

of Petroleum sector. Electricity, and cement production witnessed significant deceleration in growth rates. The deceleration in the power sector is attributable to the slowing down in thermal power generation as well as hydro power generation. Seasonal water shortages and drought in some parts of the country during the period and high capital costs has led to the poor performance of the hydro generation.

9.4 The telecommunications sector continued its rapid growth. There is a slowing down in the growth of Railway revenue earning goods traffic, and cargo handled at major ports during April-December, 2000 compared to the corresponding period last year. (Table 9.1)

[illegible]

**BOX 9.2****New Initiatives for Infrastructure Development****General Measures**

- Progressive corporatization of public sector service providers in the areas of telecommunication and ports
- Customs duty reductions to boost Infotech, Telecom industries and other knowledge based industries.

**Power**

- Increased budgetary support provided for the Tehri Hydro and the Naphtha Jakhri Hydro projects to ensure their commissioning by March 2002.
- Assistance to States' power sector reforms and for undertaking investments on renovation and modernisation of old and inefficient plants and for strengthening the distribution system.
- Scheme for securitisation of dues of Central Sector Power and Coal utilities to assist the SEBs to clear these dues. Central Government support is linked to reforms in the operation of SEBs.

**Telecom**

- Domestic Long Distance Service has been opened up without any restriction on the number of operators.
- Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) have been corporatised by creating Bharat Sanchar Nigam Limited (BSNL) w.e.f. October 1, 2000.
- BSNL and MTNL permitted to enter as third cellular operator in their respective circles.

**Roads & Ports**

- Accelerated implementation of Prime Minister's National Highways Development Project (NHDP) from Petrol and Diesel additional cess and additional fund raising measures for NHAI.
- Capital gains tax exempted bonds made focussed to support National Highways.

**Railways**

- For improving safety, riding comfort and reliability, planned upgradation of track structure is being undertaken using heavier and higher tensile strength rails.
- For detection of any hidden flaws in the rails not visible to the naked eye, Ultrasonic Flaw Detectors (USFD) are used.
- Track circuiting has been completed on berthing portion at all Stations on A, B, C, D spl. and D routes of Indian Railways.
- Walkie-Talkie sets have been provided to drivers and guards of all trains for faster and better means of communication.
- Simulators are being installed for training of drivers.

**Civil Aviation**

- It is proposed to divest government equity in Indian Airlines and Air India.
- It is proposed to lease out international airport at Mumbai, Delhi, Chennai and Calcutta on long term basis.
- Setting up a new international airport at Bangalore, Hyderabad and Goa with private sector participation.

**Urban Infrastructure**

- Tax benefits for Housing enhanced.
- Tax holiday extended to urban infrastructure.

9.5 There are 189 central projects costing more than Rs. 100 crore that were in various stages of implementation as on November 30, 2000. There are 35 mega projects which cost more than Rs. 1000 crore. 45 projects are on schedule with respect to their original target, while 85 projects have been reported delayed.

9.6 The average cost overrun as a per centage of revised estimates is 7 per cent for the mega projects (which cost above Rs. 1000 crore) and 32 per cent for the major projects (which cost between Rs. 100 crore to 1000 crore). The cost overrun witnessed in these project could be largely due to time overruns, which are estimated to be 19 months on average.