

# InfraInsights

Blueprints for Tomorrow

## India emerges as AIIB's top market for funding infrastructure projects

India has become AIIB's largest project funding market due to extensive infrastructure development. Rajat Misra, AIIB(Asian Infrastructure Investment Bank) South Asia Director General, stated that discussions are ongoing to finance more Indian infrastructure projects in the coming year. The bank has already funded Indian projects worth \$10 billion, over 20% of its total infrastructure funding. This year, AIIB extended \$1.3 billion to Indian projects, including Chennai Metro Rail Phase 2 and the Second Dam Rehabilitation and Improvement Project. Misra highlighted the bank's rigorous due diligence process. China, Turkey, Indonesia, and Bangladesh follow India as top borrowers from AIIB.

## InfraShorts

India's metro rail network poised to surpass USAs to become world's 2nd largest: According to Union Minister of Housing and Urban Affairs Hardeep Singh Puri, India's metro network will surpass the United States in the next two to three years, making it the second largest in the world. The metro network in India is currently the third biggest in the world. The pace of growth of the metro network in the country has seen an unprecedented increase in recent years.

## Adani invests \$ 1 billion in Navi Mumbai Airport.

The Adani Group announced an investment of nearly \$1 billion in Navi Mumbai International Airport, with plans to commence operations by December of the following year. Of the total investment of Rs 86.25 billion in the Navi Mumbai airport, Adani infused Rs 17.10 billion as equity. Additionally, they secured Rs 29 billion in term loans from a consortium of banks. Furthermore, a sum of Rs 36.55 billion in equity was contributed by the City and Industrial Development Corporation of Maharashtra (CIDCO), a city planning agency in Maharashtra. As the project progresses, both Adani and CIDCO are set to invest an additional Rs 15.11 billion. The banks had recently completed their due diligence, which was followed by the investment. During an annual general meeting held on 19 July, Gautam Adani, the group chairman, informed shareholders that the Navi Mumbai airport would achieve operational readiness by December 2024. "The goal is to launch the first of the four international passenger terminals before December 2024." This terminal is anticipated to manage a minimum of 20 million passengers and 300,000 tonnes of cargo annually.



### Germany promises aid to rebuild energy projects in Ukraine

The German government has promised an additional 195 million euros in support to Ukraine, about half of which is designated for the protection and rebuilding the country's energy infrastructure. The funds are earmarked to protect the energy infrastructure shortly before the onset of winter, to repair war damage to the Ukrainian power grid.



### New Zealand: Changing the way we plan infrastructure resilience

A new report on infrastructure vulnerabilities and resilience has been released by the New Zealand Lifelines Council, focusing particularly on the interdependencies between infrastructure sectors. The report aims to stimulate awareness, particularly about interdependencies between infrastructure sectors, and drive a change in approach.



### Suez Canal fees set to rise

General fees for container ships and car carriers as well as crude, chemical and product tankers and gas carriers will all see a 15% increase in Suez Canal transit charges, while dry bulk and ro-ro vessels will be charged 5% more except container ships directly coming from ports in north west Europe & south east Asia according to the Suez Canal Authority (SCA).

## US Boosts Funds for Infrastructure Program for Developing Nations

The Biden administration said that in recent months it has increased the amount of U.S. public and private funds for a multilateral program to build infrastructure in developing nations, surpassing the \$30 billion figure. But some observers say it will be tough for the U.S. to meet its pledge to raise \$200 billion in the next five years for the program launched by the Group of Seven advanced economies. The program called Partnership for Global Infrastructure and Investment – also known as PGI – is a competitor to China's Belt and Road Initiative, which marks its 10th anniversary this year. Other G7 members have pledged to



raise \$400 billion by 2027. The White House also highlighted PGI's goal of developing two international "economic corridors," including a newly announced India-Middle East-Europe Economic Corridor (IMEC) and the Lobito Corridor in sub-Saharan Africa. IMEC's founding

partners include the U.S., India, Saudi Arabia, the United Arab Emirates, France, Germany, Italy and the European Union. They are seeking cooperation with other governments and the private sector to build new connections between India and Europe via railway lines and ports in the UAE, Saudi Arabia, Jordan and Israel, and via undersea cables. The Lobito Corridor is intended to link the Democratic Republic of Congo and Zambia to the Lobito port in Angola via new transport infrastructure. It's something the African nations need, the map makes sense, and the feasibility studies make sense.

