India requires $ 400 billion annual investment by 2047 for clean energy goals: KPMG Report

The report was launched by Union Minister for Petroleum and Natural Gas, Housing and Urban Affairs Hardeep Singh Puri at ENRich 2023, KPMG in India's energy and resources conclave.

New Delhi: India will need to invest an average of $350-400 billion annually by 2047 to meet its clean energy ambitions, according to a KPMG report titled "Pivoting to Leadership – Re-imagining supply chains for India's emergence as a credible alternative for global clean energy manufacturing."

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The report underscores the pressing demand for a high-speed, large-scale energy transition, arising from India's burgeoning population and infrastructure development initiatives. This urgency mirrors a global trend, with an estimated $4.5 trillion annual investment in energy required worldwide until 2050.

"An energy transition presents a monumental economic opportunity for India. Beyond the development of energy projects, where India has already showcased prowess, the complete value chain needs to be addressed," said Anish De, Global Head - Energy, Natural Resources & Chemicals, KPMG International. De highlighted the importance of India optimizing its manufacturing and supply chain to cater not only to domestic needs but also to fortify the global energy landscape.

Central to this global energy perspective is the need to diversify renewable energy supply chains. The report points out that centralised supply chains, where there's over-reliance on a single country, pose a significant risk to the worldwide deployment of renewable energy. Strategies like the China + 1 approach may be imperative to mitigate such risks.
India holds potential to be a linchpin in clean technology manufacturing, with the possibility of capitalizing on a $300-400 billion opportunity by the decade's end. The nation's strategic position between Europe and China, coupled with factors such as strong manufacturing clusters, supportive government policies, and a unique skill set, paints a promising picture for India's role in the global energy transition.

Anvesha Thakker, Partner and Industry Lead- Clean Energy, KPMG in India, emphasized India's unique position. "India has the components to stand out as a significant alternative in clean technology manufacturing. But for this potential to be realized, the emphasis must be on bolstering manufacturing strategies, leveraging digital technologies, and focusing on value engineering," she noted. Thakker also projected that energy transition in India could generate roughly 5-6 million jobs by 2030, expanding to 9-10 million by 2047, with manufacturing expected to account for about 30% of these roles.

Successfully tapping into these opportunities would hinge on crafting the right strategies, ensuring a focus on innovation, creating a robust supply chain, and deploying novel commercial frameworks, added Thakker.