

**Speech of Shri Sudhir Bhargava, Additional Secretary,  
Government of India, Ministry of Petroleum & Natural Gas  
– at the 13<sup>th</sup> IEF on Tuesday 13<sup>th</sup> of March, 2012**

It is a matter of great honour and privilege that IEF has given me the opportunity of sharing my views, on this critical subject, before this august gathering. I must, however, at the outset seek your indulgence as I would be speaking from the limited perspective of a policy maker from an energy deficient country highly dependent on import of oil and gas to meet its energy requirement. Further, after two very informative and exhaustive presentation on the subject this evening there is not much that one can add.

The challenges that Govt. face today is how to ensure that its people especially the poor, the vulnerable and the marginalized have access to energy that is safe, clean, sustainable and affordable as energy is the key to higher productivity and improved quality of life. However, despite the huge progress made in the last 5 decades more than 1.6 billion people with a large proportion in Africa and Asia (1/3 in India) do not have access to modern energy. Without access to energy, the poor are deprived of opportunities for economic development and improved quality of life. His Highness the Amir of the State of Kuwait in his speech at the opening ceremony, therefore, stressed the need for securing access to energy for everyone.

In this context it is relevant to note that even in a country like India the per capita consumption of energy is 545 Kgoe, as compared to the global average of 1839 Kgoe. Thus, as economies move towards convergence, the pressure on demand for energy would further increase. Thus global energy demand would grow substantially and fossil fuels are expected to remain the main source of energy in the primary energy mix. This growing demands needs a sustainable and affordable answer.

The issue at stake are complex, broad and inter related. These require concerted efforts, and appropriate joint collaboration, for adequate, cooperative and sustainable solutions. Close engagement with major stakeholders at various levels is essential to advance mutual undertaking on common challenges, such as security of supply and demand, investments, cleaner fossil fuel technologies environmental protection, use of new technology and innovation and the role of petroleum in promoting sustainable development and energy providing socio- economic development as well as achievement of human development in its all encompassing and highest form.

With your permission, Mr. Chairman I would like to share some of the initiatives taken by Government of India to facilitate the development of oil and gas sector. One such is the New Exploration Licensing Policy which offers all the necessary

ingredients of a favourable investment climate. Macro economic and fiscal stability, transparency and the rule of law, contract stability minimal policy induced uncertainties and ensures a stable legal and regulatory framework. NELP has resulted in investment of more than \$15 billion and 87 oil and gas recoveries. Further, up to 100% FDI is allowed in exploration, marketing, infrastructure of petroleum and natural gas, pipelines for petroleum and natural gas, LNG regasification regulatory infrastructure, petroleum refining. We have also been investing in the development of oil and gas assets abroad. We are also facilitating initiatives for energy efficiency and conservation – as we feel these are equally relevant and important.

In the gas sector, the Gol has embarked upon accelerating use of natural gas in the country. Currently natural gas accounts for about 10% of the country's energy basket as against the world average of 25%. But, we envisage that by 2020, natural gas will account for about 20% of our energy basket. India has also initiated investment plan for increasing its current RLNG handling capacity of 12.5 MMTPA to 15 MMTPA by 2017. Further, by 2016-17, we envisage a Natural Gas Grid measuring 31,757 kms. of pipelines across the country.

We expect that in the next five years, the policy frame work will enable investment of about \$100 billion. Such incentivisation is required so that timely and adequate

investment along the supply chain is maintained – given the long gestation lags in investments in the oil and gas sector. Further the disincentive to invest can create imbalance when demand recovers.

I am sure that the Conference with its focus on expanded in depth dialogue would build confidence and awareness of the common challenges facing producers and consumers as well as our shared objective of finding solutions that would lead not only to sustainable development but would also be able to secure a promising future for all round development and bring peace, prosperity and happiness to our citizens.