

## Twitter Thread by [Aditya Shah](#)

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**How will next 10-15 years be different for India?**

**In the next 10 years, India will undertake massive infrastructure projects which will propel India to a \$5 Trillion economy**

**A thread on how India is spending big on Infrastructure upgradation like never before**

**Lets go**

**(1/17)**



How big is India's Infra push?

India spent \$14 Trillion on infrastructure in the 75 years since its independence.

\$7 trillion was in the last 9 years.

Another \$7 Trillion will be spent in the next 9 years!

Big Big Spending is coming in!

(2/17)

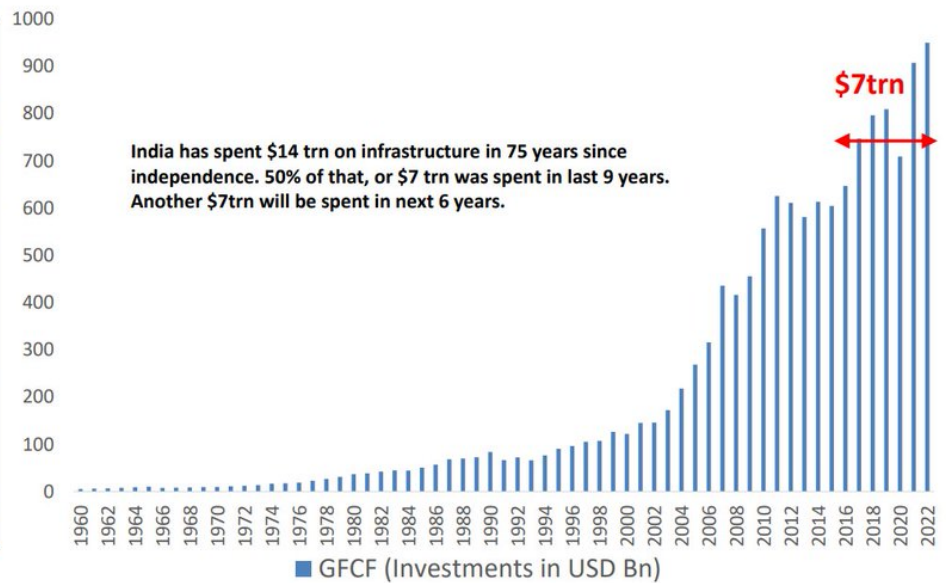
## The Coming Investments Upsurge

India has come out of an investment winter. The investment to GDP ratio (measured by gross fixed capital formation to GDP) peaked in 2011 & remained low until COVID-led disruption upended the supply chains. Post COVID recovery & a large push through government expenditure, investments are making a come back.

There has been a spend of \$14 trn on investments since independence. This includes spending on housing by households, infrastructure creation by the government, & private capital expenditure.

In spite of poor investment growth over the last many years, India has spent \$7trn on new investments over the last 9 years. As the base becomes large this number will repeat itself in the next 6 years.

What does this mean? The capex cycle is likely to surprise on the upside in the next few years.



DSP

Source: World Bank, Govt Documents Data as on Feb 2023

So where is this money being spent?

### 1. Roads

There has been an increase in the construction of National Highways (NHs)/roads over time, with 10,457 km of roads constructed in FY22 as compared to 6,061 km in FY16.

(3/17)

