

1. INTRODUCTION

This publication is designed to acquaint Canadian firms with the potential for doing business in India's electric power, energy conservation and non-conventional energy markets. It also provides practical information and advice on how to approach these potentially large markets.

The study gives an overview of the electric power sector market, the competitive situation as it relates to the provision of equipment and services, the institutional structure of the industry, the role of local representatives/collaborators and key contacts and assistance available both in Canada and India.

Activity in the emerging fields of energy conservation and non-conventional energy is also outlined in this report. Considerable opportunity for Canadian firms to supply goods and services in these areas already exists. Further, as India will no doubt be placing greater emphasis on developing these fields in the near future, the potential for Indo-Canadian cooperation in these areas should increase markedly.

Additional specific information or data relating to these markets may be obtained through the Commercial Section of the Canadian High Commission, New Delhi.

2. ENERGY AND ELECTRIC POWER OVERVIEW

a) Government Policy and Planning in the Energy Sector

Three and a half decades ago, India adopted a strategy of economic development in which both the public and private sectors were to play complementary roles. While the private sector activity has included agriculture, manufacturing and distribution, the public sector has assumed the responsibility for development of infrastructure and select large scale capital intensive industries. Sectors considered to be important for the overall development of the country such as electric power are within the public sector domain.

India has embarked upon its planned development through a framework of Five Year Plans, the first of which was launched in 1951. The last (Seventh) Five Year Plan concluded on March 31, 1990 and the Eighth Plan is currently under revision by the new Central Government. The need for long term planning in the energy sector in general and power sector in particular is well recognized. The Central Electricity Authority undertook an exercise in 1981-83 to evolve a long term power system expansion plan covering the period 1982-95. This exercise has now been redone to extend the plan up to the year 2000.

The Energy Policy of the Government of India is focussed on ensuring adequate energy supplies at minimum cost, achieving self-sufficiency in energy supplies and protecting the environment from the adverse impact of utilising energy resources in an injudicious manner. The main elements of the Energy Policy which are reflected in the Five Year Plans include:

- i) Exploitation of domestic conventional energy sources, i.e. coal, hydel, oil and nuclear power.
- ii) Intensification of exploration for oil and gas to increase indigenous production.
- iii) Management of demand for oil and other forms of energy.
- iv) Energy conservation and management, with a view to increase energy productivity.
- v) Optimising the utilisation of existing capacity in the country.
- vi) Development and exploitation of renewable sources of energy to meet the energy requirement of rural communities.