



The Infrastructure Industry in India

DIBD India

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Current Market Situation

- India, as the second most booming and fast growing market in the world after China is in a profound need of much more and efficient infrastructure in order to meet the vast national and international demand that India faces these years.
- Crumbling roads, jammed airports and power blackouts are major problems that India faces on a daily basis.
- Cars, trucks, buses, motorcycles, rickshaws, cows, dogs and pedestrians jostle for every inch on the poorly maintained roads in every big city in India.
- Today India has one of the biggest road networks in the world aggregating to 3.34 million km. However, national highways only constitute 2% of the total network, but still carries 40% of the total traffic in India.





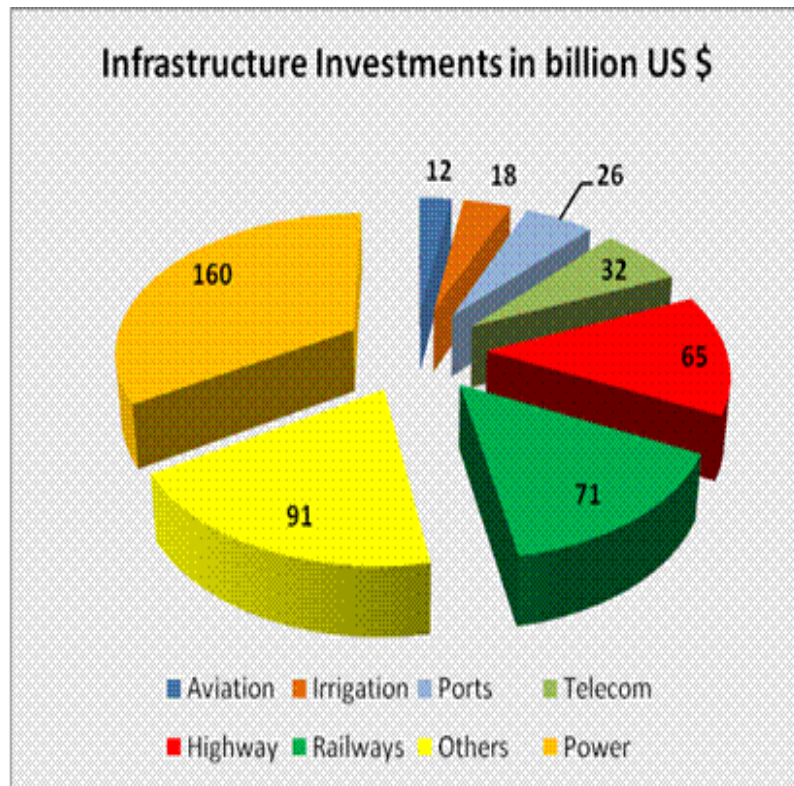
Current Market Situation

- Furthermore, these highways have not been maintained adequately for many years, and they are not extensive enough to give the massive traffic optimal and efficient conditions.
- India not only needs to improve their poor highway network though, but also to develop:
 - Railways
 - Metro systems
 - Shipping infrastructure
 - Aviation infrastructure
 - Sanitation and water system
 - and other basic facilities and installations needed for a society to function optimally.





Main Segments in the Infrastructure Industry



1. Energy
2. Oil & Gas
3. Telecom
4. Ports & Shipping
5. Roads & Bridges
6. Aviation & Airports
7. Water and Sanitation
8. Railways



Key Drivers for Indian Infrastructural Improvements

- India has underinvested in the infrastructural area for the past 60 years, thus India is far behind in terms of exploiting their full GDP potential.
- Population growth of more than 15 million a year (more than 40,000 per day)
- Growing urbanization – today more than 40 cities with more than a million inhabitants.
- Increasing FDI coming to the country demanding better infrastructural conditions to enhance their business level.





Government Initiatives

- The Indian economy is expected to grow 8-9% the coming years, thus the Ministry of Finance (MF) has estimated that investments of US \$488 billion is required between 2008-2013.
- A significant share of this investment is expected to come from the private sector.
- However, the MF has outlined several of innovative schemes and guidelines in order to attract the investments. The most common form for raising capital is through PPPs (Public Private Partnerships).
- The Government has prepared a “Vision 2015” stating their goals with a planned investment of US \$8.2 billion just within the railway infrastructure. The Indian Railway System is the largest railway system in Asia operating more 11,000 trains everyday.





Future Main Projects in the Indian Infrastructure Industry

- The second airport in Mumbai is currently under the decision making process determining the investors for this large project. The airport will be constructed under a PPP framework. The new airport is expected to be completed within five years.
- The National Maritime Development Programme has 276 projects in pipeline expected to be implemented by 2012 at an investment of US \$12.7 billion. The Mærsk Group is a big player in the Indian maritime area. They currently have investments for US \$500 million in India.
- The Indian Railway System is expanding their capacity on a daily basis. They have 260 projects in pipeline amounting to more than US \$12 billion.





Danish contact in India

- If you are interested to hear more about India and the rising infrastructure industry's possibilities do not hesitate to contact:
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