Energy intensity and structural change: I-O analysis based on hybrid units

Topic: Analyzing the role of energy

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Energy is demanded as intermediate use by different producing sectors and as final use by different institutions, private and public. Its demand thus depends on the levels of gross output produced by different sectors and on the amounts of final demand. Through technological change in production energy use changes, which is accounted for by the concept of energy intensity. Total energy demand hence changes as energy intensity, gross output and final demand change. This paper discusses in the framework of structural decomposition the natural extent of changes in energy use in India during 1993-2006. In the analysis both value and hybrid units are used.