



First Gati Shakti Cargo Terminal

For Prelims: PM Gati Shakti Scheme, National Infrastructure Pipeline.

For Mains: Mobilisation of Resources, Government Budgeting, Fiscal Policy, Government Policies & Interventions, Significance of PM Gati Shakti Scheme.

Why in News?

Indian Railways' **first Gati Shakti Cargo Terminal** commissioned in Asansol Division in pursuance of the Prime Minister's vision "[Gati Shakti](#)".

- This is the first such GCT commissioned in Indian Railways since the publication of GCT policy in December 2021
- It is **expected to enhance Indian Railways' earnings**. The commissioning of this terminal and more such terminals will have a very positive impact on the economy of the nation.

What is the PM Gati Shakti Scheme?

▪ **About:**

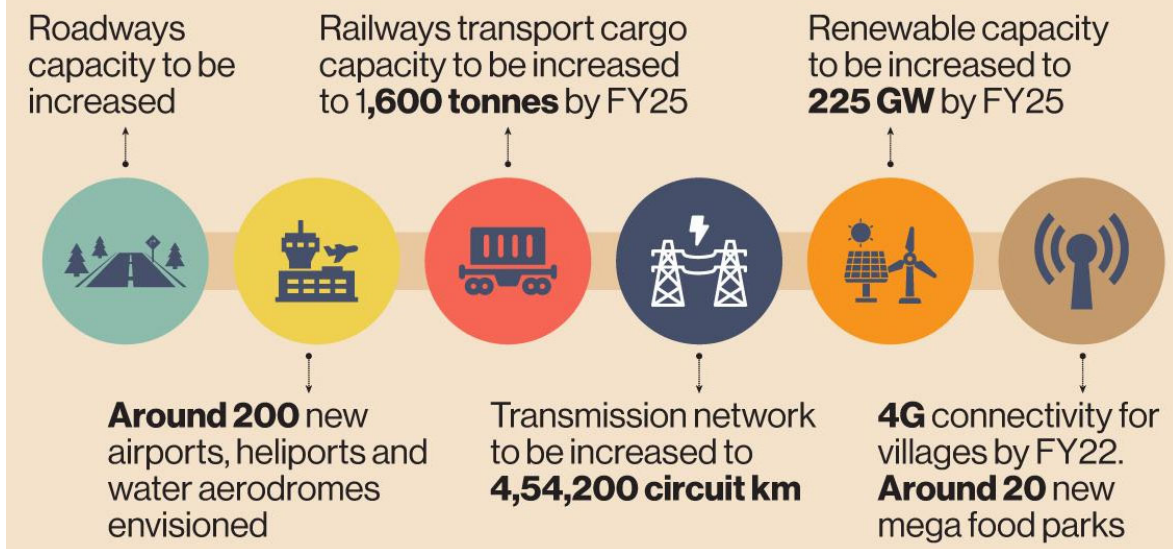
- In 2021 the government launched the ambitious **Gati Shakti scheme or National Master Plan for multi-modal connectivity plan**, with the aim of coordinated planning and execution of infrastructure projects to bring down logistics costs.

▪ **Aim:**

- To ensure **integrated planning and implementation of infrastructure projects in the next four years**, with focus on expediting works on the ground, saving costs and creating jobs.
- The Gati Shakti scheme will subsume the Rs 110 lakh crore [National Infrastructure Pipeline](#) that was launched in 2019.
- Besides cutting logistics costs, the scheme is also aimed at increasing cargo handling capacity and reducing the turnaround time at ports to boost trade.
- It also aims to have **11 industrial corridors** and two new **defence corridors** - one in **Tamil Nadu and other in Uttar Pradesh**.
- Extending [4G connectivity](#) to all villages is another aim. Adding 17,000 kms to the gas pipeline network is being planned.
- It will help in fulfilling the ambitious targets set by the government for 2024-25, including **expanding the length of the national highway network to 2 lakh kms**, creation of more than 200 new airports, heliports and water aerodromes.

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GATI SHAKTI MASTER PLAN



▪ Expected Outcomes

- The scheme will **help mapping the existing and proposed connectivity** projects.
- Also, there will be immense clarity on how different regions and industrial hubs in the country are linked, particularly for last mile connectivity.
- A holistic and integrated transport connectivity strategy will greatly support **Make in India** and integrate different modes of transport.
- It will **help India become the business capital of the world.**

▪ Need for Integrated Infrastructure Development:

- There exists a **wide gap between macro planning and micro implementation due to the lack of coordination** and advanced information sharing as departments think and work in silos.
- According to a study, the logistical cost in India is about 13% of GDP, which is higher than developed countries.
 - Due to this high logistical cost, the competitiveness of India's exports is greatly reduced.
- It is **globally accepted that the creation of quality infrastructure for Sustainable Development is a proven way**, which gives rise to many economic activities and creates employment on a large scale.
- The scheme is in synergy with the **National Monetisation Pipeline (NMP)**.
 - The NMP has been announced to provide a clear framework for monetisation and give potential investors a ready list of assets to generate investment interest.

What are the Challenges?

- **Low Credit Off-take:** Although the government had taken up 'strong' banking sector reforms and the **Insolvency and Bankruptcy Code** had yielded about Rs. 2.4 lakh crore of recoveries on bad loans, there are concerns about declining credit offtake trends.
 - Banks give credit off-takes to help businesses acquire financing for future projects through the promise of future income and proof of an existing market.
- **Lack of Demand:** In the **post-Covid-19 scenario**, there is a lack of private demand and investment demand.
- **Structural Problems:** Due to land acquisition delays and litigation issues, the rate of implementation of projects is very slow on global standards.
 - Getting approvals is very difficult in terms of land access, environmental clearances; also impending litigation in court delays the infrastructure projects.

Way Forward

- PM Gati Shakti is **a step in the right direction**. However, **it needs to address structural and macroeconomic stability concerns**, emanating from high public expenditure.
- Thus, **it is imperative that this initiative is underpinned by a stable and predictable regulatory** and institutional framework.

PYQ

Recently, India's first 'National Investment and Manufacturing Zone' was proposed to be set up in (2016)

- (a) Andhra Pradesh
- (b) Gujarat
- (c) Maharashtra
- (d) Uttar Pradesh

Ans: (a)

Source: PIB

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