Energy and Security in South Asia: Cooperation or Conflict?

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New Delhi, India
February 15, 2012
Overview

• Setting the Stage: the growing imbalance between supply and demand
• Domestic Resources
• Problems with production and generation
• Imports for Security
• Looking forward
Upward pressure on demand: population growth, urbanization

India’s Population growth from 2011 to 2050

Pakistan’s Population growth from 2011 to 2050

Bangladesh’s Population growth from 2011 to 2050

Source: Population Reference Bureau
Upward pressure on demand: economic growth

GDP Growth in Selected South Asian Countries (2006-2016)

Source: International Monetary Fund, September 2011
Upward pressure on demand: getting new people onto the grid

In all, 612 million people in South Asia were without electricity in 2009

As a result, energy demand is growing unchecked.
Domestic Resources

- South Asia has domestic resources
  - Gas: Abundant in India, Pakistan, and Bangladesh
  - Coal: India, Pakistan, and Bangladesh
  - Hydropower: India, Nepal, Bhutan, and Pakistan
  - Great potential for renewable energy in off-grid applications
Problems with Domestic Production

- Oil and gas production
  - Price reform is necessary
  - Domestic pipeline networks are still not well connected
  - Murky land title rights
  - Disputes between state and federal government over royalties

Source: International Energy Agency
Imports: Oil

- The region is still dependent on foreign oil
- Because of subsidies, high oil prices hurt national budgets

![South Asia’s oil dependency (% of oil that is imported), 2009](image)
Problems with Domestic Production

- Electricity sector issues
  - Inefficient grids
  - Investment needs
  - Privatization
  - Transportation and quality issues of domestic coal
- Distribution of gas
- Subsidy and bureaucracy reform

Source: Ministry of Statistics and Planning Implementation, Government of India
Imports for Security

South Asian nations will have to bridge the supply gap through more imports

India's LNG Imports, 2009

- UAE
- Australia
- Indonesia
- Malaysia
- Oman
- Qatar
- Algeria
- Nigeria
- Trinidad & Tobago
- Egypt
- Equatorial Guinea
- Russia

Source: International Energy Agency
Imports for Security: where is the political will?

- Hydroelectric imports from Nepal, Bhutan
- India should look for electricity imports from Bangladesh and Pakistan
Electricity Access: Governments need to take bolder steps toward electricity access

Electricity access is critical for development, security, and poverty alleviation
Going Forward: Regional cooperation is essential

- Recent efforts are encouraging:
  - Cross-border electricity exchange between Bangladesh, India, and Sri Lanka
  - India’s NTPC cooperation with Bangladesh’s PDB
  - Discussions between India and Pakistan
  - Bhutan-India hydropower trade is ever-successful
    - Nepal-India hydropower trade could be even more fruitful
Questions?

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Thank You