shifted towards monetisation strategies such as toll-operate-transfer (TOT) models to attract private investment, which was aimed to expedite construction and bolster revenue generation through toll collections. This phase witnessed advancements in terms of innovative financing mechanisms and increased focus on maintenance. However, there are concerns regarding sustainability of monetisation strategies and need for stringent maintenance protocols, Thusu added.

Highway construction activity is expected to slow down in FY25 due to delay in

awarding contracts in FY24. Besides, delay in approving the revised proposal of Bharatmala Phase-1 has also impacted the pace.

National Highways for Electric Vehicles (NHEV) National Project Director Abhijeet Sinha said the first 5 years focused on structural reforms to reduce project planning, land acquisition, commencement, survey, contracting and awarding tenure to minimum. The second phase concentrated on performance focussed on increasing delivery speed, flexibility and financial liquidity.

DELIVERING ON PROMISES

In the last decade, the Ministry of Road Transport and Highways (MoRTH) came out with several initiatives aimed at improving service delivery. Initiatives such as stringent regulations for enhancing road safety to reduce fatalities. Besides, introduction of a scrappage policy for old vehicles, ac-

cess-controlled high speed roads and promotion of flex fuel vehicles are other major policy interventions.

Thusu agrees that MoRTH has taken several initiatives to address various promises related to road safety and infrastructure development, but the degree of delivery varies across different initiatives.

“Efforts to reduce road fatalities have seen some progress through measures like stricter enforcement of traffic laws, awareness campaigns, and infrastructure upgrades. However, road safety still remains a significant challenge, and more comprehensive strategies may be needed to achieve substantial reductions in fatalities,” he added.

The full implementation of the scrappage policy, which aims to retire old vehicles and promote adoption of newer and safer vehicles, remains to be seen. Mandating all-seat belts and other safety features in vehicles have been enforced to enhance occupant protec-

tion, contributing to improved safety standards.

“The promotion of flex-fuel vehicles aligns with broader environmental goals, but widespread adoption and infrastructure development for alternative fuels are ongoing challenges. Access-controlled highways and GPS-enabled tolls have been introduced to enhance traffic management and toll collection efficiency, contributing to smoother and safer travel experiences,” Thusu said.

Several policies and initiatives contributed to the expansion and nurturing of the roads sector such as the Bharatmala Pariyojana. The Pradhan Mantri Gram Sadak Yojana also played a crucial role in connecting rural areas by providing all-weather road connectivity.

CHALLENGES

Despite these efforts, several challenges persist. Delays in land acquisition, utilities shifting and environmental clearances have hindered project execution, leading to cost overruns and delays. Inadequate maintenance of existing roads and infrastructure has also been a concern, leading to deterioration of road quality and safety hazards. Additionally, lack of coordination among different government agencies have hampered implementation of road projects.

Hits & Misses

- Addition of over 50,000 km to the National Highways network
- Monetisation of National Highways yielded over ₹26,366 crore
- Completion of Delhi-Mumbai Expressway as well as Eastern & Western Peripheral Expressways

- Road safety still remains a significant challenge
- Scrappage policy's full implementation and effectiveness remain to be seen
- Infrastructure development for alternative fuel needs to be speeded