GREENFIELD AIRPORT - ECONOMY

NEWS: Recently, the Minister of Civil Aviation has granted in-principle approval for the establishment of a Greenfield air**port in Kota, Rajasthan and Puri in Odisha.**

WHAT'S IN THE NEWS?

Definition: What is a Greenfield Airport?

- A **Greenfield airport** refers to a completely **new aviation facility** constructed on land that has not previously been used for any urban or commercial development.
- The term "greenfield" signifies that the site is **undeveloped, like grasslands or meadows**, and hence, development occurs from the ground up.
- These airports are planned to meet **future aviation demand**, relieve pressure from congested airports, and enhance regional connectivity.

Greenfield Airports (GFA) Policy, 2008

- **Introduced by the Ministry of Civil Aviation (MoCA)** in 2008 to provide a clear regulatory framework for the development of new airports on undeveloped sites.
- **Primary Objective**: To streamline procedures for establishing new airports in areas lacking aviation infrastructure, especially to promote regional growth.

Key Features:

- **Approval Process**:
    - Consists of **two mandatory stages**:
        - **Site Clearance**: Preliminary permission after evaluating land suitability and strategic viability.
        - **In-Principle Approval**: Final approval after comprehensive examination of project feasibility and policy compliance.
- **Eligibility to Propose**:
    - Both **state governments** and **private sector entities** are permitted to submit proposals for new greenfield airport development, subject to compliance with policy norms.

Key Characteristics of Greenfield Airports

- **Undeveloped Land**: Constructed on new, untouched land, free from existing constructions or prior airport infrastructure.
- **Clean Slate Design**: Entire infrastructure—from runways to terminals—is developed **from scratch**, allowing optimal layout and planning.
- **No Demolition Required**: Time and resources are not spent dismantling old structures, reducing delays and costs.
- **Modern Technologies**: Offers scope for integrating **cutting-edge aviation technologies**, smart infrastructure, and **environmentally sustainable designs** from inception.

Advantages of Greenfield Airports

a. Faster and More Efficient Construction

- Absence of legacy structures or outdated utilities leads to **reduced delays** and smoother project execution.

b. Improved Air Connectivity

- Enhances **regional, national, and international connectivity**, particularly for remote or underserved areas.
- Reduces passenger pressure on **overburdened urban airports**.

c. Boost to Local and Regional Economy

- Acts as a **catalyst for regional development**, including job creation, tourism, real estate growth, and industrial investment.
- Promotes **trade and commerce** by improving cargo and logistics infrastructure.

d. Environmental Planning

- Provides opportunity to **incorporate eco-friendly features** such as solar power, rainwater harvesting, and energy-efficient buildings.
- Can reduce **urban congestion, noise pollution**, and land acquisition disputes compared to airport expansions in dense cities.

Examples of Greenfield Airports in India

a. Pakyong Airport (Sikkim)

- India’s first greenfield airport in the northeastern region.
- Located at a high-altitude site, it enhances air connectivity for Sikkim and nearby Himalayan states.

b. Noida International Airport (Jewar, Uttar Pradesh)

- Under construction; expected to be one of India’s largest airports upon completion.
- Designed with advanced cargo handling and sustainability measures.

c. Navi Mumbai International Airport (Maharashtra)

- Meant to reduce congestion at the Chhatrapati Shivaji Maharaj International Airport.
- Being developed on greenfield land with modern passenger and freight handling capabilities.

New Greenfield Projects: Kota and Puri

a. Kota Airport, Rajasthan

- **Location**: Hadoti region, Kota city.
- **Strategic Need**: Kota is a major **educational and industrial hub**, attracting thousands of students and professionals annually.
- The airport aims to **support population growth, industrial logistics, and student travel** in southern Rajasthan.

b. Puri Airport, Odisha

- **Location**: Coastal city of Puri, home to the famous **Jagannath Temple**.
- **Purpose**: To improve **air access for millions of pilgrims and tourists** visiting the religious site each year.
- Aligns with India’s aim to **strengthen religious and heritage tourism**, while enhancing last-mile air connectivity.

