



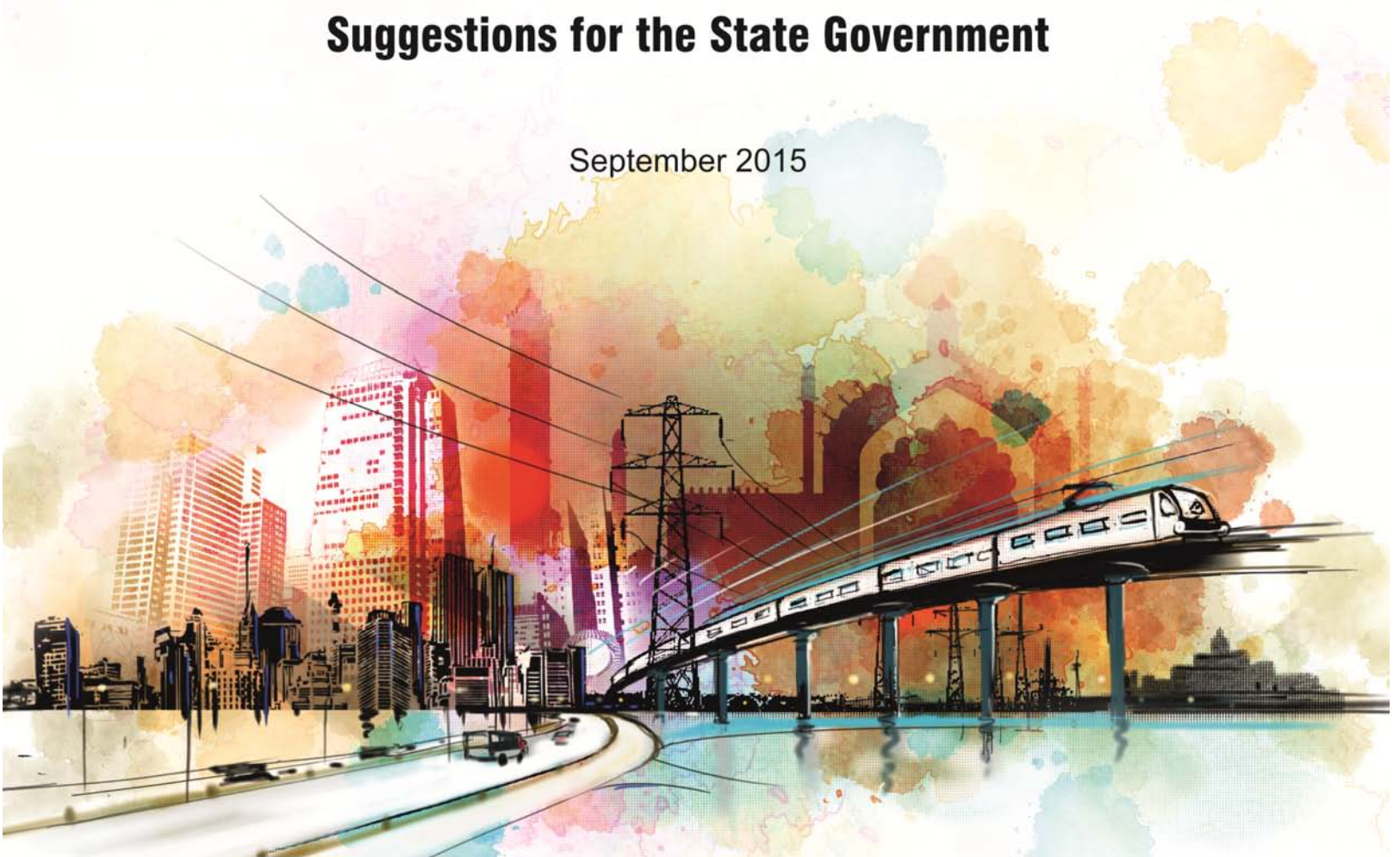
**PROGRESS HARMONY DEVELOPMENT**

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# NEXT GENERATION **INFRASTRUCTURE SUMMIT 2015**

## **Suggestions for the State Government**

September 2015



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## Next Generation Infrastructure Summit 2015: Suggestions for the State Government

### 1. Background

As you may be aware, PHD Chamber has been working diligently in the states of northern, eastern, central and north-eastern region and is always at the forefront for the development of the states. Consequently, the Chamber had recently organized the Next Generation Infrastructure Summit 2015 in Lucknow, Uttar Pradesh.

The summit was an attempt to deliberate on the infrastructure developments in the state with Hon'ble Chief Minister, Shri Akhilesh Yadav ji and to suggest further measures to improve infrastructure development in the state of Uttar Pradesh.

