

RBI governor seeks big push for mega infrastructure projects

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linkages for other sectors of the economy and regions around the rail/road networks.” The golden quadrilateral links Delhi, Mumbai, Kolkata and Chennai.

Das said there is a need for diversifying infrastructure financing instruments that can take care of long-term risks. India will need around \$4.5 trillion for investments in infrastructure by 2030, according to Niti Aayog estimates.

“On financing options for infrastructure, we are just recovering from the consequences of excessive exposure of banks to infrastructure projects. Non-performing assets relating to infrastructure lending by banks have remained at elevated levels,” Das said.

Promotion of the corporate bond market, securitization to enhance market-based solu-

tions to the problem of stressed assets, and appropriate pricing and collection of user charges should continue to receive priority in policy attention, he said.

Das also said India must play a bigger role in the global value chain for better economic wel-

fare. Investments in sectors with strong forward and backward linkages in the supply chain can generate higher production, income and employment, he said.

Noting the shift taking place in the global value chain in response to the pandemic, Das said India should focus on greater strategic trade integration, including in the form of early completion of bilateral free-trade pacts with the US,

EU and UK, besides focusing on diversifying sources of imports.

Das said there’s a need to shift the terms of trade in favour of agriculture for sustaining the transformation in the sector. “Experience shows that in periods when terms of

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trade remained favourable to agriculture, the annual average growth in agricultural gross value added exceeds 3%. Hitherto, the main instrument has been minimum support prices,

but the experience has been that price incentives have been costly, inefficient and even distortive. We need to move now to policy strategies that ensure a sustained increase in farmers’ income alongside reasonable food prices for consumers.”