Energy efficiency has been a key component of global economic development over the past few decades. New technologies and innovations, besides the unprecendented attention paid to reducing production costs, have led to considerable amelioration of energy intensities in production. This process, no doubt, gained momentum from the oil price crisis. The recent decline in oil prices has not, however, reduced the pace.

The progress made in energy conservation the world over is amply clear from the trends in the GDP to energy use ratios. The average consumption of energy (in terms of kg of oil consumption per unit $ of GDP) has registered sharp decline since 1965.

Country	Average Energy Consumed (in kg of oil per unit $ of GDP)	
	1965	1987
India	1.06	0.75
Philippines	0.85	0.41
Thailand	0.57	0.37
Mexico	1.24	0.75
Brazil	1.25	0.39
U.K.	2.14	0.38
Australia	1.61	0.43
France	1.20	0.24
FRG	1.64	0.25
Canada	2.50	0.63
Japan	1.58	0.17
USA	1.83	0.39

(Data derived from World Development Report 1989)

b) India's Energy Conservation Program

The GOI clearly sees energy conservation as an indirect way of increasing power availability. For example, the GOI has conducted studies which show an energy conservation potential of 25% in the industrial sector, 20% in the transport sector and 30% in the agriculture sector. UNDP, EEC and World Bank are already assisting India in the energy conservation efforts including manpower training.

In spite of this, however, energy conservation in India to date, expressed in terms of reduction of national energy consumption per unit of GNP, has achieved only limited success when compared with the highly industrialized countries, especially Japan, Europe, the USA and Canada. This is due to a combination of features peculiar to India. At the macro-level, weaknesses in the policy environment affecting relative prices, pricing regimes, and incentives are no doubt major factors. However, at the micro-level, lack of trained man power in the field of energy management, inadequate data base for decision making, lack of energy conservation equipment, lack of experience with respect to design, development and implementation of large-scale energy conservation programmes, etc. are some of the major factors that need immediate attention. It is here that the impact of international cooperation is thought to be most beneficial. Cooperation from various international bodies is focussed on training, exchange of information, development of technical and policy standards, procurement of software/hardware etc.

Within the Department of Power an Energy Conservation Wing has been set up to act as the focal point to co-ordinate efforts to conserve energy. At this stage, the three main objectives which the GOI has set in this area are: