Infrastructure Push Brings Down India’s Logistics Cost : Union Minister Shri. Nitin Gadkari

Maharashtra Gets Major Budget Boost; Metro and Rail Projects Gather Pace

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Union Minister for Road Transport and Highways Shri Nitin Gadkari on Monday said sustained infrastructure investment and structural reforms have significantly reduced India’s logistics costs, strengthening economic growth and global competitiveness.

Addressing a press conference on the General Budget in Nagpur, Shri Gadkari said logistics costs are crucial for import–export performance. While developed economies operate with logistics costs of around 8–9 per cent of GDP, nearly 8 per cent in China and about 12 per cent in European countries—India’s logistics cost earlier stood at 14–16 per cent and has been steadily declining.

The Government aims to bring logistics costs below 10 per cent of GDP through PPP reforms, increased private investment, green technologies and faster project execution, he said. Citing a study by IIM Bengaluru, IIT Chennai and IIT Kanpur, Gadkari noted that infrastructure-led reforms have already delivered a 5–6 percentage-point reduction, bringing costs closer to the 9–10 per cent range.

He said the Union Budget's capital expenditure of ₹12.20 lakh crore, focused on roads, railways and shipping, would boost economic growth, competitiveness and employment. The proposed Infrastructure Risk Guarantee Fund, he added, would strengthen BOT and PPP models by enhancing investor confidence.

High-Speed Rail Expansion

The Government has proposed seven new high-speed rail corridors, including Mumbai–Pune, Pune–Hyderabad, Hyderabad–Bengaluru, Hyderabad–Chennai, Chennai–Bengaluru, Delhi–Varanasi and Varanasi–Siliguri. India's first high-speed rail project, the Mumbai–Ahmedabad corridor, is currently under construction.

Maharashtra Gets Major Budget Support

Highlighting Maharashtra's share in national infrastructure development, Shri Gadkari said financial assistance from the Centre to the state has increased significantly. As per the Budget Estimates for 2026–27, a provision of ₹89,855.80 crore has been made towards tax devolution to Maharashtra. In the Budget Estimates for 2025–26, ₹50,511 crore has been allocated as grants-in-aid.

Between 2014 and 2026, Maharashtra has received ₹5.83 lakh crore through tax devolution and ₹3.66 lakh crore in the form of grants, he added.

Nagpur Metro and Rail Projects

The Minister said work on Nagpur Metro Phase 2 is in its final stage. Under Nagpur Metro Phase 3, proposed corridors include Sitabuldi to Koradi (11.5 km), Butibori MIDC to Khapri, Nagpur Satellite City (3 km) and the Inner Ring Road (15 km). Approval has been granted for the preparation of Detailed Project Reports (DPRs), and work on these projects is expected to commence shortly.

He further said that railway projects worth ₹1.70 lakh crore are currently underway in Maharashtra. A total of 41 new railway projects, covering 5,877 km and costing ₹81,580 crore, are in progress.

Under the Amrit Bharat Scheme, redevelopment work is underway at 128 railway stations in Maharashtra, including several in the Vidarbha region such as Nagpur, Ajni, Akola, Amravati, Badnera, Gondia, Hinganghat, Wardha and Washim.

Shri Gadkari expressed confidence that sustained investment in connectivity, logistics efficiency and multimodal infrastructure would deliver long-term economic benefits for both Maharashtra and the country as a whole.

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