FROM THE EDITOR'S DESK

Greetings!

Infrastructure is a major sector which plays a key role for propelling India's overall development. A country's development is strongly linked to its infrastructure strength and its ability to expand trade, cope with population growth, reduce poverty and produce inclusive growth. The Indian economy is still expanding significantly, and substantial investment in infrastructure continues to be required in order to sustain India's economic progress. The country's capacity to absorb and benefit from new technology and industries depends on the availability, quality and efficiency of more basic forms of infrastructure.

The infrastructure sector primarily comprises of electricity, roads, telecommunications, railways, irrigation, hospitals, schools, colleges, water supply and sanitation, ports and airports, storing facilities, and oil and gas pipelines. India's infrastructure facilities, including transport, sanitation and electricity, are still estimated to be inadequate for its population; thereby expansion of infrastructure sector is a necessary prerequisite to further economic growth.

The 11th five year plan laid special emphasis on the development of infrastructure and proposed strategies for better investment in infrastructure. It persuaded the government to undertake initiatives such as public private partnerships (PPPs), to draw private sector investments into the infrastructure sector. This move has benefited several infrastructure companies, and has consequently renewed their interest in undertaking large scale infrastructure projects within the country. Major infrastructure development requires a substantial influx of investment capital. The policies of the Indian Government seek to encourage investments in domestic infrastructure from both local and foreign private capital. The country is already a hot destination for foreign investors.

PPPs have traditionally been formed to enhance the productivity and efficiency of infrastructure development activities. Public investment is still largely expected to finance infrastructure needs in backward and remote areas for improving connectivity and expanding much-needed public services. Since resource constraints will continue to limit public investment in infrastructure in other areas, PPP-based development needs to be encouraged wherever feasible. The government plans to draw an even mix of public and private sector investments in the 12th Five Year Plan through PPP and other initiatives.

In recent years, the PPP model in India has been fairly successful with several projects being implemented across sectors. However, one of the main problems confronting infrastructure and PPPs in India is the delay in implementing and executing large-scale projects resulting in time and cost overruns. Efficiency in implementing infrastructure projects in India is infrequent.

Success of an infrastructure project is greatly influenced by proper management of the risks associated with the project. A poorly designed project-delivery approach or the wrong decisions about procurement can also lead to delays, higher costs, and diminishing returns. Project risk management has to be a core element of project selection, planning, and design, and it has to be continuous across the entire life cycle of the project.

This issue presents a good number of articles on the cover story theme 'Infrastructure Development & Economic Growth' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.