
PM GatiShakti Budget 2022-23

While presenting Union Budget 2022-23 on February 1, 2022, Union Finance Minister, Mrs. Nirmala Sitharaman, in line with Prime Minister Narendra Modi's Vision of Development Saturation (India @100) to be achieved by 2047, the 100th year of independence of India, laid out certain **goals of the Government of India** to be achieved in the next 25 years during the Amrit Kaal

1. Complementing the macro-economic level growth focus with a micro-economic level inclusive welfare focus,
2. Promoting digital economy & fintech, technology-enabled development, energy transition, and climate action, and
3. Relying on public capital investment helping to crowd in private investment.

According to the Union Finance Minister, **as a blueprint for the Amrit Kaal**, the Budget 2022-23 provides impetus for growth along **four priorities**:

1. PM Gati Shakti - National Master Plan for Multi-modal Connectivity
2. Inclusive Development
3. Productivity Enhancement & Investment, Sunrise
4. Opportunities, Energy Transition, and Climate Action
5. Financing of Investments

1. PM Gati Shakti - National Master Plan for Multi-modal Connectivity:

Describing the Gati Shakti as a transformative approach for economic growth and sustainable development, the FM said that the approach is driven by **7 engines - roads, railways, airports, ports, mass transport, waterways and logistics infrastructure** - and is supported by energy transmission, IT communication, bulk water and sewage and social infrastructure. The approach is powered by clean energy and sabka prayas- the efforts of the Central and the State Governments and the private sector. The projects relating to these 7 engines in the **National Infrastructure Pipeline (NIP)** will be subsumed in the PM GatiShakti. Launched in 2019, the NIP is a plan to implement 7,400 infrastructure projects with an outlay of 111 lakh crore by 2024-25. In the Budget 2022-23, the FM announced the following initiatives as part of the PM GatiShakti:

1. PM GatiShakti Master Plan for **Expressways** will be formulated in 2022-23 to expand the National Highway Network by 25,000 km and for this, 20,000 crore will be mobilized through innovative ways of financing to complement the public resources.
2. Contracts for setting up **Multi-modal Logistics Parks** at 4 locations through PPP mode will be awarded in 2022-23. These parks provide complete logistic services to facilitate movement of goods and people across multiple modes of transport.
3. **100 Cargo rail terminals** for multi-modal logistics will be developed during the next 3 years. A railway station at the end of a railway line is called a rail terminal, which has facilities for the transfer of passengers and goods to other modes of transport.
4. The railways will popularise '**One Station-One Product**' concept by encouraging each railway station to promote the supply chain of a local product to help local businesses.
5. About 2000 Km of railway network will be brought, in 2022-23, under **Kavach**, an indigenous anti-collision technology for safety and capacity augmentation.

-
6. 400 new generation **Vande Bharat Trains** will be manufactured in the next 3 years. Designed and manufactured under the Make-In-India initiative, these trains are engine-less, semi-high speed trainsets that have faster acceleration and deceleration, better energy efficiency and passenger riding experience. Currently, Railways runs two such trains from Delhi - to Varanasi and Katra (Jammu) - launched in 2019.
 7. National Ropeways Development Program (**Parvatmala**) will be taken up on PPP mode. Contracts will be awarded in 2022-23 for 8 ropeway projects of 60 Km length. The GoI decided to develop ropeways in hilly areas as an ecologically sustainable alternative to roads and so, the GoI (Allocation of Business) Rules 1961 was amended in February, 2021 to enable the Ministry of Road Transport and Highways (MoRTH) to look after the development of Ropeways and Alternate Mobility Solutions.
 8. With technical support from the **Capacity Building Commission (CBC)**, various Central and State authorities will have their skills upgraded in planning, financing and implementing the PM GatiShakti projects. The CBC was set up in April 2021 under the **Mission Karmayogi** or National Programme for Civil Services Capacity Building, a bureaucratic reform initiative launched in September 2020. The CBC is headed by the chairperson of the Quality Council of India and comprises 2 other members.

PM Gati Shakti: What, Why and How?

