

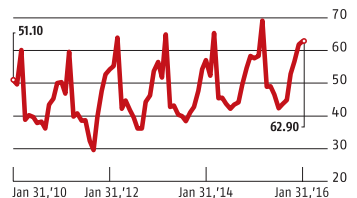
# Taking stock of the government's push to electrify India



The government's push in the electricity sector, particularly rural electrification, continues to make news. However, as Table 1 shows, much of the task has already been completed in the past decade, with more than 10,000 villages being electrified in several of those years. Energy shortage, both overall and at peak demand, has also fallen sharply since the mid-2000s, according to Table 2. Capacity addition has slowed, according to Table 3 – perhaps Table 4, showing declining plant load factors, explains why. Coal production, which is strongly seasonal, is nevertheless increasing, as Table 5 shows. But coal imports are increasing too, according to Table 6. Finally, it is hard to see a secular increase in Table 7, the Index of Industrial Production for the electricity sector, such as might have been visible earlier.

## 5: COAL PRODUCTION IS STEADILY INCREASING...

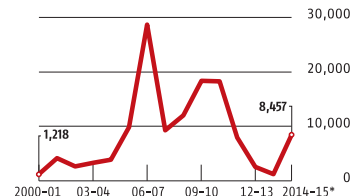
India's coal production



Source: Bloomberg

## 1: MANY VILLAGES ELECTRIFIED IN THE PAST DECADE

Number of villages electrified

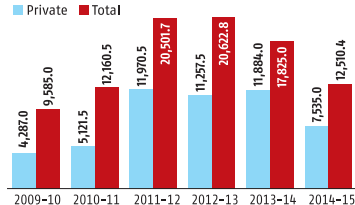


\*up to Nov 30, 2014

Source: Ministry of Power's Annual Report

## 3: CAPACITY ADDITION IN THE SECTOR HAS SLOWED...

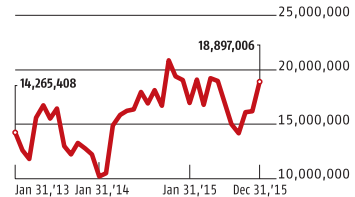
Capacity addition in power sector



Source: Ministry of Power

## 6: ...AND COAL IMPORTS BY INDIA GOING UP AS WELL

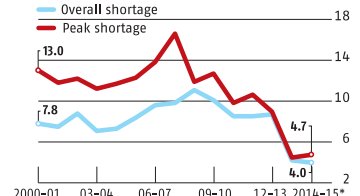
India's total coal imports



Source: Bloomberg

## 2: ENERGY SHORTAGE, TOO, HAS FALLEN SINCE MID-2000S

Energy shortage

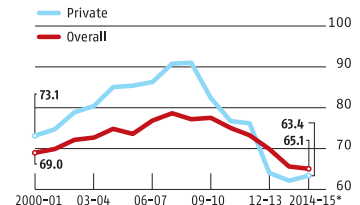


\*up to Nov 2014

Source: Ministry of Power's Annual Report

## 4: ...POSSIBLY BECAUSE OF DECLINING PLANT LOAD FACTOR

Plant load factor (PLF)

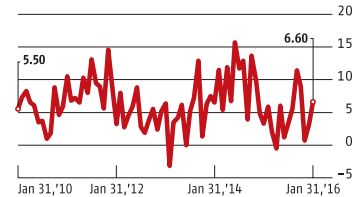


\*up to Nov 2014

Source: Ministry of Power's Annual Report

## 7: IIP FOR SECTOR DOESN'T SEE SECULAR INCREASE

IIP - Electricity



Source: Bloomberg