

PM's address at the International Energy Forum Ministerial Meeting

Minister for Energy, Saudi Arabia

Minister for Petroleum and Natural Gas, India

Secretary General, International Energy Forum

Distinguished Delegates

Ladies and Gentlemen.

Welcome to India.

Welcome to the 16th International Energy Forum Ministerial Meeting.

I am happy to see such a large participation of Energy Ministers from producing and consuming nations, Heads of International Organisations and CEOs in this forum.

As you come together today to discuss the future of global energy, the world is seeing a great transition in energy supply and consumption.

- Consumption growth has shifted to non OECD countries: Middle East, Africa and developing Asia;
- Solar Photo-Voltaic energy has become economical compared to all other energy sources. This is changing the supply paradigm (पैरा-डाइम);
- Abundant availability of natural gas globally with increased percentage of LNG and natural gas is contributing to the primary energy basket;
- The US may soon become the largest producer of oil. It is predicted to meet a major portion of the additional oil demand in the next few decades;
- Coal may 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 adoption of electric vehicles;
- The World is committed to the climate change agenda based on the COP-21 agreement. The energy intensity of economies will change with focus on green energy and energy efficiency;

Last month I came across an energy forecast prepared by an agency, according to which India will be the key driver of global energy demand in the next twenty-five years. India's energy consumption will grow by four point two percent a year for the next twenty-five years. This is fastest among major world economies. The report also mentions that Gas demand will triple by 2040. The number of electric vehicles will rise to three hundred and twenty million by 2030, up from three million today.

We are entering an era of energy abundance. However, one point two billion people still do not have access to electricity. Many more do not have access to clean cooking fuel. We must ensure that this situation is not exploited to the detriment of the under-privileged. People must have universal access to clean, affordable, sustainable and equitable supply of energy.

Let me share with you some of my thoughts on the hydrocarbon sector and our endeavour to achieve energy security.

Oil and Gas are a commodity of trade but also of necessity. Whether it is for the kitchen of a common manor for an aircraft, energy is essential.

The world has for too long seen prices on a roller-coaster.

We need to move to responsible pricing, which balances the interests of both the producer and consumer. We also need to move to transparent and flexible markets for both oil and gas. Only then can we serve the energy needs of humanity in an optimal manner.

If the world has to grow as a whole, there has to be a mutually supportive relationship between producers and consumers. It is in the interests of producers that other economies keep growing steadily and rapidly. This will ensure growing energy markets for them.

Efforts at artificially distorting prices are self-defeating, as history has shown us. They also cause undue hardships, particularly to those at the bottom of the pyramid in developing and least developed countries.

Let us use this platform to build a global consensus on 'responsible pricing.' This will serve the mutual interests of both producers and consumers.

Given global un-certainties, India also needs energy security. My vision for India's energy future has 4 pillars— energy access, energy efficiency, energy sustainability and energy security.

Energy in general and hydrocarbons in particular are an important part of my vision for India's future. India needs energy which is accessible and affordable to the poor. It needs efficiency in energy use.

As a responsible global member of the comity of nations, India is committed to combating climate change, curbing emissions and ensuring a sustainable future.

The launch of the International Solar Alliance is a step towards fulfilling this commitment.

Friends.

Currently, India is the fastest growing large economy in the world. All leading agencies such as IMF, World Bank, and ADB are estimating India to grow at 7 to 8 percent in the near future. Our Government has been able to achieve high GDP growth with low inflation, well controlled fiscal deficit and stable exchange rate. This macro-economic stability is boosting both consumption and investment in the economy.

India is also blessed with demographic dividend. The working age population as a share in total population, is one of the highest in the World. Our Government is boosting local manufacturing through Make in India and skilling of youth in industries such as textile, petro-chemical, defence, engineering etc. This, in turn, is also increasing our energy consumption further.

We have also revamped our up-stream policies and regulations and brought transparency and competitiveness in the sector through the launch of Hydrocarbon Exploration and Licensing Policy. The bidding criteria has been changed to revenue sharing which will help reduce government intervention. Currently, a bidding round is open till the 2nd of May. I request you to participate in our endeavour towards increasing production. The Open Acreage and National Data Repository will help companies participate in fields they are interested in and help increase the exploration interest in Indian fields.

The Enhanced Oil Recovery Policy aims to promote the use of latest technology in improving productivity of up-stream fields.

Our Down-stream sector has been completely liberalized with market driven petrol and diesel prices reflecting the changes in price of crude oil. We have moved towards digital platforms in fuel retail and payments.

Our government has encouraged private participation across the entire oil and gas value chain from up-stream production to down-stream retail.

Our Government believes in an integrated approach to energy planning. And, our energy agenda in India is inclusive, market based, and climate-sensitive. This, we believe, would go a long way towards achieving three energy related components of the United Nations Sustainable Development Agenda. Namely:

Universal access to modern energy by 2030;

Urgent action to tackle climate change – in line with the Paris agreement;

Measures to improve air quality;

Friends,

We believe access to clean cooking fuel is very important to improve standards of living. Women benefit the most from it. It reduces indoor pollution, and hardships faced in collecting bio-mass and fire-wood. It gives them increased time for further self-development, and taking up additional economic activities.

In India, through the Ujjwala Yojana we provide free LPG connections to women from poor households. The aim is to provide clean LPG cooking connections to 80 million poor households. 35 million connections have already been provided in less than two years.

We propose to shift to BS Six fuels by April 2020, which is equivalent to the EURO Six standards. Our refineries are under-going massive up gradation. They are on target to meet the ambitious deadlines to provide clean fuel. In fact, here in New Delhi, we have already started offering BS Six standard fuel this month. We have also launched a vehicle scrapping policy which will help replace old vehicles with cleaner and energy efficient vehicles.

Our oil companies are assessing all their investments keeping in view the energy diversification strategies.

Today, oil companies are also investing in wind and solar capacities, gas infrastructure, and also thinking in the direction of investing in Electric Vehicle and Storage areas.

Friends.

As we are all aware, we are now looking towards Industry 4.0, proposing to change the way industry operates in the future with new technologies and processes like Internet of Things, Artificial intelligence, robotics process automation, machine learning, predictive analytics, 3-D printing, etc.

Our companies are also adopting latest technologies. This will improve efficiency, and increase safety and reduce costs not only in down-stream retail but also in up-stream oil production, asset maintenance and remote monitoring.

In this backdrop, India provides the perfect setting for hosting this event, to ponder over the future of the energy sector. To reflect on how global shifts, transition policies and new technologies will influence market stability and future investment in the sector.

Friends,

The theme of IEF-16 is “The Future of Global Energy Security.” I am told that the Agenda aims to address issues like global shifts in producer–consumer relations, universal energy access and affordability, and promoting investments in oil and gas to meet future demand. Maintaining energy security and co-existence of new and existing technologies are also to come up for discussion. These are all pertinent subjects for the future of our collective energy security.

I believe that the discussions at this forum will go a long way in benefitting the world citizens in accessing clean, affordable and sustainable energy.

I wish you all a successful and fruitful Ministerial Conference.

Thank you