

Chapter | 4

Foreign Trade & Prices of Energy Resources



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Trade and Prices

Issues that face the developing countries and the international community include ensuring, through national and international measures, that energy is (a) accessible to households and industries; (b) affordable for all, especially the poor; (c) sustainably produced and consumed; and (d) available for promoting development locally and globally coupled with the imperative to mitigate climate change.

Drastic “de-carbonization” of energy generation and use by households and industries, intensifies high volatility present in the international energy market trends, and thus impacts energy importers/exporters countries equally.

Countries need to encourage a more efficient management of energy resources, coupled with an accelerated growth of renewable and sustainable sources of energy. The need of the hour, thus, is increased investment, development of necessary infrastructure and also improvement in trade regimes in order to achieve self-sufficiency in terms of import dependency.

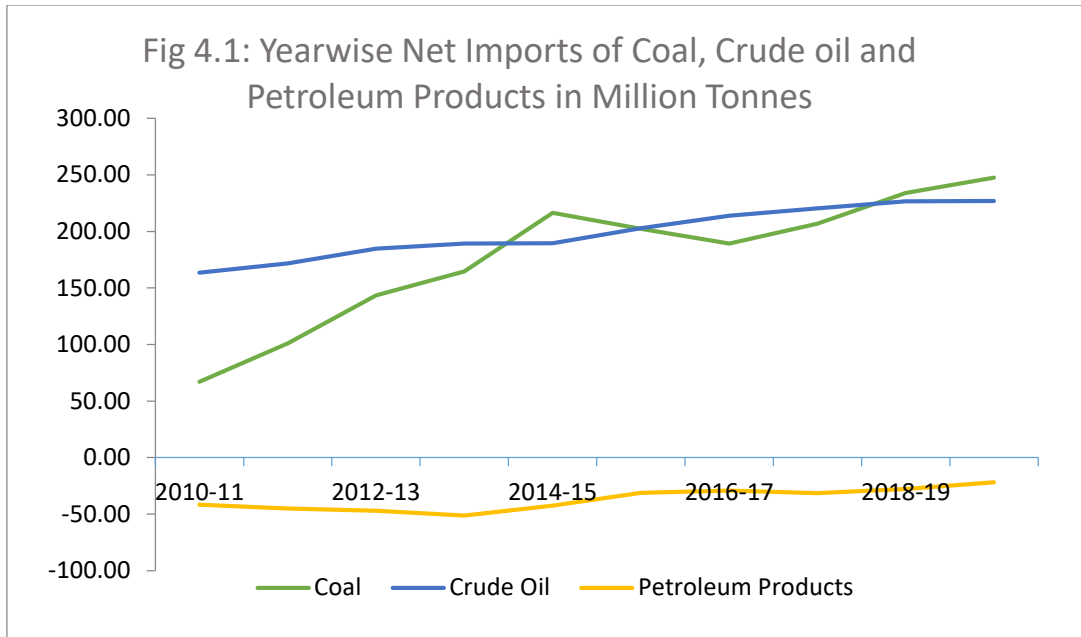
To holistically mitigate the effects of the situation, Energy policies in India in the recent years have been designed to address the country’s growing energy deficit and to focus on developing alternative sources of energy, particularly nuclear, solar, and wind energy.

India has been focusing on reducing its dependence on energy imports and diversifying its energy basket. The aim is to achieve Energy Security - the continuous availability of energy in varied forms, in sufficient quantities, at reasonable prices, to fuel economic growth in the coming years. Moreover, the international community should promote an enabling environment for the development and utilization of financing mechanisms for exchange of new energy technology and infrastructure.

