A well-developed infrastructural set-up propels the overall development of a country. It also facilitates a steady inflow of private and foreign investments, and thereby augments the capital base available for the growth of key sectors in an economy, as well as its own growth, in a sustained manner. A robust real estate sector, comprising sub-segments such as housing, retail, hospitality and commercial projects, is fundamental to the growth of an economy and helps several sectors develop significantly through the multiplier effect.

The infrastructure sector, which includes segments such as energy, transport, water and sanitation, communication, and social and commercial infrastructure, is the focus area for key policymakers, banks and corporate to formulate and implement regulations. This is expected to ensure the time bound creation of world-class infrastructure in the country. India’s real estate industry has witnessed a paradigm shift from traditional finance to an era of structured finance, private equity and public offering.

Several reforms have already happened across various sub-sectors of infrastructure including, roads, airports, ports, power and urban utilities and progress have been however much remain to be achieved to sustain and enhance economic growth.

The Indian Chamber of Commerce (ICC) tries to galvanize the intellectual capital with support of concerned Governments and industry to delineate objective driven action points for Infrastructure development and their implementation.

The Department is headed by Paromita Bhowmick Chaki.

Infrastructure has been considered the sunshine sector in India, and has played a pivotal role in helping the country emerge as one of the fastest growing economies in the world. The sector is highly responsible for propelling India’s overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The real estate sector is closely related to infrastructure and is fundamental to its growth.

The Public Private Partnership (PPP) model introduced by the Indian Government in the sector has attracted domestic as well as foreign investment and stimulated the economy. PPPs have been identified as the most suitable mode for the implementation of projects – and indeed, are rapidly becoming the funding norm.
CURRENT SCENARIO

- The infrastructure sector has become the biggest focus area of the Government of India. Under Union Budget 2019-20, US$ 63.20 billion was allocated to the sector.
- According to Department of Industrial Policy and Promotion (DIPP), Construction Development sector and Infrastructure Activities sector received FDI inflows amounting to US$ 24.90 billion and US$ 13.49 billion, respectively from April 2000 to September 2018.
- Real estate sector in India is expected to reach a market size of US$ US$ 1 trillion by 2030 from US$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025.

FUTURE OUTLOOK

- Setting up of National Infrastructure and Investment Fund (NIIF) with initial investment of INR200 billion to increase investment flow to infrastructure projects
- The Real Estate Investment Trust (REIT) platform will help in allowing all kinds of investors to invest in the Indian real estate market and would create an opportunity worth Rs 1.25 trillion (US$ 19.65 billion) in the Indian market over the years.
- Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

KEY INITIATIVE

- Massive push to the infrastructure sector by allocating US$ 92.22 billion for the sector
- Railways received the highest ever budgetary allocation of US$ 22.86 billion
- US$ 31.81 billion will be invested in the smart cities mission. All 100 cities have been selected as of June 2018.
- The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban mission, the Pradhan Mantri Awas Yojana (Urban).