The Summit witnessed extensive participation of around 350 delegates from corporate, businesses, financial institutions, research bodies, banks, education institutes, real estate developers and so on. The summit was extensively covered by around 50 national and local dailies.

## 2. Key Takeaways

Uttar Pradesh Committee of PHD Chamber of Commerce & Industry in association with Government of Uttar Pradesh and supported by CREDAI, Radico Khaitan, Proplarity Group and Kent RO had organized a Summit on Next Generation Infrastructure under the theme of Building Uttar Pradesh of tomorrow on 6<sup>th</sup> August 2015 at Hotel Taj by Vivanta, Lucknow, Uttar Pradesh.

The parameters for discussions to Context were- UP is the largest state, boasts of being the 3<sup>rd</sup> largest cluster for MSME's. The State also possesses youngest population in the country and had a share of 9.8% in India's GSDP in 2013-14.

To understand the challenges that the state will face given the growth projection plans on infrastructure, identifying progress areas, opportunities, creating environment to achieve all the above, of a large emerging middle class, will become an attractive consumer base, the Summit was organized.

Dr Russell A Stamets, Director, JCSS Global Consulting, London, said spending in the area of developing infrastructure is a priority and the challenge is leveraging a tsunami of capital which is private, held up by lack of investable projects which could be a great way to arrive at a balance between high debt / high deficit.

Concern over lack of power, rural infrastructure, connectivity, at places where raw material is available, reducing migration from rural areas to urban areas were expressed. And the challenge is to create a single window of Clearance, An online data base, where land details can be accessed. To sum the Smart City: The smart City will be profitable, habitable area, hosting all smart management system

Mr. K K Gupta, Ex CGM- NABARD and Honrary Member, PHD Chamber , UP Committee, voiced his concern on how development of Infrastructure around Smart City development help those involved in Agriculture from rural areas not close to b / a cities in a /b towns. The suggested answer was Service based farming to commercial farming, from commercial farming to niche agriculture production. He said that Transformation, Technology, Information, Markets, Warehousing, Connectivity, Power push will help farm processing, development of basic agriculture. Cold chain distribution, namely, Farm to aggregation centre to airport.

Mr. R. K. Sharan, Regional Director, PHD Chamber, highlighted tourism flow figures of Uttar Pradesh, which are greater than Delhi and the reasons why Uttar Pradesh was identified for building 13 smart cities.

Dr. Lalit Khaitan, Chairman, UP Committee, PHD Chamber expressed how the Industry is upbeat about all promises in the process of being delivered in the state of Uttar Pradesh under the able-guidance of the Hon'ble Chief Minister. He highlighted how Industry Interactions connect government and industry; the growing and recognizable role of PHD that covers 58 verticals, connects with embassies and 60 chambers of commerce across the World.

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Ideas on how to decongest cities; Facilitate roof top power plant efficiency goes up by 40%, VAT on solar power plants were discussed in the meeting. Well being of the farmers, where 1 acre does not produce 50 k, the need to let the farmer understand return on capital, value of land , 1 percent vs earning 10% were elaborated upon. Count on all projects initiated across the spectrum of money divide, skills, renewable energy, CREDAI, World class infrastructure. Engine to growth, multi-fold were the other points of discussion that came up during the meeting.

The Contribution of Metro (LMRC) on the State, was highlighted by Mr. Mahendra Kumar ji, where the tracks are 23 kms, the Shuttles equipped with regenerative braking, tunnel ventilation energy efficient equipments, where photo voltaic cells are south facing to capture maximum of Solar Energy from the Sun, water conservation has been taken care of by water cooled chillers, the Metro is aiming for platinum certification for all stations and one city one ticket.

Mr. Navneet Sehgal, Principal Secretary, Information, Government of Uttar Pradesh, informed launch of expressways very soon from Lucknow to Azamgarh, Bullandshar to Jhansi, Jhansi to Gorakhpur will be announced and will be developed in the Lucknow Agra Expressway. It is a matter of great pride that 27,000 land registries were done, 3,200 hectare of land acquired in a period of 6 months. The Lucknow Agra expressway has 54 bridges, 159 passenger passes, and 600 culverts.

Mr. Sanjay Agarwal, Secretary, Power, Government of Uttar Pradesh said that the Government's seriousness and dedication can be measured by Budget figures allocated towards Power which has grown from Rs. 9000 cr last year to Rs. 27000 cr. He said that this year, building up of tehsils as nodal development centers and opening of 555 sub stations as well as open access to electricity will be focus of the state government.

