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*“Energy, power and telecom top in  
CPS&Es investment plans”*

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## Energy, power and telecom top in CPSEs investment plans : AEP

With infrastructure becoming a buzzword for the Indian economy, the central public sector enterprises are well energized to make most of it by lining up the whopping Rs 1,48,132 crore for the financial year 08-09 in the core sectors including energy, power and telecom.

According to ASSOCHAM Eco Pulse study on “ **CPSEs Investment Plans for 2008-09**”, the public enterprises under infrastructure sector have been able to garner maximum investments contributing a share of 69 per cent of the total amount. The sectors include petroleum and natural gas (Rs. 46,540 crore), power (Rs.34, 760.1 crore), telecom (Rs.21, 1331.74 crore) followed by road transport and highway (Rs. 11,451.47crore), civil aviation (Rs. 9936.88 crore) and steel (Rs. 9524.5 crore).

“Channelizing of huge funds by the CPSEs would help in capacity expansion in the core areas and should ease the pressure building up on the prices”, said Mr. Venugopal N Dhoot, President ASSOCHAM.

The CPSEs in infrastructure enterprises are in investment spree, as they record a 32.69 per cent rise in their total investment plans as compared to the fiscal 08. The capital infusion may boost the growth in core areas of the infrastructure, which recorded a slowdown in growth from 8.9 per cent to 5.5 per cent for the period April-January 2007-08.

According to the AEP, the Central Public Sector Enterprises (CPSEs) have been entrusted with a total amount of Rs. 2,14,970.81 crore to spend in the fiscal 2008-09. The plan investments by the enterprises record an increase of 31.62 per cent as against the previous fiscal.

### CPSEs in Infrastructure Sectors

Sectors	Total Plan Outlay 2008-09 (Rs. crore)	Y-o_Y growth in 2008-09	Share in total CPSEs investment (in per cent)
Petroleum and Natural Gas	46,540.00	30.27	21.64
Power	34,760.10	30.79	16.16
Telecom	21,331.74	30.16	9.92
Road Transport and Highways	11,451.47	26.18	5.32
Civil Aviation	9,936.88	-10.74	4.62
Steel	9,524.50	120.22	4.43
Coal	6,597.00	46.04	3.06
Shipping	6,031.00	138.68	2.80
Mines	1,960.00	35.33	0.91

Source: Expenditure Budget 2008-09

Among the public enterprises, the navratan oil majors, Oil and Natural Gas Corporation (Rs. 19,338 crore) and Indian Oil Corporation (Rs. 8,500 crore) in the energy sector witness a rise of 5.40 per cent and 83.66 per cent hike respectively, as compared to the previous year. In terms of share in total outlay for CPSEs, ONGC account for 8.99 per cent and IOC register 3.95 per cent.

The surging oil demand coupled with the appreciating rupee and rising oil prices is compelling the oil firms to enter new markets to find more and new sources of fuel. To meet the rising fuel demand, ONGC and IOC plan to invest the allocated corpus in exploration and production and in refinery activities respectively.

The telecom operator of India, Bharat Sanchar Nigam Limited (BSNL) is endowed with an amount of Rs. 18,591 crore, an increase of 32.17 percent as against the FY'08. It plans to utilize the amount in expanding its CDMA network infrastructure across 500 towns and fixed line customers in rural areas. BSNL's share in the total outlay for 2008-09 is 8.64 per cent.

BSNL's growth in terms of revenue and subscribers continues to be hampered by lack of spare capacity and its difficulties in procuring new network equipment. The Public Sector Telecom Major faced a decline in the market share as it reported a dip in subscriber growth in the month of February 2008, as it signed 0.8 million more GSM subscribers, down from the 1.18 million additions in January.

In the power sector, National Thermal Power Corporation (NTPC) Limited, is allocated Rs. 13,588 crore for investment plan. The Power Generator register a 16.95 per cent increase in the total capex for FY'09 as compared to FY'08 and contribute a share of 6.32 per cent in the total plan outlay.

The Indian National Highways constitutes two per cent of the road network and 40 per cent of the total road traffic. Major initiatives to upgrade and strengthen National Highways by the government through various phases of National Highways Development project (NHDP) require funds, hence an allocation of Rs.11, 451.47 crore have been provided to the NHAI. The firm records a hike of 26.18 per cent in their capex and a share of 5.32 per cent in the total plan outlay.