Aimed at reducing the logistical costs, facilitating the last mile connectivity and also reducing travel time, the PM Gati Shakti - National Master Plan for Multi-modal Connectivity was first announced by the PM in his 2021 Independence Day speech and launched in October 2021, **for setting up a centralised portal to bring together 17 different Ministries in the Centre as well as in the States for integrated planning and coordinated implementation of infrastructure projects including roads and railways**. Now the Budget 2022-23 clarified that "the Ministries belonging to the 7 engines as described in the Budget 2022-23" will come under this project. The 100 lakh crore project connects economic zones like textile clusters, pharma clusters, defence corridors, electronic parks, industrial corridors, fishing clusters or agri-zones.

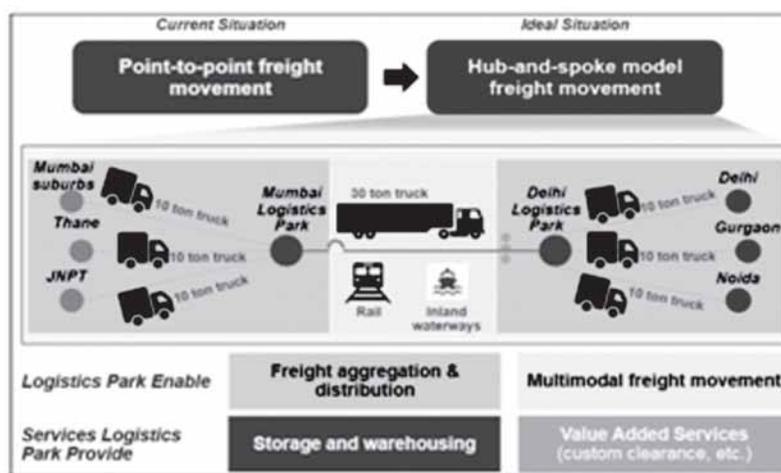
The multi-modal connectivity is an integrated connectivity for movement of people, goods and services from one mode of transport to another. Traditionally, there was lack of coordination between different Departments, for example, once a road was constructed, other agencies again dug up the constructed road for activities like laying underground cables, pipelines, etc. This not only caused great inconvenience but was also a wasteful expenditure. Instead of planning and designing separately in silos, the projects will be designed and executed with a common vision through the PM Gati Shakti.

Under the plan, the entire data on the existing and planned infrastructure schemes (**Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc.**) of various Central and State ministries will be provided at one portal. The portal will have critical data for comprehensive planning and execution of projects and each Department will have visibility of every other's activities. Through cross-sectoral interactions, each Department can prioritize their projects and synchronise their activities with those of other departments.

The plan (portal) involves the **extensive use of technology** including the satellite-based GIS tools developed by BiSAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics). A geographic information system (GIS) is a computer system for capturing, storing, checking, and displaying data related to geographical positions on Earth's surface.

Different kinds of data on forests, water bodies, mines, religious and archaeological sites, etc. will be shown on one map in the portal so that the projects can be re-aligned accordingly. Departments can also monitor and update the progress of their projects in the portal through the satellite imagery.

As many as 370 'layers' of data critical for infrastructure planning have already been uploaded on the portal. The portal will be **ready by the end of March, 2022** and after it is ready, all detailed project reports (DPRs) of infrastructure projects will have to be prepared on it. An Empowered Group of Secretaries headed by the Cabinet Secretaries will review, monitor and amend the projects in the portal. While the public and the businesses can also be given access to the information on this portal, a decision is yet to be taken on what kind of information should be made publicly accessible.



What is logistics? And what is the need to develop the sector?

The term 'Logistics' means a range of activities concerned with effective and efficient movement of products - semi-finished or finished - among manufacturers, distributors, retailers and end consumers. A **logistics park** is an area designed to offer complete logistics services from storage, distribution, re-configuration and more. Apart from these services, a **multi-modal logistics park** also provides value-added services such as custom clearances and IT services to facilitate multiple modes of transport.

India's high logistical cost (estimated at 14% of its GDP) has been long blamed for eroding the competitiveness of exporters. The GoI aims at reducing it by 5% over the next 5 years to the level of developed countries. In December 2021, as part of its Bharathmala project, the MoRTH (Ministry of Road Transport, and Highways) revealed its plan to set up **35 Multimodal Logistics Parks** at select places such as Maharashtra's Jalna, Nasik, Solapur and Sangli. These parks are expected to shift logistics from point-to-point to **hub-and-spoke model which refers to a distribution method in which a centralised hub exists. From the hub, goods travel outward to smaller locations owned by the company called spokes, for further processing and distribution.**