



## INTERNATIONAL ENERGY FORUM

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**T**he world is seeing a dramatic shift in the energy supply and consumption, one of the largest transitions in history. This is primarily driven by the following trends

- Consumption growth has already shifted to non-OECD countries such as the Middle East, Africa and developing Asia;
- Solar PV has become economical compared to all other energy sources and is changing the supply paradigm;
- Abundant availability of natural gas globally and with an increased share of LNG, natural gas is contributing more to the primary energy basket;
- The US will soon become the largest producer of oil and is predicted to meet a major portion of the additional oil demand in the next few decades;
- Coal will gradually go out of favour as a major contributor to primary energy in the OECD World and later in developing countries;
- The transport sector will see massive changes in the next few decades with the adoption of electric vehicles (EV);
- The World is committed to the climate change agenda based on COP21 agreement in Paris, so the energy intensity of the global economy will refocus on green energy and energy efficiency;

This transition in the global energy sector was rightly picked up as a theme in IEF 15. This forum of IEF underlines the producer-consumer dialogue and paves the way for discussions to improve global energy security.

Currently, India is the fastest growing large economy in the world. In the last quarter our GDP grew by 7.2 per cent. All leading agencies such as IMF, World Bank, ADB etc. are predicting India will grow between 7-8 per cent in 2019 and 2020.

The Goldilocks economy, with higher growth and lower inflation has returned to India. Our Government has been able to achieve this with fiscal prudence and a stable exchange rate. This macro stability is boosting both consumption and investment in the economy. India is also blessed with a demographic dividend, where the working age population as a proportion of total population, is one of the highest in the world. Our Government is boosting local manufacturing in industries such as textiles, petrochemicals, defence, engineering etc. through enabling policy measures. This is increasing our energy consumption further.

Last week I came across the BP forecast of energy, where India will be the fastest growing energy market in

the next two decades. In fact, according to this report by the middle of the next decade, the incremental energy consumption in India will surpass even that of China.

We have also revamped our upstream policies and regulations and brought transparency and competitiveness to the sector. The bidding criteria has been changed to revenue sharing which will help reduce government intervention. We have also successfully awarded small fields to newer entities in India thus expanding the developers in the O&G upstream sector. The Open Acreage and National Data Repository (NDR) will help domestic and foreign companies participate in fields of interest and help increase the exploration interest in India's upstream sector. The Enhanced Oil Recovery Policy aims to promote the use of the latest technology in improving productivity of upstream fields.

Our Government believes in the integrated approach to energy planning. And, our energy agenda in India is inclusive, market based, and climate-sensitive. This we believe will go a long way to achieve the key energy related components of the United Nations Sustainable Development agenda:

1. Universal access to modern energy by 2030;
2. Urgent action to tackle climate change - in line with the Paris agreement;
3. Measures to improve air quality;

According to IEA, the world still has 1.1 billion people without access to electricity, mostly in developing Asia and Africa. By 2018 we aim to achieve 100 per cent electrification of all Indian households through a targeted program called, SAUBHAGYA.

Similarly access to clean cooking fuel is very important. Women benefit the most by adopting clean cooking. We have reached nearly 80 per cent of Indian households, providing access to clean cooking gas, jumping from 56 per cent in just last three years.

India's UJJWALA scheme, which aims to provide clean LPG cooking connections to 80 million poor households, has already reached almost 35 million connections in just less than two years since its launch in 2016.

India is also rebalancing its energy mix with a focus on natural gas and renewables. We are shifting directly from BS IV to BS VI fuels by April 2020, which is equivalent to the EURO VI standards.

We are soon going to launch a Vehicle Scrapping Policy which will help replace old commercial vehicles with cleaner and energy efficient vehicles. Our oil companies

are assessing all their investments keeping in mind the energy diversification strategies. All oil companies are investing in wind and solar capacities, they are investing in gas infrastructure and also thinking in the direction of investing in Electric Vehicles and Storage areas.

India took a lead in forming the International Solar Alliance with 60 countries having solar potential. If all eligible countries join the Alliance, then the cumulative installed solar capacity in ISA countries could surpass 700 GW by 2022. This would be more than 80 per cent of global solar capacity at that time. We, in India, are targeting to reach 100 GW of solar capacity by 2022 and going by the current pace, we are very much on course to do so.

The International Energy Forum (IEF) is a forum that provides a neutral platform for open and inclusive energy dialogue among 72 IEF member governments and industry stakeholders. We definitely want a balanced energy market where supply is not artificially curtailed and consumers pay a fair price for energy. IEF is one forum that tries to strike this balance and the members get to learn the best practices in the energy sector.

Cities in developing countries are struggling with local air pollution and are adopting several strategies to combat that. This includes a ban on old polluting vehicles, stricter emission norms, and promoting the use of less polluting fuels like LNG etc. China is ramping up its use of LNG in long distance transportation. As of 2016, almost 4 per cent of their long distance vehicles had converted to LNG and they had opened up more than 3500 retail LNG outlets.

As we are all aware, we have Industry 4.0 dawning upon

us with technologies and processes such as the Internet of Things, Artificial intelligence, robotics process automation, machine learning, predictive analytics, 3-D printing, virtual reality and so forth, changing the way industry will operate in future.

Our companies are also charting their paths to adopt the latest digital technologies to improve efficiency, increase safety and reduce costs.

Against this backdrop, we have a lot to ponder over the future of the energy sector and India provides the perfect setting for hosting this important event.

IEF16 will be held in New Delhi in April 2018. It aims to focus on new global shifts, transition policies, influential new technologies, market stability and future investments in the energy sector.

We will have a dialogue among Ministers and industry leaders on how energy security will evolve along energy transition, meet global economic, demographic, and environmental challenges.

The overarching theme of IEF16 is *“The Future of Global Energy Security”*. The IEF16 Agenda is structured around four key sessions that aim to address the most pertinent questions for the future of our collective energy security. This includes: Global shifts in the producer–consumer dialogue; universal energy access and affordability; promoting investments in O&G to meet future demand and maintain energy security and the co-existence of new and existing technologies.

I strongly believe that these dialogues would go a long way in benefitting our citizens in accessing clean, affordable and sustainable energy. ■

*India has taken a lead in forming the International Solar Alliance.*

