

We are working on a mission mode to build India into a US\$ 5 trillion economy

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New Delhi,

The Minister of Petroleum and Natural Gas & Steel Shri Dharmendra Pradhan has said that Secure, Efficient, Affordable and Sustainable Energy will have to be ensured to fuel the \$5 trillion economy. Delivering a keynote address at Energy Horizons 2019, a flagship event of CEEW in New Delhi today, he dwelt upon the trends that are crucial to India's energy transition. The Minister said that We will have to deal with volatility in the energy market due to geo-politics and play a significant global role. He said that Transition in Mobility is here, and we have to set the road map for India. Cautioning the businesses to prepare for disruption, he said that there will be disruptive trends, which shall call for out-of-the-box thinking, such as future refineries having to demonstrate flexibilities to switch products and if needed have petrochemical as an output. On the future of work and need to prepare workforce, the Minister said that Organizations and the country should assess their talent readiness and take action to prepare them for the disruptions.

Shri Pradhan said "We live in a world which is at the cusp of major energy transitions. India, as one of the fastest growing large economies in the world and the third largest consumer of energy globally, is indeed embracing the energy transition." He said that the robust growth of India in the last five years has been achieved through a series of policy reforms covering the vast spectrum of economic and social activities.

Our Government remains committed to inclusive, holistic and sustainable high economic growth. We are working on a mission mode to build India into a US\$ 5 trillion economy by 2024, he added.

Identifying the trends crucial to the discussion on India's energy transition, Shri Pradhan said that Secure, Efficient, Affordable and Sustainable Energy will have to be ensured to fuel the \$5 trillion economy. India's energy consumption is projected to grow at 4.2 percent per annum up to 2035, faster than all major economies of the world. While India's energy demand increased to 754 million tonnes of oil equivalent (Mtoe) in 2017, the per capita consumption of energy is still much lower than the world average. India's share of total global primary energy demand is set to roughly double to about 11 percent by 2040, driven by strong economic development. Given the complex and fast growing nature of our energy needs, we will depend on all sources of energy that are secure, efficient, affordable and sustainable. Coal, oil, gas, bio-fuels, nuclear, hydro, solar and wind will have to meaningfully contribute.

The minister said "We will have to deal with volatility in the energy market due to geo-politics and play a significant global role." On the supply side, energy geopolitics and the impact of factors beyond the locus of control have emerged instrumental in shaping the trends. India will continue to play an active role in shaping the geo-political landscape, and work towards safeguarding its crude supply, going forward. He said "In the last five years, our engagement with the global community has increased manifold and India has become an important influencer as a major consuming nation - highlighting the need for energy justice. Indian companies are taking large stake in operating upstream assets abroad, fully factoring in risks."

Sh Pradhan said "the Transition in Mobility is here, that we have to set the road map for India." From a consumption standpoint, the trend is increasingly tilting towards adoption of cleaner fuel. Gas is already established as a transition fuel and increasing the share of gas in the overall primary energy mix has emerged as a priority for India. We are soon transitioning to BS VI by early 2020 and given the award of the City Gas Distribution (CGD) licenses, soon 75 percent of the country will have gas retail network. "Earlier this week, I said that EV is a priority but the incremental requirement of fuel will have to be met through a combination of BS-VI grade petrol and diesel, CNG and biofuels alongside EVs.", the minister added. He said that capital outlay plan in the coming years, across a number of areas, such as refinery upgradation, petrochemicals, pipeline, city gas network, LNG terminals and marketing network has to increase. This has a huge potential for direct and indirect economic impact as well as employment generation potential.

Sh Pradhan said that Businesses will have to prepare for disruption. There will be disruptive trends, which shall call for out-of-the-box thinking, such as future refineries having to demonstrate flexibilities to switch products and if needed have petrochemical as an output. There is also exponential development with respect to digital technologies such as Advanced analytics, Cloud computing, drones, Internet of things (IOT), sensors, wearables, robotics process automation (RPA) and Block Chain. Indian companies - Industrial Revolution 4.0 is truly here. Indian companies will have to quickly adapt to these technologies and unlike the earlier industrial revolutions, India cannot afford to miss this one.

On the issue of Future of work and need to prepare workforce, Sh Pradhan said that Organizations and the

country should assess their talent readiness and take action to prepare them for the disruptions. He said “We have to focus on lower-skilled workers. While low-wage workers are most likely to see their jobs disrupted by technology, they are less likely to receive corporate training. Given the challenges many lower-skilled workers face, governments can assist in building a pathway to better jobs and higher wages. Governments can help reduce the information gap between employees and employers by engaging in innovative public-private partnerships and providing industry information directly.”

The Minister said that Petroleum and Natural Gas Ministry continues to endeavour to “Reform, Perform and Transform’ the sector. The Government has taken several reforms with far-reaching impacts in the sectors of Exploration and Production, Refinery, Marketing, Natural Gas and International Cooperation. “Today, India’s voice as a large, reliable energy consuming nation is heard with respect. We have been able to convince the oil suppliers about India’s as well as all consuming nations’ justified stand for a responsible and reasonable pricing. We have raised the issue of responsible pricing and for abolishing Asian Premium with OPEC and its member countries. India has forged partnerships with major energy consumers like Japan and China to work together and synergize areas of our mutual interest in the oil and gas sector. India and the US have established a Strategic Energy Partnership last year. With US, we also constituted a Joint Task Force on Natural Gas, which aims at increasing the share of gas in India’s primary energy mix. The increase in the supply-demand gap in energy sector is inevitable and will lead to greater innovations and investments in the ongoing energy transition.” Sh Pradhan said.

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