

# DAILY ENERGY MARKETS FORUM

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**India's Leading Energy Expert**



### Your view on India reducing the coal language to 'phase down' at COP 26?

India made this in deep consultation with the US and UK which means they were also partly on board. But we had no alternative as 70% of the electricity that we consume across the country, the backbone of our economic growth, comes from coal. Of our total requirements, we import 86% of oil, 56% of gas and 90% of solar equipment. So, when it comes to our energy security, the only thing that we can bank on, without vulnerability to imports, is coal. Still, India remains very concerned about the climate and is at the forefront of pushing renewables and other sources of energy and in another 20 years, we will be more comfortable with these. We won't be supporting coal forever; it's a bridge energy. But if we stop using oil, natural gas and coal, how are we going to bring three billion people across the world out of energy poverty? Wealthy countries have pushed these prices up and it's countries like India, China, Indonesia and many others who are feel the brunt. Western countries control the climate narrative and are now demonizing oil, gas and coal. But they must also 'walk the talk' if they expect countries like India to listen. They could for example bring down the cost of technology for renewables and live up to funding pledges made to developing countries on climate change control.

### Indian consumption looks content with these oil price levels?

India is not happy with these prices and we've been working behind the scenes and wherever possible, together with China, to try and bring them down. Russia seems to be on board with having a lower price but not Saudi Arabia. Gasoline demand in India has recovered to pre-Covid levels and diesel, which we were expecting would not be back to normal until January, has also. But what's made this possible is the Federal government and state governments cutting taxes. Excise duties have been cut by more than 32% and so petrol and diesel prices at the pump have gone down significantly. India could not afford to compromise on its growth. Anything above \$60 a barrel is bad news for the Indian consumer. We need oil at maximum \$74. ■

*\*Paraphrased comments*

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