

ABSTRACT

This paper seeks to shed light on the inter-fuel substitution in the manufacturing sector of India, from 2000-2014. Given that the manufacturing sector of India is one of the largest energy consumers, we arrive at the firm's level dependence on primary, secondary and tertiary fuels, mainly the derivatives of Coal, Petroleum, Natural gas and Electricity. The empirical findings suggest; firm size, research and development intensity and profit margin are the major determinants of total factor productivity in the Indian manufacturing sector which is the measure of technological advancement of an economic entity. Data for this study is collected from Prowess 4.0. An important feature of this paper is that it makes a direct comparison of different energy shares with the determinants affecting total factor productivity and output.