

# PM Gati Shakti scheme is transforming India's infrastructure: Morgan Stanley

## Synopsis

In a recent report, Morgan Stanley has lauded India's PM Gati Shakti scheme, highlighting its significant impact on infrastructure development. The report emphasizes India's robust increase in infrastructure investment, projected to rise from 5.3% to 6.5% of GDP by F29, driven by a strong 15.3% CAGR. This growth is expected to total USD 1.45 trillion over five years, fostering high productive growth and enhancing investment rates. PM Gati Shakti integrates 16 ministries for coordinated infrastructure planning, focusing on multi-modal connectivity and logistics efficiency, which has shown tangible results in project completion and sectoral development.



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In a recent report American multi-national investment bank and financial company [Morgan Stanley](#) has all praise for [PM Gati Shakti scheme](#).

The report says India has scaled up its infrastructure strongly over the last decade, investment is not only increasing but it is better targeted and potentially more productive. The report further adds India's thrust on [infrastructure spending](#) is set to continue.

The report said, "We expect [India's infrastructure](#) investment to steadily increase from 5.3 per cent of GDP in F24 to 6.5 per cent of GDP by F29. Indeed, this implies that infrastructure investments are expected to register a strong 15.3 per cent CAGR, resulting in cumulative spending of USD 1.45 trillion over the next five years. In our view, this will help to lift the investment rate, leading to a sustained period of high productive growth."

According to the report, contrary to popular perception, India's physical infrastructure scale already compares favorably to China's when viewed in the context of GDP differential.

Talking about PM [Gati Shakti](#) scheme, it says it has given a new filip to the infrastructure development and [multi-modal connectivity](#). The report cites [World Bank's](#) Logistics Index Report, 2023, it says the average Container Dwell Time in India was three days compared to four days for countries like the UAE and South Africa, seven days for the USA, and 10 days for Germany.

In addition, Indian Ports "turnaround time" has reached 0.9 days, which is better than the USA (1.5 days), Australia (1.7 days), Singapore (1.0 days), etc. In F24, ports overall cargo growth was 7 per cent, with 53 per cent of cargo handled by major ports (government-owned).

PM [Narendra Modi](#) has launched the PM Gati Shakti National master plan for infrastructure development in Oct 2021. Essentially a digital platform to bring 16 ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.

The multi-modal connectivity was aimed to provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. PM Gati Shakti is broadly driven by 7 engines, roads, railways, airports, ports, mass transport, waterways and [logistic infrastructure](#).

According to the Morgan Stanley Report, initiatives under PM Gati Shakti are giving results. Under the PM Gati Shakti scheme so far, cumulatively 101 projects worth Rs 609 bn have been identified for implementation in the ports and shipping sectors.

As of April 2023, 26 projects, worth Rs 89 bn have been completed, 42 projects worth Rs 153.4 bn are under development, and 33 projects worth Rs 366.4 bn are under implementation.

Of the projects under implementation, 14 projects worth Rs 205.4 bn were expected to be completed by December 2023.

Further, the Ministry of Ports, Shipping, and Waterways (MoPSW) is implementing a Comprehensive Port Connectivity Plan in coordination with concerned ministries.

The Morgan Stanley report says under the Sagarmala programme, 220 projects worth Rs 1.12 tn have been completed and 231 projects worth Rs 2.21 tn are under implementation, while 351 projects worth Rs 2.07 tn are at the evaluation stage.