



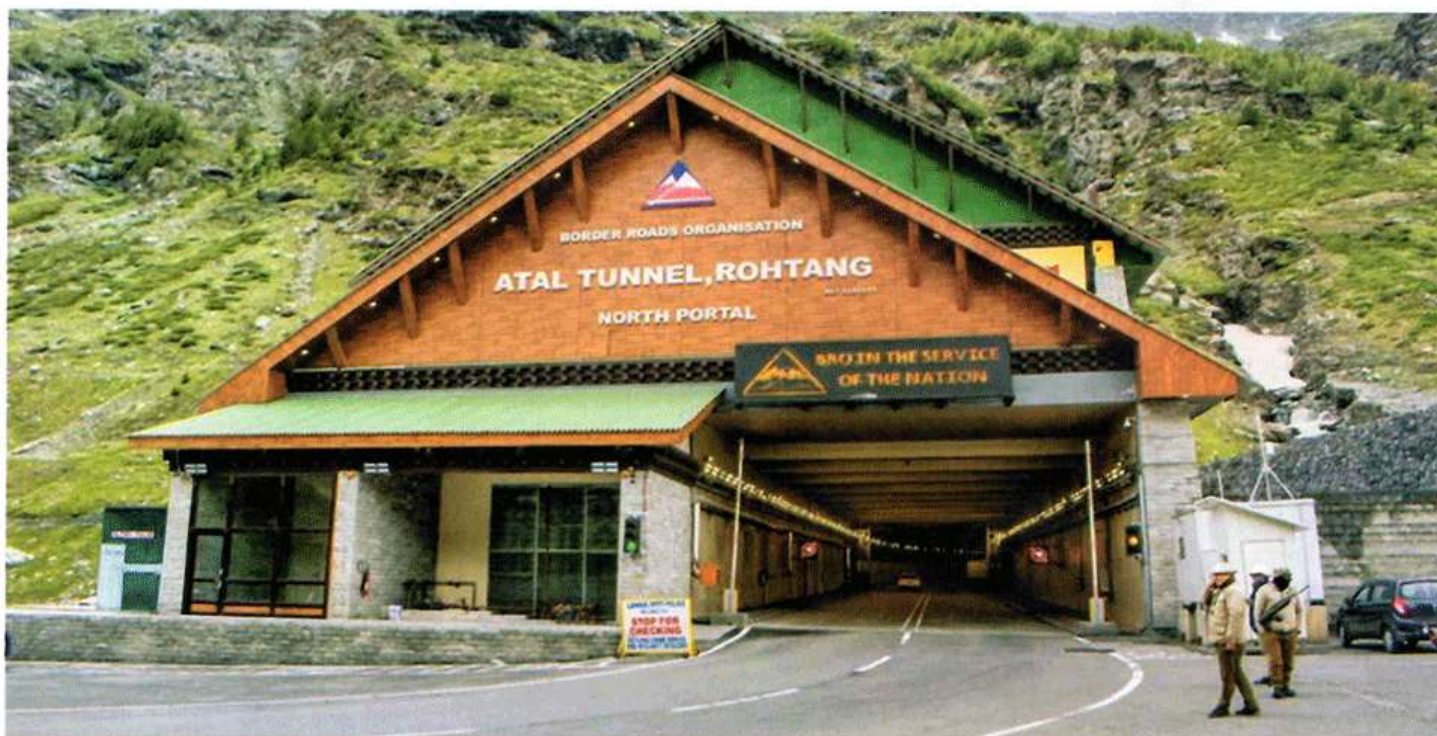
India on Fast Track

With concerted policy initiatives by the government, India has made significant progress in infrastructure development in the last few years and is on a fast track to reach the envisaged goal of Viksit Bharat by 2047. The World Bank has reaffirmed India's growing stature in the logistics sector, with the country climbing to 38th place out of 139 nations in its 2023 Logistics Performance Index (LPI).

