



***To give India's infrastructure sector a further boost, a National infrastructure Bank can be major reform along with the already existing policies. Substantiate***

**KEY POINTS**

- In the post pandemic era, planning large immunization programs and announcing incremental stimulus packages have stressed government budgets extensively.
- The private sector, it is distressing to note that the share of private investment in infrastructure has declined from 34% to 23% between fiscal years 2011-15 and fiscal years 2015-20.
- This is the appropriate time for the country to set up a National Infrastructure Bank.

**Objectives**

- Provide long-term and flexible funding for Infrastructure projects that match the project tenure requirements.
- Platform for attracting private excess global debt capital.
- Bring to the market innovative financial solutions that reduce risk and improve return profiles.

**Other countries**

- Canadian Infrastructure Bank plans to invest and raise more than \$35 billion to help build new infrastructure, transition to a low-carbon economy.
- UK announced the establishment of a new infrastructure bank as part of the government's spending review.

***Losing Colombo port deal can be a lesson for India to focus more on better development of ports in the country. Explain***

**KEY POINTS**

- India must look at cancellation of Colombo port deal not as an injured party, but from the perspective of what it can take from the whole episode.
- The Vizhinham port is touted as India's answer to Colombo and will compete with it in attracting transshipment cargo.
- The mandate of Vizhinham is to aggregate Indian exim cargo and thus provide a counter to Colombo.
- If we are serious about atmanirbharta as a concept, we must ensure that such cargo is handled in India instead of in a foreign port.
- The message to Indian policymakers should be: develop our own hub port that will attract Indian cargo as well as cargo from other countries and snap your dependence on foreign ports.
- India should be keen to develop its own hub port so that it no longer has to rely on Colombo to fulfill that role.
- The best way to achieve this is to offer attractive terms for India to invest in the ECT so that the preeminence of the port of Colombo in the area remains unchallenged.