Why Reducing Indian Contract Size Could Unlock GDP Growth

In India, a typical infrastructure or EPC contract often runs into 300-700 pages. The irony?

- The more we try to detail every clause, the more ambiguity, delay, and disputes we create.
- Negotiation cycles stretch for months, projects start late, and billions of rupees get locked in litigation.

Contrast this with global best practices:

- NEC (New Engineering Contract – UK): A family of plain-English, modular, standardized contracts. London Olympics infra projects were delivered on time and under budget using NEC.
- IPD (Integrated Project Delivery – US): A relational, multi-party contract where Owner, Designer, and Contractor share risks and rewards, aligning incentives and minimizing disputes.A well-known successful IPD (Integrated Project Delivery) example is the Sutter Health Medical Center Castro Valley (California, USA) project.

Now imagine India adopting a hybrid model:

🔷 80% NEC ➜ standard, plain-language, modular templates for clarity and speed.

🔷 20% IPD leads to collaborative, gain share. And pain share mechanisms for large, complex projects.

The outcome?

Contracts could shrink to one-fifth their current size.

Dispute rates fall, project lead times shrink, and capital productivity rises.

Faster infra delivery ➜ higher multiplier effects ➜ direct GDP growth.

What should be done?

- **CEOs: Push for lean, standardized templates within industries; train teams on plain-language contracting.**
- **Government: Mandate simplified, NEC-style templates in public procurement, pilot IPD-style collaboration in large infra/healthcare projects.**
- **Courts & Regulators: Support fast-track commercial dispute resolution so reliance on "overwritten" contracts reduces.**

India doesn't need to reinvent the wheel – just adapt global best practice to our scale.

A simple shift from voluminous to value-driven contracts could become a hidden lever for GDP acceleration.

The question is: Are we ready to rewrite the way we write contracts?