

TERI-KAS Resource Dialogue

On

Resource security: contextualizing domestic interests in the global trade and investment framework

Oct 24-26th 2016

Conference Report

With nations undertaking significant efforts to secure and access natural resources, the need for a holistic resource security framework is critical and essential for a secure and sustainable future. Nations are either securing their domestic natural resource reserves by means of maintaining and preserving reserves, limiting production, restricting exports, accentuating recycling and increasing efficiency in end use industries. Yet, there is a significant upsurge in enhancing security of supply of natural resources through acquisitions, equity investments or collaborative agreements and arrangement both by governments or national companies and private entities. Though the end of objective of public and private entities differs due to the profit motive of the latter, whoever a sustained and secure supply of energy and mineral resource pivotal to any economy.

Though India is major mining hub, yet the country faces scarcity or deficiency in various mineral resources and is import dependent for energy resources such as oil, gas and now coal. With increasing demand and stagnant or receding supplies, the widening gap has to be filled with globally accessed resources or by domestic reserve enhancement. While India's reserve enhancement scenario is still to pick up momentum, India has made attempts to access resources abroad, but with limited success. This situation highlights the need for a strategic evaluation of the current measures in the context of future policies and demand for resources.

In this context, the conference aimed at understanding the following aspects:-

- How and what kind of national policies are being formulated to address the resources concerns of India- enhancing domestic resources, resource use and efficiency and resource access abroad ?
- What type of domestic policies or measures is India undertaking namely in the domestic sector for enhancement of energy and mineral reserves and resources?
- What has been the impact of higher taxes or royalties, restriction of exports, domestic resource efficiency measures for achieving resource security?
- How can India's efforts in the global resource sector be measured- the major successes and failures in this area?

- Would bilateral, regional or multilateral cooperation measures enhance resource security for India? Are there case studies from which we can learn?

The conference invited papers from eminent speakers on topics that essentially cover one or more questions listed above. A publication with all the papers would be brought out in due course.

The inaugural of the conference was graced by distinguished speakers and guests. Shri Jairam Ramesh, Honorable MP of Rajya Sabha discussed the major challenges and opportunities surrounding the resource sector in India. Mr. Ashok Khosla, gave a comprehensive theme presentation on the outcomes of our resource choices and the factors that are critical for sustainable development. Mr. Khosla outlined how energy and resource choices have spiraling effect on the day to day lives of people and the economy.

On the first day of the conference, the first session focused on the impacts of domestic policies on India's resource exports. The experts in the session discussed the varied measures and mechanisms that are undertaken by countries to manage resources. In-depth discussions on various measures were discussed for instance, the export restriction on natural resources and their impact on the economy. The impact of such measures on global trade was also discussed

The next session was about the strategies to secure supply of resources both conventional and non-conventional. The discussion focused on the strategies that India should undertake when seeking energy resources outside and how India should strive towards being a 'market maker' in the coming years. The other part of the session was focused on non-fuel minerals specifically strategic and critical minerals that are critical for the economy and their impact on key sectors. The session highlighted the importance of stronger bilateral and multilateral relations along with a long term strategy for accessing resources.

With BRICS becoming a formidable grouping in the world order, the discussion in the third session focused on collaborative efforts that can be undertaken by groupings such as BRICS in seeking resources. As South-South cooperation is the key factor that led to this grouping, the countries also have an opportunity of enhancing trade for security of supply and ensure a strategic resource engagement that is beneficial to the BRICS as a whole.

The fourth session focused on two key issues one resource enhancement through augmenting the current resources or reserves of the country through efficient mining practices. The other discussion was around the importance of resource efficiency and circular economy that provide a major thrust to reusing and recycling resources thus reducing dependence on primary raw materials/minerals. The session highlighted the significance of efficient mining as well as recycling as ways to enhance sustainability in the resource sector.

The last session of the conference concentrated on India's current status in the global energy market and the key factors that would affect or impact its future energy demands and its supply framework. Intensive discussion on the changing dynamics of global energy market was discussed with many Asian players emerging as formidable energy consumers and many traditional energy consumers shifting to being producers due to new discoveries.