

India needs greater efficiency and renewables to meet energy demands

16 November 2008

India must improve energy efficiency and develop significant electricity-generating capacity through renewable sources and nuclear power if it is to meet its growing energy demand over the next 10-15 years, while also reducing carbon emissions to address climate change, business leaders at the World Economic Forum 's 24th India Economic Summit said.

“ If India sustains a growth rate of 7-8%, there will be a huge energy shortage, ” Adil Zainulbhai, Managing Director, India, for the global consulting firm McKinsey & Company, told participants at a plenary session on the second day of the Summit. Efforts to meet the shortfall will likely entail the use of low-cost, “ dirty ” coal and diesel fuel, he warned. It is critical, therefore, to decrease demand through greater energy efficiency and to increase capacity through private sector participation in nuclear power and renewable energy projects including solar, geothermal and wind initiatives.

“ From a climate change perspective, the rate of energy consumption around the world is unsustainable, ” said Tejpreet Singh Chopra, President and Chief Executive Officer of GE in India. While oil will remain the dominant source of energy for some time, “ nuclear will become increasingly important, ” he remarked, noting that the “ safety norms in the nuclear space have significantly increased in the last few years. ”

According to Nicholas Stern, IG Patel Professor of Economics and Government at the London School of Economics, market forces will push companies to adopt low-carbon strategies and standards. “ India has set off on a good course, ” he reckoned. “ This is going to be a path full of pressures and opportunities. This is the only possible route. The high-carbon picture will kill itself off. The marketplace will push it and people will push it. It is the way to overcome poverty. ” Nand Khemka, Chairman of India 's Sun Group, agreed: “ Clean energy technology has been under evolution in the last number of years. Geothermal, nuclear, clean energy – India needs all of it because no one source can meet our needs. ”

Panellists warned that renewable energy projects are generally not yet commercially viable on a large scale and need to be given a boost through government incentives and subsidies. “ Today, solar is uneconomical for now, ” said Chopra. “ To be sustainable for the long term, it has to be viable without subsidies. ” Wind power pioneer Tuls R. Tanti, Chairman and Managing Director of Suzlon Energy in India, argued that if the pricing of energy takes into account environmental damage, this would boost investment in and the use of renewable energy sources. Innovation and technology are rapidly reducing development costs, he explained, adding that there are major opportunities in renewable energy in India.

The World Economic Forum 's 24th India Economic Summit is being held in partnership with the Confederation of Indian Industry (CII), with nearly 700 participants from over 35 countries participating in the three-day meeting under the theme Securing India's Future Growth.

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