Well-developed infrastructure is critical for a faster-growing economy as it boosts productivity, efficiency and competitiveness and speeds up economic growth. With concerted policy initiatives by the government, India has made significant progress in infrastructure development in the last few years and is on a fast track to reach the envisaged goal of *Viksit Bharat* by 2047. These policy initiatives have brought India closer to developed nations in terms of logistics performance. According to

the World Bank's latest report, Logistics Performance Index (LPI) 2023, India has moved up by 6 places from 44 in 2018 to 38 in 2023. This became possible due to exponential growth in total infrastructure investment in the last decade. The budgetary allocation for the current financial year (2025-26) has been pegged at Rs 11.21 lakh crore as compared to Rs 2 lakh crore (capex) in 2014-15.

Today, India stands as the fourth-largest economy in the world and is the fastest-growing economy, with a



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real GDP growth rate of 6.5% in the year 2024-25. In its latest report released in October 2025, the International Monetary Fund (IMF) has upped the growth forecast for India to 6.6 per cent for the current financial year from 6.4 per cent estimated earlier while confirming India as the fastest-growing economy in the world.

Recognising that construction of world-class highways, logistics, and multi-modal connectivity expansion is central to the country turning into a global manufacturing and logistics hub, the government embarked on an ambitious programme of integrated infrastructure development spanning highways, roads and ports, logistics, multi-modal connectivity and digitalisation. It has helped in establishing India as a key logistics hub in Asia. However, it still has a long way to go to become a global hub in logistics and multi-modal connectivity before becoming truly 'Viksit'.

Considering that stronger supply chains today mean a stronger, more resilient India tomorrow, the government launched three key policy initiatives over the last few years for facilitating integrated infrastructure development, namely *Bharatmala Pariyojana*, PM's GatiShakti National Master Plan and the National Logistics Policy.

India's Biggest Highway Push: Bharatmala Pariyojana

India's most ambitious highway project, the *Bharatmala Pariyojana*, launched in 2017 to improve road connectivity, cut transport costs and support India's growing economy, has helped the country to come on par with other developed nations in terms of connectivity and road infrastructure. The government has set an ambitious target of building 34,800 km of roads across the country under this project in the Phase-I. Of this, 26,425 km of road projects have been awarded with an investment of over Rs 8.50 lakh crore, and 20,770 km have already been completed till mid-2025.

The total length of national highways in India increased by 60 per cent to 1,46,342 km till mid-2025 from 91,287 km in 2014. And the government is confident of achieving the highway construction target of 13,814 kilometres for the current fiscal year 2025-26. The annual pace of National Highway construction surged from just 12 km per day in 2014-15 to a peak of 37 km per day in 2020-21. While there has been some fluctuation in subsequent years, the pace remained robust, recording 34 km/day in 2023-24 and 29 km/day so far in 2024-25.

Construction of NHs 2014-15 to 2024-25

Year	Total Roads	kms/Day
2014-15	4,410 km	12 kms/day
2020-21	13,327 km	37 kms/day
2021-22	10,457 km	29 kms/day
2022-23	10,331 km	28 kms/day
2023-24	12,349 km	34 kms/day
2024-25	10,660 km	29 kms/day

Source: Ministry of Road Transport and Highways

Maharashtra led all states with over 15,400 km of NHs constructed since 2014, followed by Rajasthan (9,787 km), Madhya Pradesh (7,352 km), and Uttar Pradesh (8,293 km). Other significant contributors include Karnataka (5,601 km), Andhra Pradesh (5,339 km), and Odisha (4,978 km).

Bharatmala Pariyojana is envisaged to improve the logistics efficiency and connectivity in the country while simultaneously promoting safer transportation networks. Development of high-speed corridors has also reduced the travel time substantially between key economic centres. These projects include different types of roads, like economic corridors (8,737 km), expressways (2,422 km), border and international roads (1,619 km). Port and coastal connectivity roads are also covered under the scheme. Each of these roads is designed to connect different parts of India more smoothly and support faster travel, especially for trade and transport.

"Strengthening of the logistics sector will not only make the life of common man easier but will also help in increasing the respect of labour and workers."

– Prime Minister Narendra Modi

The Ministry of Road Transport and Highways (MoRTH) has recently announced the construction of 25 greenfield expressways, totalling 10,000 km across the country, at a cost of Rs 6 lakh crore. As of February 2025, 6,669 km length of high-speed greenfield corridor has been awarded with construction completed for 4,610 km.