Comparison: Greenfield vs. Brownfield Airports

Feature	**Greenfield Airport**	**Brownfield Airport**

Feature	Greenfield Airport	Brownfield Airport
Definition	New airport developed on previously unused land	Existing airport upgraded or expanded
Land Use	Built on open, undeveloped land	Built on already developed land
Construction Type	Complete construction from scratch	Expansion, renovation, or modernization of existing structures
Design Flexibility	Greater scope for modern, customized design	Limited by existing layout and infrastructure
Environmental Integration	Can incorporate **modern eco-standards** from the start	Must deal with **legacy environmental issues**
Planning Complexity	Requires comprehensive master planning due to lack of base infra	Planning easier but restricted by physical and legal constraints
Examples	Navi Mumbai, Noida, Pakyong, Puri, Kota	Delhi IGI (T3), Mumbai CSMIA, Chennai, Kolkata (modernized terminals)

Source: https://timesofindia.indiatimes.com/city/bhubaneswar/puri-greenfield-airport-to-be-built-over-1164-acres-at-rs-5631cr-cmo/articleshow/120941266.cms

PLI SCHEME FOR SPECIALITY STEEL - ECONOMY

NEWS: The US has questioned **India's Production Linked Incentive (PLI)** scheme for speciality steel at the **WTO.**

WHAT'S IN THE NEWS?

Background and Evolution of the Scheme

- The **original PLI Scheme for Specialty Steel** was launched in **2021** to enhance domestic manufacturing capabilities and reduce import dependence in high-grade steel segments.
- In response to industry feedback and challenges in implementation, the government **revised and relaunched** the scheme in **2025** as **PLI Scheme 1.1**.

- The scheme is administered by the **Union Ministry of Steel and Heavy Industries**.

Incentive Structure

- **Incentive Period**: The benefits under PLI 1.1 are applicable for five years, from **FY 2025-26 to FY 2029-30**.
- **Performance-Based Disbursal**: Incentives are linked to actual **incremental sales and production**, making it performance-driven.

Product Categories Covered

The scheme focuses on five high-potential categories of specialty steel:

1. **Coated/Plated Steel Products**
2. **High Strength/Wear-Resistant Steel**
3. **Specialty Rails**
4. **Alloy Steel Products and Steel Wires**
5. **Electrical Steel**

Key Features and Improvements in PLI 1.1

- **Relaxed Eligibility Criteria**:
    - Reduced minimum investment thresholds to attract wider participation from small and medium firms, including **MSMEs**.
- **Extended Timelines**:
    - Companies are given **more time to establish manufacturing capacity and meet production targets**, easing execution pressures.
- **Focus on High-End Segments**:
    - Higher incentive rates for **advanced steel grades** used in defense, automotive, and renewable energy sectors (e.g., electrical and tool steel).
- **Simplified Disbursement Mechanism**:

    - The incentive process is now **faster, technology-enabled, and transparent**, avoiding bureaucratic delays.

- **Support for Technology Upgradation**:

    - Encouragement for adoption of **green technologies, automation, and R&D** aimed at sustainability and global competitiveness.

What is Specialty Steel?

- **Definition**: Specialty steel refers to value-added steel that undergoes further **processing like coating, heat treatment, or alloying**.
- **Purpose**: This enhances steel properties such as **hardness, strength, corrosion resistance, or durability**.
- **Usage**: Commonly used in **strategic industries** such as **defense, space, automotive, power, infrastructure**, and **aerospace**.
- **Composition**: Often includes alloying with elements like **nickel, chromium, vanadium, molybdenum**, etc.

Objectives of PLI 1.1

- To **reduce India's dependence** on imported specialty steel, particularly high-grade variants.
- To **promote indigenous production** of value-added steel products.
- To **position India as a global leader** in specialty steel manufacturing by upgrading domestic capacity and capabilities.

Concerns Raised by the USA

- **Subsidisation amid Global Overcapacity**:

    - The US argues that India is subsidising steel production when there is already **excess global capacity**, which could distort markets.

- **Appropriateness of Subsidies**:

    - The US questions the need for such subsidies when **supply exceeds global demand**, potentially worsening the problem of oversupply.

India's Response to US Criticism

- **Addressing Import Dependency**:
    - Despite being the **second-largest steel producer**, India remains a **net importer** of high-end specialty steel.
- **Promoting Self-Reliance (Atmanirbhar Bharat)**:
    - The scheme is a **strategic move** to reduce vulnerabilities in critical sectors and **strengthen national security**.
- **Modest Subsidy Compared to Global Norms**:
    - India's total outlay under PLI 1.0 was **₹6,322 crore**, which is **relatively small** compared to China's **$50 billion** steel subsidies.
- **Upgrading the Steel Value Chain**:
    - The scheme supports Indian manufacturers in **climbing up the value chain**, moving from basic steel to **high-tech, high-margin products**.
- **WTO Compliance**:
    - The scheme **does not violate WTO rules**, as it:
        - **Does not mandate export performance** as a condition for incentive.
        - **Focuses purely on domestic production and investment**, making it trade-law compliant.

Source: https://www.thehindubusinessline.com/economy/us-questions-indias-pli-scheme-for-speciality-steel-at-wto/article69541762.ece