

Exporting Power: Opportunities and Challenges for India in Fulfilling Sri Lanka's Energy Demand

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Abstract

India is actively embracing the potential of becoming the regional powerhouse through energy export. Its neighbor Sri Lanka's total primary energy demand is expected to increase 4.9 % per annum from 2018-2037. While lower cost is the major concern in supplying energy to the local market, today policy makers also consider environmentally friendly power resources. This demand in the energy sector, with focus on renewable energy, is an opportunity for India, which has shown considerable interest in investing in renewable energy sources in recent years. The purpose of this study is to identify the opportunities and challenges India would confront when venturing into the Sri Lankan energy market. It is a qualitative data analysis conducted using secondary data sources. It analyzed the needs of Sri Lanka's energy market, the role of India as a net exporter of power, the various energy related investment proposed by India, and the prospects for India to play a significant role in the Sri Lanka's energy supply. The study shows that India's proven track record with exporting electricity to neighboring Bangladesh and Nepal is testimony to its ability to fulfill the growing demand for energy in Sri Lanka. By investing in Sri Lanka's energy market, India will benefit by establishing cross border links with neighboring countries, securing energy requirements of the region, and manifesting herself as an emerging energy player. However, India will also face significant local public displeasure at the growing Indian presence in the island while also unsettling neighbors such as China. Sri Lanka will also be suspicious of the geopolitical connotations lying beneath Indian interests and critical about India's relentless pursuit of energy projects such as in Sampur in the past. The research concludes that India will find ample opportunity for mutual benefit by trading in energy resources with Sri Lanka. Future studies of this work could deeply analyze the pros and cons of depending on India to fulfill Sri Lanka's energy needs.

Keywords: Energy Demand, Energy in India, Energy Export, Sri Lanka, India

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