The construction of expressways and economic corridors has helped reduce the logistics costs to 10% from 16% earlier. India's logistics costs are at par with 12% in the US and European countries and 8% to 10% in China and are likely to fall further to a single-digit 9%.

Despite significant progress in Highways construction, many challenges still remain. Sufficient funds availability is an important factor holding back consistent growth. In view of this, State-owned National Highways Authority of India (NHAI) is considering launching a public Infrastructure Investment Trust (InvIT) on the lines of private InvIT to increase the overall investor base, develop a competitive environment in the InvIT market and mitigate the risk of a limited investor base. Additionally, public InvIT will also cater to retail investors, thereby providing access to infrastructure assets. The InvITs are regulated by Securities and Exchange Board of India (SEBI), giving confidence to financial investors. Simultaneously, the government is also trying to monetise its highway projects under private InvIT. The government is likely to generate cash flows of a whopping Rs 15 lakh crore by monetising the road projects.

Despite the overall positive momentum, a few projects have encountered predictable operational challenges. Some delays have happened due to issues like land acquisition, contractor problems, lack of raw materials, and environmental clearances. These challenges have resulted in a need for enhanced resource allocation, alongside some adjustments to the original timelines. In response, the government has taken several steps to fix these challenges and issues. For example:

- The *Bhoomi Rashi* portal has been used to speed up land acquisition.
- The *Parivesh* portal has been improved to fast-track environmental clearances.
- Online approvals for road and bridge drawings are now available.
- Regular meetings are being held with states and departments to keep work on track.

Major Projects completed under the scheme are:

1. **Atal Tunnel:** World's Longest Highway Tunnel above 10,000 Feet. The tunnel reduces the road distance by 46 kms between Manali and Leh and the time by about 4 to 5 hours.
2. **Eastern and Western Peripheral Expressway:** The two projects of Peripheral Expressways around Delhi, comprising 135 km Eastern Peripheral Expressway, were constructed by NHAI.
3. **Bogibeel Bridge:** The bridge, which spans the River Brahmaputra between the Dibrugarh and

Dhemaji districts of Assam, is of immense economic and strategic significance for the nation.

4. **Dhola-Sadia Bridge (Bhupen Hazarika Setu):** The bridge in Assam connects far-off areas and paves the way for their socio-economic development. It was India's longest bridge in 2017, with a length of 9.15 km.
5. **Chenani-Nashri tunnel:** The tunnel in Jammu and Kashmir was opened in 2017. The 9 km long, all-weather tunnel between Udhampur and Ramban in J&K is not only India's longest highway tunnel under operation but also Asia's longest bi-directional highway tunnel, which is equipped with the Integrated Tunnel Control System (ITCS).
6. **Dibang-Lohit River Bridge:** The project provides the only link between Bomjur and Meka and Digaru to Chowkham on NH-52. The project established all-weather and 24x7 direct connectivity between Pasighat-Roing and Namsai-Tezu, thereby reducing dependence on ferry crossings and providing socio-economic benefits to the region. The distance between Roing and Pasighat and between Tezu and Namsai has been reduced from 310 km to 75 km and from 195 km to 57 km, respectively.
7. **Kollam Bypass:** Prime Minister Narendra Modi dedicated to the nation the 13 km, 2-lane Kollam bypass on NH-66 in Kerala on 15 January 2019. Constructed at a cost of Rs 352 crore, this highway has three major bridges over Ashtamudi Lake.
8. **Maitri Setu:** Maitri Setu between India and Bangladesh, also called the 'Gateway of North East', the crucial bridge built over the Feni River to link Tripura with Chittagong in Bangladesh, is 1.9 km long and built at a cost of Rs 133 crore.
9. **Sudarshan Setu (Beyt Dwarka):** The Sudarshan Setu connects Okha mainland and Beyt Dwarka island, built at a cost of around Rs 980 crores. It is the longest cable-stayed bridge in the country of around 2.32 km.
10. **Sonamarg Tunnel (Z-Morh):** The Sonamarg Tunnel of length 6.4 km on NH-01 in the UT of J&K was inaugurated in January 2025. Situated at an altitude of over 8,650 ft above sea level, it will enhance all-weather connectivity between Srinagar and Sonamarg en route to Leh.