The Hon'ble Chief Minister launched a report prepared by PHD Research Bureau, titled Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow. The report envisaged attractiveness of the state to become an investment hub in the time to come. The report states that State has the potential to attract US \$100 billion in infrastructure sector in next 3-5 years.

Mr. Akhilesh Yadav, Hon'ble Chief Minister, Government of Uttar Pradesh highlighted that the government had ramped up its power generation abilities, taken measures to plug line losses and given a strong boost to the solar power sector in the state. He added the government is committed to supplying 22 to 24 hours of power to urban UP and atleast 16 hours in the rural parts of the state by 2016. He also stressed the need to check illegal connections and cited the role model of Etawah where 27,000 new connections were sanctioned. On the suggestion of the Chamber, he has agreed to rechristen Shaheed Path.

Hon'ble Chief Minister verbalized that the state government has been making efforts to improve infrastructure in the state through various mega projects which are underway and assured the delegates at the Summit that all projects should be completed well before the Vidhan Sabha elections in the state. He also said that the Uttar Pradesh was the only state where the work on metro projects

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was undergoing in three cities and the reason why UP has the maximum number of cities to be transformed into Smart Cities is because the state government has done initial ground work to develop them which have helped them to qualify for development as Smart Cities. Mr. Akhilesh Yadav highlighted that the development of Lucknow-Agra Expressway would make a big difference to trade and commerce and brings in a lot of tourists. He appreciated the efforts of the Chamber in promoting development of farmers by giving them information on the latest techniques for farming which would encourage private investments in the sector. He also said that the growth of farmers will benefit members of PHD Chamber as they will get raw materials at lower prices.

### 3. Glimpses of the Summit



Hon'ble Chief Minister of Uttar Pradesh, Shri Akhilesh Yadav ji addressing the gathering

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**Launch of Study on Progressive Uttar Pradesh by Hon'ble Chief Minister of UP, Shri Akhilesh Yadav ji**



(L to R) Dr Bindeshwar Pathak (Padam Shree), Founder, Sulabh International, Mr. SK Garg, CMD, Eldeco Group & Chairman CREDAI, Mr. Mahesh Gupta, Sr. Vice President, PHD Chamber, Hon'ble Chief Minister of UP, Shri Akhilesh Yadav ji, Dr. Lalit Khaitan, Cairman, UP Committee, Dr. Abhishek Mishra, Hon'ble Minister of Technical Education, Mr. Navneet Sehgal, Principal Secretary, Information, and Mr. Mahesh Gupta, Principal Secretary, Industries, Government of UP.



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**Sr. Vice President, Shri Mahesh Gupta presenting memento to Hon'ble Chief Minister of Uttar Pradesh, Shri Akhilesh Yadav ji**



**Mr. Navneet, Seghal  
Principal Secretary, Information,  
Government of UP**



**Mr. Russell A Stamets  
Director, JCSS Consulting Pvt. Ltd**

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**Mr. Abhishek Mishra**  
Minster of State, Vocational Education  
& Skill Development