## Road construction in India

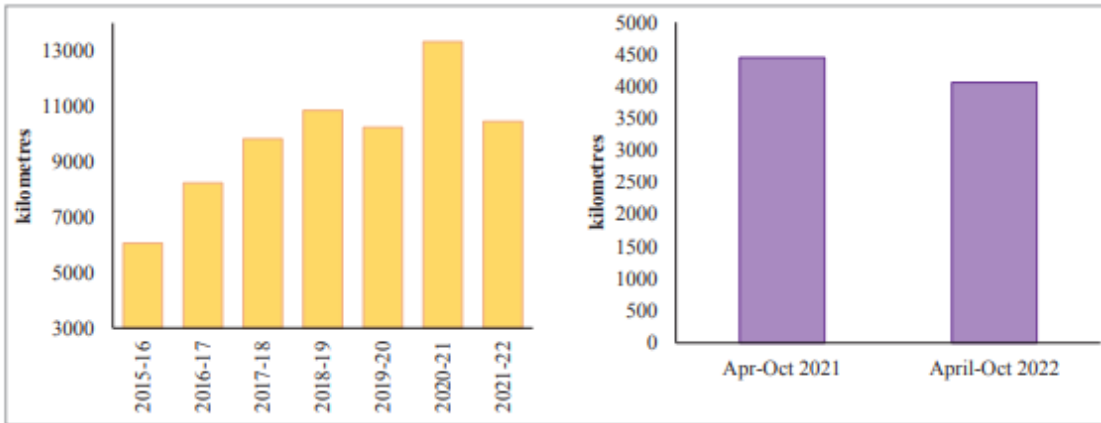
Year	Award of NHs/ Road projects	Construction of NHs/ Road projects	Road construction per day (in km)
2014-15	7,972	4,410	12
2015-16	10,098	6,061	17
2016-17	15,948	8,231	23
2017-18	17,054	9,829	27
2018-19	5,494	10,855	30
2019-20	8,900	10,200	28
2020-21	5,100	4,000	22

Note: Data for 2020-21 is as on September 30, 2020.

Sources: Economic Survey 2020-21; PRS.

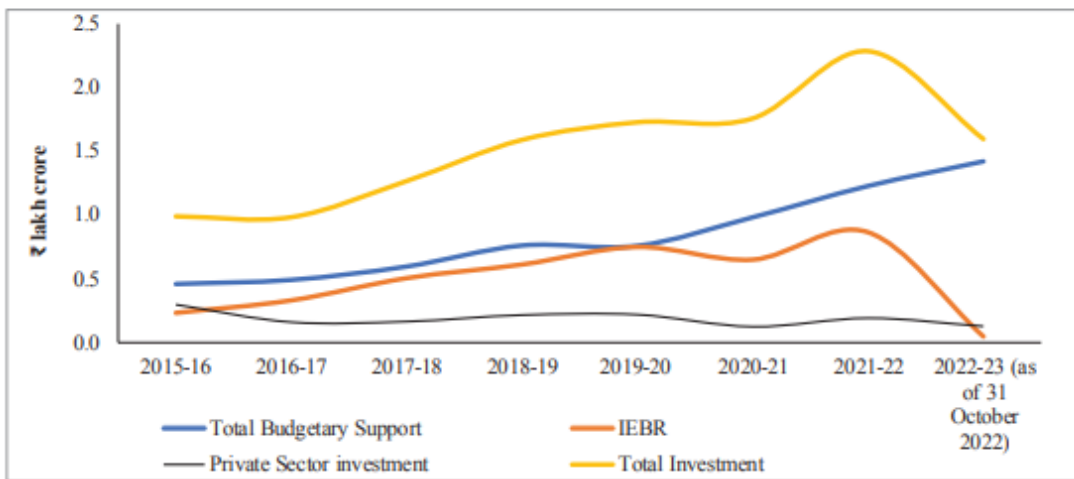
In FY23(until October 2022), 4,060 km of NHs/roads were constructed, which was around 91 per cent of the achievement in the corresponding period of the previous financial year

**Figure XII.5: National Highways/Road construction has increased since 2015-16, hitting unprecedented levels in 2020-21**



Source: Ministry of Road Transport and Highways

**Figure XII.6: Tremendous increase in total budgetary support for investment in the road sector**



Source: Ministry of Road Transport and Highways

### **Challenges: Expansion and modernisation, a continuous process**

The ambition is to take the rate of daily highway construction in India to 100km per day

Dubbed India's 'highway revolution',

Rapid highway construction is central to the country's push to transform itself into a staggering US\$5 trillion economy by 2025.



NHAI constructs 25 km road in a record 18 hour time■

(6/17)

<https://t.co/EMeMRQISfI>