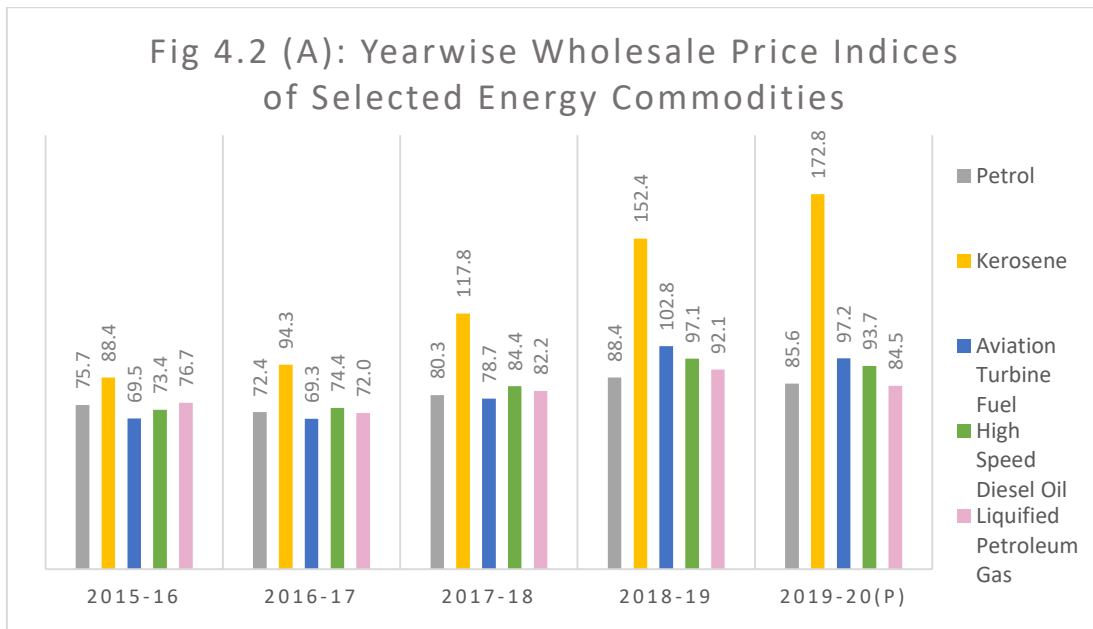
This chapter presents glimpses of trade and price statistics of major energy resources and products in the country.

Highlights

- There has been an increasing trend in the net import of coal in the recent years. Over the last ten years, Net Import of coal steadily increased from 67.04 MTs in 2010-11 to 210.87 MTs in 2014-15. This was followed by a marginal decline in the succeeding 2 years but again started increasing though the increase in 2019-20(P) over 2018-19 was only 5% as compared to 13% in 2018-19 over 2017-18. (Table 4.1).
- India is also highly dependent on imports of crude oil to meet domestic consumption. Imports of crude oil have increased from 163.60 MTs during 2010-11 to 226.95 MTs during 2019-20(P). While the increase of 0.20% in the imports of crude oil during 2019-20(P) over 2018-19 is marginal, the overall CAGR of Net imports of crude oil in the last ten years from 2010-11 to 2019-20(P) has been a rate of 3.70%.
- However, India is an exporter of Petroleum Products. The export of petroleum products has increased from 59.08 MT during 2010-11 to 65.69 MT during 2019-20(P). The CAGR of exports of petroleum products from 2010-11 to 2019-20(P) is 1.19 %. However, during 2019-20(P), exports witnessed decrease of (-) 21.08% from the previous year 2018-19.
- The import of Natural Gas stood at 28.74 BCM for the year 2018-19 as compared to 33.89 BCM in the 2019-20(P) recording an annual growth of 17.91%. The import of natural gas has also increased from 12.93 BCM in 2010-11 to 33.89 BCM in 2019-20(P) recording a CAGR of 11.30%.
- India's exports of electricity started rising as compared to gross imports since 2016-17. The export of electricity has increased from 128 GWh in 2010-11 to 9491 GWh in 2019-20(P) with a CAGR of 61.29%.
- As compared to the previous year, 2018-19, export of electricity grew by 12.07%. Import has also shown an increasing trend during the period but at a slower pace with the exception of 2018-19. Import in that year was the lowest during the ten years' period 2010-11 to 2019-20(P).



- Wholesale Price Index (WPI) of Petroleum Products varied for different products ranging from a growth rate year on year of 13.39%(Kerosene) to (-) 3.17%(Petrol). Index was highest for kerosene (172.8) (Table 4.2).



