

Ministry of Petroleum & Natural Gas

Gol determined to end “Energy Poverty”

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Background

- October this year compared to October 2019, driven mostly by an increase in industrial and commercial activities, and the easing of coronavirus pandemic lockdown restrictions.
- India’s government had imposed nationwide lockdown restrictions on March 25, and power consumption immediately declined on a year-over-year basis for six consecutive months, including a whopping 23.2% drop in April.
- It ended that retreat in September, with growth of 4.6% compared to a year ago before the larger rebound in October.
- Analysts expect the trend of increased power consumption will continue, and the BP report said India will account “for more than a quarter of net global primary energy demand growth” until at least 2040. India’s need for power means all fuel types are in play, even as the country tries to lessen its carbon emissions.

Minister’s statements

- “On the investments front, we have envisaged spend of \$60 billion in creating gas infrastructure till 2024, including for pipelines, LNG terminals and CGD (city gas distribution) networks.”
- He further said, “We are ushering a gas-based economy by increasing the share of natural gas in India’s primary energy mix from 6.2% to 15% by year 2030.”
- He also said, “We are adopting clean mobility solutions with greater use of LNG (liquefied natural gas) as a transportation fuel, including long-haul trucking. We plan to have 1,000 LNG fuel stations across the country. Last month, foundation stone was laid for the nation’s first 50 LNG fuel stations.”

What is prompting the changes?

- India—the world’s third-largest crude oil importer and the fourth-largest importer of liquefied natural gas (LNG)—has set a target of reducing its oil dependence by 10 percentage points to 67% (based on import dependence of 77% in 2014-15) by 2022.
- Every dollar per barrel increase in crude prices inflates India’s oil import bill by ₹10,700 crore on an annualized basis. This can sharply impact the government’s finances and its efforts to control inflation and revive economic growth.
- To further its energy security plans, the government is also looking at private investments to boost domestic oil and gas output that has stagnated for the last few years. India relies on imports to meet 83% of its crude oil demand and more than half of its natural gas needs.

For Further Study

1. <https://www.livemint.com/industry/energy/india-developing-roadmap-for-self-reliance-in-energy-oil-minister-pradhan-11608196885821.html>
2. <https://www.powermag.com/india-expects-to-double-power-consumption/>
3. <https://timesofindia.indiatimes.com/business/india-business/india-plans-60-billion-investment-in-gas-infra-says-pradhan/articleshow/79795001.cms>
4. <https://www.gktoday.in/current-affairs/indias-plan-to-create-gas-infrastructure/>