

Outdated policies and apathetic govt playing spoilsport: expert

Staff Reporter

BANGALORE: Private and foreign investment in the power sector was not forthcoming because the sector was fraught with legal and technical complications resulting from outdated policy guidelines. Several "fast-track power projects" that have gathered dust over the years were a result of the state government's complacency in not bolstering infrastructure to make Karnataka attractive enough for foreign investors, said former Energy Planning Commission member and former Governor of Goa, T.R. Satish Chandran.

In his keynote address at a seminar on 'Status of Infrastructure in Karnataka — A Year After' held at the National Institute of Advanced Studies (NIAS) here on Friday, Mr Chandran said Karnataka was rated extremely low in terms of infrastructure in a study by a Mumbai-based centre monitoring infrastructure in different cities of the country.

"Foreign participation in building infrastructure such as power projects is inevitable as the scale of investment needed cannot be raised in the Indian capital mar-

—POWER PROJECTS—

kets. Since the liberalisation process began, the state and union governments have become complacent in assuring that investment is actually made," he said.

"There has been no change in the attitude of the governments or the speed with which they respond to an outside investor. They have failed to realise that for a private investor time means money. The single-window agencies set up to expedite the sequential processing of clearances have failed," he added.

As a solution, he suggested that in order to expedite the commissioning of projects, governments should create shell companies, obtain all clearances and then invite bids from private and foreign investors. This would act as an incentive to attract more investment into the sector.

Mr Chandran pointed out that while the Karnataka government had not pursued the proposal to set up a liquid natural gas (LNG) terminal at Mangalore for importing the fuel for plants power plants to be set up in the state by indepen-

dent power producers.

At the Centre, the national minimum action plan for the power sector drawn up during Mr Deve Gowda's prime ministership was forgotten.

Mr Chandran said the credibility of some of the parties who have been given licences for setting up power plants was questionable. "Most of them are middlemen who have procured the licences so that they may make a profit by selling it to someone else," he said.

In his address, eminent scientist Raja Ramanna said the government lacked the will to build better infrastructure. Citing Bangkok as an example, he said the city which was worse than Bangalore 30 years ago had been transformed into a city with flyovers and better infrastructure only because "it was the king's wish". "We have no king, but we do have a government," he remarked.

He narrated an incident when the Union government had rejected his proposal to utilise Rs 1 crore, his share of the MP's Area Development Fund, for the cleaning up of the Vrishabhavati river outside Bangalore.