

India vows to move faster on power projects.By **Chaitanya Kalbag**

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NEW DELHI, Dec 9 (Reuters) - India will accelerate its drive to increase electricity generation and is looking for huge funds to meet the nation's power deficit, Power Minister Yoginder Alagh said on Tuesday.

"Between now and March it will be faster and not slower," Alagh told business leaders at the World Economic Forum's India Economic Summit.

"There is every reason to believe that there will be an acceleration in the progress already made in project approvals and achieving financial closures this year," Alagh said.

"This progress will be possible within the framework of the existing policy system and the reform process under way."

Experts have said India's shortage of electricity is one of the biggest infrastructural blocks as the nation pursues a six-year-old market-opening programme.

Alagh said electricity was the fastest growing sector in India's economy in April-September 1997.

Government statistics show electricity generation grew by 7.2 percent in April-September, and by 9.3 percent in September alone, while industrial output grew by 4.7 percent in April-September and by a scant 2.1 percent in September.

"It is no longer correct to say that the pace of private investment in the power sector in India is slow and poor," Alagh said.

He said currently 20 projects with a capacity of 7,500 megawatts (MW) and a total cost of over \$7.0 billion at current exchange rates have been tied up in terms of financing.

"Indian financial institutions have themselves committed assistance of over \$3.0 billion and obviously higher amounts would be required from foreign direct investment and borrowings."

In addition, 31 projects with a total capacity of 17,000 MW have been approved "from the techno-economic angle and can be cleared for investment", he said.

"For these projects, the site has been located, the technology determined and approved, infrastructure is available, environmental clearances have been obtained and fuel supplies have been identified," Alagh said.

He said a further 3,000 MW in projects were in an "advanced state of consideration" and would be given clearance before the end of the current fiscal year at end-March 1998.

Alagh said he was disappointed that two key pieces of deregulatory legislation, the Transmission Bill and the Electricity Regulatory Authority Bill, had been stalled by last week's disbanding of parliament and would not be taken up until after mid-term elections due next spring.

The Indian government was pursuing a two-pronged policy -- of reforming State Electricity Boards as well as specific reforms that made individual investment projects in generation, transmission, and distribution viable, he said.

Alagh said individual Indian states such as Orissa, Haryana, Rajasthan and Gujarat had made substantial progress in reforming their electricity systems.

An expert committee headed by former Supreme Court Chief Justice P.N. Bhagwati would meet on December 14 to draw up a blueprint for setting up showcase power projects, he said.

Newspapers have said the government has invited multinational power majors and government



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