- The Wholesale Price Index (WPI) among non-petroleum products showed a positive growth rate of 7.32% (lignite) followed by 3.91% (Coking Coal) and 2.01% (Electricity).

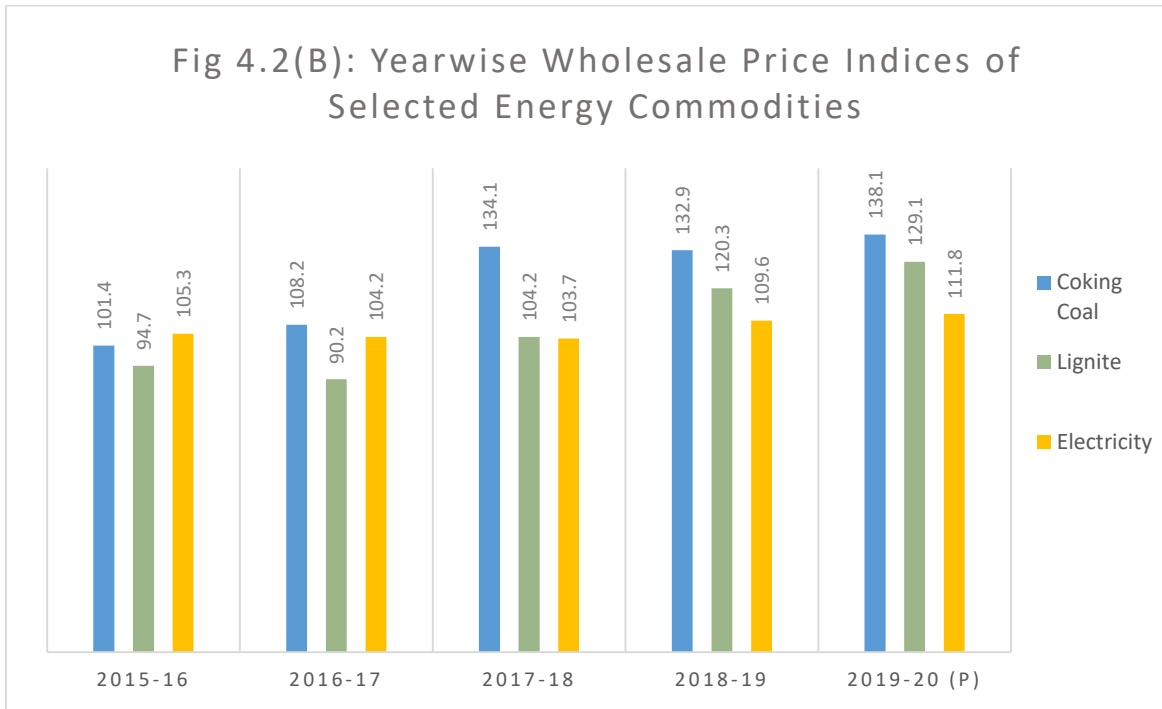


Table 4.1: Yearwise Foreign Trade in Coal, Crude Oil, Petroleum Products, Natural Gas and Electricity

Year	Coal (Million Tonnes)			Crude Oil (Million Tonnes)			Petroleum Products (Million Tonnes)		
	Gross Imports	Exports	Net Imports	Gross Imports	Exports	Net Imports	Gross Imports	Exports	Net Imports
1	2	3	4=(2)-(3)	5	6	7=(5)-(6)	8	9	10=(8)-(9)
2010-11	68.92	1.88	67.04	163.60	0.00	163.60	17.38	59.08	-41.70
2011-12	102.85	2.02	100.83	171.73	0.00	171.73	15.85	60.84	-44.99
2012-13	145.79	2.44	143.34	184.80	0.00	184.80	16.35	63.41	-47.05
2013-14	166.86	2.19	164.67	189.24	0.00	189.24	16.70	67.86	-51.17
2014-15	212.10	1.24	210.87	189.43	0.00	189.43	21.30	63.93	-42.63
2015-16	203.95	1.58	202.37	202.85	0.00	202.85	29.46	60.54	-31.08
2016-17	190.95	1.77	189.18	213.93	0.00	213.93	36.29	65.51	-29.23
2017-18	208.27	1.50	206.77	220.43	0.00	220.43	35.46	66.83	-31.37
2018-19	235.24	1.31	233.93	226.50	0.00	226.50	33.35	61.10	-27.75
2019-20 (P)	248.54	1.05	247.49	226.95	0.00	226.95	43.79	65.69	-21.90
Growth rate of 2019-20 over 2018-19(%)	12.95	-12.64	5.80	0.20	-	0.20	31.30	7.51	-21.08
CAGR 2010-11 to 2019-20 (P) (%)	15.32	-6.29	15.62	3.70	-	3.70	10.81	1.19	-6.91