**Mr. S K Garg**  
Chairman, CREDAI, UP



**Dr Bindeshwar Pathak (Padam Shree)**  
Founder, Sulabh International



**Mr. Mahendra Kumar**  
Director (RS & S)/LMRC



**Mr. R K Sharan, Regional Director,**  
Uttar Pradesh & Bihar, PHDCCI



**Mr. Sanjay Agarwal**  
Principal Secretary, Energy, Government of UP

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**Momentos**



**Mr. Mahendra Kumar  
Director Lucknow Metro**

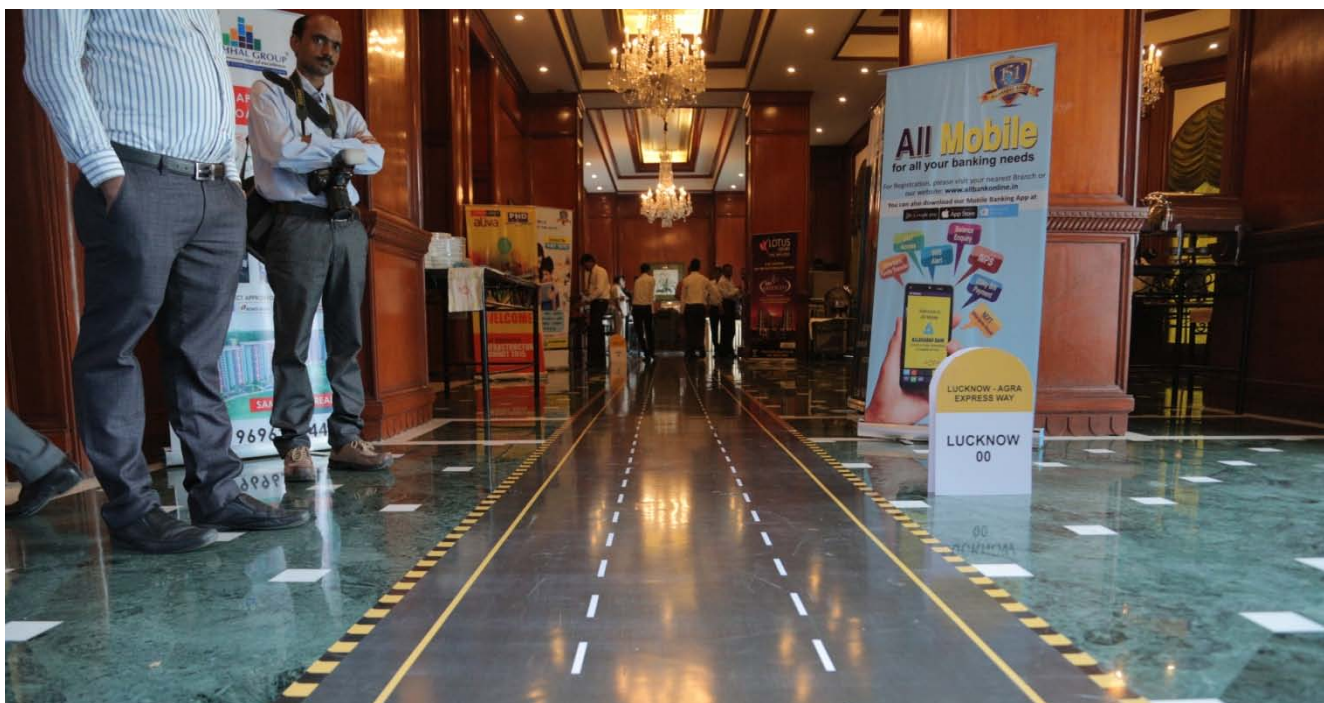


**(L to R) Mr Vinamra Agarwal, Managing Director, Technical Associates, Mr. Sanjay Sinha, Chairman, G C Construction, Dr Russell A Stamets, Director, JCSS Consulting, London, Mr. Saurabh Sanyal, Secretary General, PHD Chamber**

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**Audience view at the Summit**



**Model of Agra-Lucknow Expressway at the Summit**

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Model of Lucknow Metro

## 4. Recommendations to the Government

PHD Chamber of Commerce and Industry appreciates the efforts of the state government in up-scaling infrastructure developments in the state. We believe that due to the conducive policy environment and the scope for infrastructural development in various segments including roads, railways, energy, aviation, rural infrastructure, urban infrastructure, water and sanitation and social infrastructure, the state has every potential to attract large scale investments in infrastructure.

However, this would require large-scale infrastructure developments at the state level along with certain reform measures to attract more investments from domestic and foreign investors. Some of the recommendations are as under-

1. The development of 13 Smart cities in the state will give a major impetus to all-inclusive growth in the state. However, there is an urgent need to foster skill development in the state in various sectors, particularly the construction sector so that more and more labour is absorbed in the sector.
2. Speedy approvals of power projects, project management techniques, rapid upskilling of manpower, strengthening transmission and distribution system to reduce the transmission and distribution power loss.
3. Priority should be given to allocation of power out of unallocated pool and allocation of gas to meet the peak demand of the state.
4. Power concessions to be provided to foster development manufacturing sector in the state. The state government should provide long-term loans to large private investors to create new capacity in generation.
5. Open access model of Power Supply to be adopted which would not only provide power to all but also lead to optimal utilization of resources and also make the power sector a dynamic and competitive market.
6. Identifying alternative sources of energy such as wind, bio gas, agricultural biomass and hydro projects to meet the rising demand and supply gap of electricity.
7. To improve the water supply in the state, Uttar Pradesh Jal Nigam should be restructured.
8. Further, the state government should involve private sector or bring a number of municipalities together for developing new bulk schemes for water supply.
9. The IT Infrastructure should be improved so that the state becomes an IT hub for the whole country in the coming times.

