

REGIONAL REPORT: INDIA

Ambitious plans



MB Crusher has supplied a BF120.4 crusher bucket to the project to upgrade 600 km of the NH7 between Hyderabad to Bangalore. The unit is being used to produce 40 mm aggregates.

One key factor was the election result, which saw Manmohan Singh returned as Prime Minister with his Indian National Congress party gaining 206 seats in the 543-seat Lok Sabha (lower house). Although not an outright majority, it was an improvement on the 145 seats gained in the 2004 election, and allowed Mr Singh to shake-off some of the more troublesome partners and form a stronger coalition.

The stronger mandate seems to have emboldened the party as far as its key policies are concerned, and for the construction industry one of the most important areas has been a commitment to accelerate India's road building programme. The appointment of former commerce & industry minister Kamal Nath as minister for road transport and highways was warmly welcomed, and his speeches and statements have underlined a desire to speed up the execution of projects.

Most famously, soon after taking up the portfolio he announced his desire to build "20 km of roads per day", or over 7000 km per year – a huge acceleration from the 9 km or so run rate India reached in the first decade of its road building programme.

In order to achieve this, Mr Nath identified policy changes that were required, including simpler and faster procedures for land acquisition and reforms to laws relating to tolls.

Mega projects

Perhaps most interestingly, he has pushed the idea of awarding 'mega projects' – schemes that would be big enough to attract major overseas investment and construction expertise. What exactly constitutes a mega project is not yet clear. Speaking at last November's Excon exhibition in Bangalore, S K Mathur, chief general manager of the National Highways Authority of India

(NHAI) office in Kerala defined these as schemes with an investment value of INR 800 crore (US\$ 170 million) or more

However, other reports suggest such schemes could be as large as INR 8000 crore (US\$ 1.7 billion) each, for packages of roads of up to 800 km in length.

Indeed, speaking at the World Economic Forum in Davos, Switzerland at the end of 2009, Mr Nath said the NHAI was poised to award six to ten mega projects of about US\$ 1 billion each "soon", and that the target for the 2010 to 2011 financial year was to award some 11700 km of road schemes in total. But three months on, there is still no sign of any mega projects.



Sandvik has supplied four DT 820 underground drill rigs to Hindustan Construction Company (HCC) for construction of India's first underground crude oil storage cavern, at Vizag. The budget for cavern construction on 1.33 million tonne capacity facility is INR 375 crore (US\$ 81 million).