## Shell cuts low-carbon jobs, scales back hydrogen in overhaul by CEO



Shell is changing its "pathway" towards meeting its ambition to become a net zero carbon emitting company by 2050. The main focus of the changes has been the hydrogen business. Shell plans to sharply scale back its hydrogen light mobility operations, which develop technologies for light passenger vehicles, and will focus on heavy mobility and industry. The company last year started building a 200 megawatt electrolyzer plant in the Netherlands, Europe's largest, to produce zero-carbon, or green, hydrogen. Shell was one of the early backers of hydrogen-fueled cars, but it has in recent years closed a number of hydrogen fueling stations around the world, including in Britain, as consumers preferred EV.

## IT SEZ With Investment Of 8,000cr To Come Up In Ahmedabad City

Gujarat will soon get a sprawling IT Special Economic Zone (SEZ) with a committed investment of Rs 8,000 crore. Being set up by Ahmedabad-based developer, Ganesh Housing Corporation, in collaboration with US real estate development and investment firm Tishman Speyer, the SEZ, called "Million Minds Tech City", will come up on 65 acres near Chharodi village along SG Road in Ahmedabad. A memorandum of understanding (MoU) was signed between Ganesh Housing Corporation and the state government for this in the presence of Gujarat CM Bhupendra Patel on Wednesday.



The MoU was exchanged between Ahmedabad Municipal Commissioner M Thennarasan and Shekhar Patel, MD of Ganesh Housing Corporation. It envisages an investment of Rs 5,000 crore and

will commence by 2026. The MoU says the state government will facilitate the necessary permissions and clearances from the concerned departments of the state, according to existing policies. Apart from office space for IT and ITes companies, the project will have dedicated residential, commercial and hospitality spaces. Ganesh Housing Corporation has partnered with Singapore-based architecture firm RSP Engineering to execute the project. The dedicated SEZ campus will have 80 lakh square feet of space for IT and ITes offices in addition to 53 lakh square feet of residential space,

## JioSpaceFiber, India's first satellite-based gigabit broadband

Reliance Jio Infocomm Limited unveiled JioSpaceFiber, India's first satellite-based gigabit broadband service, on Friday to connect remote parts of India with high-speed internet. Reliance Jio already serves more than 450 million Indian consumers with high-speed broadband services, it aims to make digital inclusivity a reality for every household. The satellite network will also bolster mobile backhaul capacity, thereby expanding the reach and scalability of Jio's True5G network even in remote areas. For this project, Jio has partnered with SES, a Luxembourg-based satellite telecommunications network provider. With this partnership, Jio would be able to tap into the cutting-edge Medium Earth Orbit (MEO) satellite technology that can deliver gigabit-speed internet services from space. To showcase the capabilities of JioSpaceFiber, the service has already been connected to four of India's most remote locations: Gir in Gujarat, Korba in Chhattisgarh, Nabarangpur in Odisha, and ONGC-Jorhat in Assam.



## ADB approves \$ 400 mn loan to support govt's urban reform

The Asian Development Bank (ADB) has approved a \$ 400 million loan to support the Indian government's urban reform agenda for creating high-quality urban infrastructure and efficient governance systems. The programme also envisages integrated urban planning reforms to control urban sprawls and foster systemic and planned urbanisation through enhancing the entire ecosystem of legal, regulatory, and institutional reforms along with capacity building of ULBs and community awareness, ADB said. "The Asian Development Bank (ADB) has approved a \$ 400 million policy-based loan to India for Sub-programme 2 of the Sustainable Urban Development and Service Delivery Programme.

## NITI Aayog working on plan to reduce reliance on China

The NITI Aayog is working on a strategy to address the trade deficit with China and suggest measures to secure supply chains from geopolitical risks. A senior government official was quoted as saying that the Aayog will bolster its policy recommendations on tariff and non-tariff barriers. The NITI Aayog will also bring a consultancy firm to review India-China trade as part of the exercise. The official said that supply diversification was the need of the hour as the dependence on Indian supply chains was highlighted during the Covid-19 pandemic and geopolitical escalations. He added that focused intervention was needed to secure supply chains from disruptions.

