

---

## **Rays of recovery - Indian power demand up by 6pct in 7 months**

*Sunday, 22 Nov, 2009*

In a clear indication of an economic revival, the demand for power in India has jumped 6.3% in the April to October period this financial year as compared with the same period of 2007-08 when it had increased by a mere 0.3%, its lowest growth in the past five years, owing to the global financial meltdown.

According to the latest data obtained from the Central Electricity Authority, while power demand increased marginally from 108,911 MW in the first seven months of the financial year 2007-08 to 109,304 MW in the same period of 2008-09, it jumped to 116,281 MW in the first seven months of 2009-10, as industrial activity improved due to the recovery.

The latest figures of the Index of Industrial Production released last week, where power carries a weight of around 10.17% also point to this recovery in demand. The power sector has grown at a rate of 6.8% between April and October 2009 as compared with 2.5% in the same period a year ago.

Power is one of the six major sectors contributing to the country's infrastructure in addition to cement, steel, coal, crude oil and petroleum products. The growth of these sectors account for more than a quarter in the IIP.

This rising demand has, however, failed to have a negative impact on the power deficit front owing to improved availability of power, primarily due to the availability of K-G basin gas which started flowing in April and the resuming of hydro generation.

According to CEA data, peak power deficit fell to 12.6% in the seven month period ended October this year from 13.5% in the corresponding period in the last financial year as availability registered a historic five fold jump to 101609 MW in April to October 2009.

However while applauding the government's effort in meeting the short term electricity demand, the Indian industry believes power could become a constraint in case the vast capacities in the pipeline do not materialize.

(Sourced from Business Standard)

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**