Besides, there are several projects under implementation. These include:

i) **Frontier Highway in Arunachal Pradesh:** Frontier Highway (NH-913) is a road of strategic importance along Indo-Tibet-Myanmar border with intent to arrest the population migration from border areas. The total design length of Frontier Highway is 1,824 km, out of which work on 271 km has been taken up by MoD/MoRTH before declaration as a National Highway. The balance length of 1,553 km is being sanctioned/awarded by MoRTH in 44 packages to be executed by three agencies, viz. State PWD, Border Road Organisation (BRO) and National Highways and Infrastructure Development Corporation Limited (NHIDCL);

ii) **Delhi-Mumbai Expressway:** The ministry has taken up construction of Delhi-Mumbai Expressway, including spurs, in 53 packages having a length of 1,386 km. The project, originally slated for completion in 2023, has been pushed back to a new deadline of 2026. The corridor provides connectivity to major economic centres within Delhi, Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. The impact includes reduction in distance from Delhi to JNPT by about 180 km and a reduction in travel time of up to 50% to connected destinations; and

iii) **Chardham Mahamarg Vikas Pariyojana:** The Ministry has taken up the connectivity improvement programme for *Char Dham* (Kedarnath, Badrinath, Yamunotri & Gangotri) in Uttarakhand. The programme includes projects for the improvement/development of 825 km of NHs at a total estimated cost of about Rs 12,595 crore. So far, 629 km has been completed, and the per centage progress is 76% w.r.t total length (825 km), among others.

The *Bharatmala Pariyojana* is building the road to a stronger India. While there are some delays, the overall pace is steady, and the government is working to solve the problems quickly. With over 20,000 km already done, the journey ahead looks promising.

PM GatiShakti National Master Plan (PMGS NMP)

Infrastructure is a vast field whose development spans a number of sectors and subsectors, making it difficult to coordinate among various ministries and departments. This invariably led to long delays and cost escalation in many projects. To avoid such difficulties, the government launched the PM GatiShakti National Master Plan (NMP) in October 2021 to integrate different modes of transport into a coordinated

network. As the name translates to 'Power of Speed', it symbolises the plan's focus on faster, seamless and ambitious infrastructure and logistics development strategy aimed at transforming India's multimodal connectivity. The NMP has brought together 57 Central Ministries/Departments and all 36 states and union territories under its ambit for infrastructure development. It has also integrated massive 1,700 data layers, creating a truly unified and comprehensive platform for infrastructure planning.

PM GatiShakti is based on the six core principles to simplify the entire journey from planning to implementation. From an integrated development approach to planning connectivity, it looks at incorporating allied infrastructure such as laying utilities during the planning phase, enhancing additional connectivity to help seamless movement, ensuring ecological focus on conservation of forests, rivers, etc., and faster land acquisition and expedited clearances.

The six principles are:

1. **INTEGRATED DEVELOPMENT:** Development of adequate connectivity infrastructure for the region;
2. **CONNECTIVITY IMPROVEMENT:** Additional connectivity from existing networks assessed at the planning stage for seamless movement of goods, services and people;
3. **REDUCED ECOLOGICAL IMPACT:** Ensuring minimum possible interference with forest environment, wildlife, and waterbodies;
4. **EXPEDITED CLEARANCES:** Drawing of alignment on the National Master Plan to minimise interaction with existing assets;
5. **ALLIED INFRASTRUCTURE:** Laying of utilities along with infrastructure network; and
6. **EXPEDITED LAND ACQUISITION:** Land revenue data on the National Master Plan (NMP) facilitating ease of understanding ownership and cost of acquisition.