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10. Set up an expert group committee in order to monitor the expansion and improvement of road networks in the state.
11. Road infrastructure should be strengthened by making it more efficient as per growing traffic requirements, upgradation of existing road network, construction of bye passes, bridges/Railway Over Bridges (ROBs).
12. Effective implementation of the state road safety policy should be done so as to control the recurring road accidents. Name of Ameer Shaheed Path in the city of Lucknow should be changed and there should be adequate lighting on the street to avoid accidents.
13. The state government needs to shift from road construction to buying road services at competitive prices with assured delivery. The Road Fund should be made more transparent and should have an independent road board.
14. Development of townships along the Lucknow-Agra Expressway would step up urbanization in the state.
15. The infrastructure of the region should be improved further with proper road connectivity and decongestion of traffic at National Highways to facilitate smooth flow of raw materials and finished goods to and from the industrial area.

## 5. Conclusions and Way Forward

The state of Uttar Pradesh is endowed with natural wealth in abundance such as minerals, forests, flora and fauna. The state has the third highest number of Micro, Medium and Small Enterprises (MSMEs) in the country. With an investment of over US\$ 4 billion, over 1,75,000 MSME units were set up during the 11th Five Year Plan. It has emerged as a key hub for IT and ITeS industries, including software, captive business process outsourcing (BPO) and electronics.

To develop a strong economy, the state government has been making serious and conscious efforts in the development of infrastructure and inviting private participation on a large scale. The state government has initiated Agra-Lucknow expressway which is a revolutionary initiative for infrastructure development in the state. The development of Expressway will facilitate better connectivity and provide employment opportunities to the people of the state.

Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh. This initiative would certainly make the state of Uttar Pradesh a world class state in the coming times.

Going ahead, we believe that the investments in infrastructure sector will push state's economic growth trajectory year after year and state has potential to attain double digit growth rate by 2020. However, this is possible only when the state government further strengthens the structure of the state economy with massive spending and reforms in physical infrastructure of the state.

The government must foster skill development in the state in various sectors, particularly the construction sector so that more and more labour is absorbed in the sector. Manufacturing sector should be provided power concessions and open access model should be adopted by the state government to fulfill the objective of Power to all.

Thus, there is a need for speedy approvals of power projects, project management techniques, rapid upskilling of manpower, strengthening transmission and distribution system and taking on alternative sources of energy such as wind, bio gas, agricultural biomass and hydro projects which would aid in meeting the rising demand and supply gap and making the state self reliant and power surplus. There is a need to strengthen road infrastructure by making it more efficient as per growing traffic requirements, upgradation of existing road network, construction of bye passes, bridges/Railway Over Bridges. Further, there should be effective implementation of the state road safety policy should be done so as to control the recurring road accidents. There should be implementation of the state road safety policy so as to control the recurring road accidents.

Going ahead, the reforms undertaken by the state government are expected to bring out strong outcomes which would pave the way for high and sustainable economic growth of the state in the coming times. We look forward to the state entering the double digit growth trajectory and PHD Chamber of Commerce & Industry will do its level best to contribute to the all-inclusive growth of the state.



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**We would like to place on record our sincere thanks to Mr. Hariom Kuthwaria, Graphic Designer, PHD Chamber who collaborated in producing this study.**

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**UTTAR PRADESH COMMITTEE**

In Uttar Pradesh, UP Committee has been playing an effective role and an office has been functioning in the State Capital for more than two decade. Over the years, the UP Committee has been organizing activities to highlight the issues of concern to members and those relating to economic development of the State.

The UP Committee has been influencing policy making by providing feedback to the State Government through submission of memorandum and representations. UP Committee is organizing regular interaction on specific subjects such as Infrastructure, Taxes, Environment, Banking, Legal, Education and Agriculture.



**Mr. R K Sharan**  
Regional Director  
Uttar Pradesh & Bihar



**Mr. Gaurav Pandey**  
Senior Assistant Secretary

## Next Generation Infrastructure Summit 2015: Suggestions for the State Government

### Studies Undertaken by PHD Research Bureau

#### **A: Thematic research reports**

1. Comparative study on power situation in Northern and Central states of India (September 2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India : Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 - India Poised to Enter Double Digit Growth Trajectory (February 2015)
33. Budget Analysis (2015-16)
34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)

#### **B: State profiles**

37. Rajasthan: The State Profile (April 2011)
38. Uttarakhand: The State Profile (June 2011)
39. Punjab : The State Profile (November 2011)
40. J&K: The State Profile (December 2011)
41. Uttar Pradesh: The State Profile (December 2011)
42. Bihar: The State Profile (June 2012)
43. Himachal Pradesh: The State Profile (June 2012)
44. Madhya Pradesh: The State Profile (August 2012)
45. Resurgent Bihar (April 2013)
46. Life ahead for Uttarakhand (August 2013)
47. Punjab : The State Profile (February 2014)
48. Haryana: Bolstering Industrialization (May 2015)
49. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015)

**PHD RESEARCH BUREAU**

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers.

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