(P): Provisional

Sources:

1. Office of Coal Controller, Ministry of Coal,
2. Ministry of Petroleum & Natural Gas.
3. Central Electricity Authority

Table 4.1 (Contd): Yearwise Foreign Trade in Coal, Crude Oil, Petroleum Products, Natural Gas and Electricity

Year	Natural Gas (BCM)			Electricity (Gwh)		
	Gross Imports	Exports	Net Imports	Gross Imports	Exports	Net Imports
1	11	12	13=(11)-(12)	14	15	16=(14)-(15)
2010-11	12.93	0.00	12.93	5611	128	5482
2011-12	18.00	0.00	18.00	5253	135	5118
2012-13	17.61	0.00	17.61	4795	154	4641
2013-14	17.80	0.00	17.80	5598	1651	3947
2014-15	18.61	0.00	18.61	5008	4433	575
2015-16	21.39	0.00	21.39	5244	5150	94
2016-17	24.85	0.00	24.85	5617	6710	-1093
2017-18	27.44	0.00	27.44	5072	7203	-2131
2018-19	28.74	0.00	28.74	4396	8469	-4073
2019-20 (P)	33.89	0.00	33.89	6351	9491	-3140
Growth rate of 2019-20 over 2018-19(%)	17.91	-	17.91	44.47	12.07	-22.90
CAGR 2010-11 to 2019-20 (P) (%)	11.30	-	11.30	1.39	61.29	-

(P): Provisional.

Sources:

1. Office of Coal Controller, Ministry of Coal,
2. Ministry of Petroleum & Natural Gas.
3. Central Electricity Authority

Table 4.2 : Yearwise Wholesale Price Indices of Energy Commodities**(Base Year 2011-12=100)**

Year	Petrol	Kero- sene	Aviation Turbine Fuel	High Speed Diesel Oil	Bitumen	Furnace Oil	Lubri- cants	LPG	Coking Coal	Petroleum Coke	Lignite	Electricity
1	2	3	4	5	6	7	8	9	10	11	12	13
2012-13	114.9	107.1	112.6	111.6	101.3	107.7	109.6	107.8	100.0	99.4	98.9	100.5
2013-14	124.6	109.3	119.7	126.3	112.1	111.5	114.2	118.6	101.2	92.8	99.2	103.6
2014-15	108.6	103.5	105.1	114.8	106.1	93.6	118.8	103.5	101.4	94.3	99.2	105.7
2015-16	75.7	88.4	69.5	73.4	77.1	54.3	120.8	76.7	101.4	78.3	94.7	105.3
2016-17	72.4	94.3	69.3	74.4	68.0	58.1	116.8	72.0	108.2	93.0	90.2	104.2
2017-18	80.3	117.8	78.7	84.4	71.3	68.8	114.0	82.2	134.1	117.2	104.2	103.7
2018-19	88.4	152.4	102.8	97.1	85.6	94.7	124.8	92.1	132.9	149.7	120.3	109.6
2019-20 (P)	85.6	172.8	97.2	93.7	82.8	81.0	131.7	84.5	138.1	128.6	129.1	111.8
Increase in 2019-20 over 2018- 19 (%)	-3.17	13.39	-5.45	-3.50	-3.27	-14.47	5.53	-8.25	3.91	-14.09	7.32	2.01

* Annual average of monthly index, Financial Year wise

Source :Office of the Economic Advisor, Ministry of Commerce & Industry.