## Cabinet approves transmission system for 13 GW RE capacity

The Cabinet Committee on Economic Affairs (CCEA) on Wednesday approved the project on Green Energy Corridor (GEC) Phase-II - Inter-State Transmission System (ISTS) for 13 gigawatt (GW) Renewable Energy (RE) project in Ladakh. The project is targeted to be set up by FY30 with a total estimated cost of ₹20,773.70 crore and Central Financial Assistance (CFA) at 40 per cent of the project cost at ₹8,309.48 crore, the Ministry of New & Renewable Energy (MNRE) said. Keeping in view the complex terrain, adverse climatic conditions and defence sensitivities of Ladakh region, Power Grid Corporation of India (Power Grid) will be the implementing agency for this project, it added.



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## **Relationship between financial, environmental and social parameters associated with adaptive reuse.**

If a building is reused rather than demolition, it saves 15-25% of demolition cost, approximately 80% of project cost, and provides an opportunity to increase land revenue for the new owner. In commercial zones, if a building has historic heritage, then the value gets shot up, which in turn financially helps the building owner rather than the merchant. Many countries also provide incentives to building owners to preserve these old heritage sites which help with the economy of the city. When old structures are reused for commercial zones the rent seems to be cheaper, making it ideal for smaller businesses or start-ups. The adaptive reuse of existing buildings can be 16% less costly than other forms of construction. Some of the potential cost that must be considered during reuse includes updating the infrastructure, refurbishing the electrical systems and other services. Interior design may become more expensive due to the repairing of various defects that building or structure might have suffered through.

The decision to adaptively reuse or demolish a building is partially driven by economic considerations and a desire for short-term profits. The feud between Jane Jacobs and Robert Moses caught the attention of the city of Greenwich in Manhattan, New York where Jane fought against the idea of infrastructural development which gave profits only to the higher income developers and could have potentially ruined the small businessmen that relied on the older buildings for their benefit of affording these places.

In addition to the cost factor, we have to consider the impact of construction on the environment. The construction industry accounts for 40% of worldwide energy usage, 23% of air pollution, 40% of climatic change, and 50% of landfill waste. Construction contributes significantly towards a carbon footprint within the overall life cycle of a building. Reusing old buildings significantly reduces the energy consumption associated with demolishing a structure and building a new one to replace it.

## **Our highway road infrastructure will be equal to US standard by the end of 2024: Nitin Gadkari**

Union Minister of Road Transport and Highways, Nitin Gadkari, pledged to elevate India's road infra to match US standards by the end of 2024. He also vowed to reduce logistics costs from the current 16% to 9%. He emphasized efforts to reduce the construction industry's reliance on steel, which consumes 40% of global resources, by adopting substitutes. He highlighted India's potential as a green hydrogen energy exporter and a key player in achieving SDG's. He also championed India's role in electric mobility, aiming to lead in the sector and increase the country's automobile industry's value from ₹7.5 lakh cr to ₹15 lakh cr.

## **Sikkim Chief Secretary hold meeting to find permanent restoration of damaged infrastructure**

On October 26, Chief Secretary VB Pathak presided over a meeting at Teesta Lounge, Tashiling Secretariat, with heads and officials from the Water Resources Dept, Power Dept and Education Dept. The primary focus was on restoring and planning for the future of these departments in the aftermath of recent damage. Each department presented comprehensive strategies for permanent infrastructure restoration. The meeting also addressed the proposed funding requirements for their restoration efforts, taking into account the varied types and extents of damage caused by flash floods. CS Pathak emphasized the importance of aligning the restoration budget with post-disaster assessments and developing long-term recovery plans.

## **India-Indonesia to Enhance Sabang Port Infrastructure**

India and Indonesia are set to hold high-level meetings to discuss strategies for boosting the infrastructure of Sabang Port, located in the Indonesian province of Aceh. This move is part of the ongoing efforts to strengthen bilateral ties between the two countries. Sabang Port, situated near the entrance to the Malacca Strait, is of strategic importance due to its proximity to major shipping routes. Strengthening the port infrastructure will not only enhance its operational capabilities but also contribute to the economic growth of the region. India, being one of the fastest-growing economies in the world, has shown keen interest in investing in strategic international ports to facilitate its growing trade. Sabang Port, with its advantageous location, presents an excellent opportunity for India to expand its maritime influence in the region.



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