Since its launch four years ago, substantial progress has been made, including the development of the geospatial platform, the integration of multiple georeferenced data, the provision of planning tools/software for planning infrastructure projects (including socio-economic infrastructure) and capacity building. Mechanism of Network Planning Group (NPG) has been institutionalised, under which infrastructure projects are evaluated for integrated planning, multimodality,

inter-modality, synchronisation of efforts, whole of government approach and last-mile connectivity in and around the project catchment area. So far, 293 infrastructure projects amounting to Rs 13.59 lakh crore have been evaluated through the NPG mechanism. It is important to mention here that the NPG has met 100 times till October 2025 to evaluate various infrastructure projects focusing on enhancing multimodal connectivity and logistics efficiency in alignment with the PM GatiShakti National Master Plan (PMGS NMP).

National Logistics Policy

India's logistics sector, once synonymous with congestion, high logistics costs, and fragmented supply chains, is now being transformed through bold policy initiatives such as the PMGS-NMP, dedicated freight corridors and the development of multimodal logistics parks. These initiatives promise to lower transportation costs, improve efficiency, and build a more competitive backbone for trade and mobility. The National Logistics Policy (NLP) was launched in September 2022 to complement the National Master Plan (NMP), has a primary objective of creating a seamless logistics ecosystem by improving efficiency and reducing logistics costs. As part of this reform, digital initiatives like the Unified Logistics Interface Platform (ULIP) and the Logistics Data Bank (LDB) are now fully operational, aiming to enhance ease of doing business and enable tracking of containerised Export Import (EXIM) cargo.

"The World Bank has reaffirmed India's growing stature in the logistics sector, with the country climbing to 38th place out of 139 nations in its 2023 Logistics Performance Index (LPI). This is a notable improvement of six places since the last ranking in 2018. The steep climb in rankings reinforces the government's commitment to modernise and streamline India's logistics sector. India aspires to be among the world's top 25 logistics performers by 2030, aiming to bring logistics costs below 10 per cent of GDP." (Source: PIB)

Multi-Modal Logistics Parks (MMLPs)

Expanding trade, both domestic and international, is conditional on large-scale warehousing and storage facilities. Multi-Modal Logistics Parks are being created under the *Bharatmala Pariyojana* to bring together different aspects of logistics in one location. Based on the regional feasibility and demand, 35 key locations, such as Chennai, Bengaluru, Nagpur, Indore, and others, have been approved in different parts of the country through both private and public sector efforts for the

development of Multi-Modal Logistics Parks (MMLPs). Out of these, 5 are expected to be operational by 2027. These parks are designed to boost logistics efficiency, thereby bringing down overall logistics costs further to make the supply chain business-friendly and improve the overall competitiveness of our products.

Together, these innovations are not only reducing costs but also elevating service quality, thereby enhancing the global competitiveness of Indian logistics. The logistics sector in India has traditionally been an informal sector. However, a systematic transition from informal to formal logistics with government support and training programmes has driven improvements in skilling, job creation, and overall workforce productivity. These efforts are also strengthening India's demographic dividend by creating new employment opportunities and enhancing human capital. The sector currently employs 22 million people and is expected to create 10 million more jobs by 2027.

These reforms together have improved India's infrastructure and logistics landscape. Yet, challenges persist, from high costs and infrastructure gaps to a shortage of skilled manpower. High logistics cost, a fragmented supply chain, over-reliance on roads (70% of freight movement) and lack of modal integration inflate costs. This affects medium and small enterprises (MSMEs) more, reducing their margins and limiting global competitiveness. Despite initiatives like PM GatiShakti, infrastructure bottlenecks and project delays due to delays in land acquisition and regulatory clearances continue to be a critical challenge for overall infrastructure development. Multiplicity of government departments and agencies creates regulatory overlap and inefficiencies.

Given the vast expanse of our country and size of the economy, it is not going to be easy to overcome these challenges. But streamlining regulatory processes to harmonise state-level regulations, fast-tracking infrastructure development, strengthening last-mile connectivity and introducing a robust project monitoring framework similar to PMGS-NMP can determine whether logistics becomes a bottleneck or a backbone in India's growth story.

India's logistics sector is poised to become a driver of sustainable growth if reforms are matched with decisive execution. By embracing technology, green mobility, and workforce skills, the sector can strengthen competitiveness. A future-ready logistics backbone will be central to India's journey toward *Viksit Bharat@2047*. □