

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1780

ANSWERED ON:08.03.2001

CONCESSIONAL CRUDE OIL FROM OPEC

GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India is formulating a proposal to seek crude oil on concessional rates from the Organisation of Petroleum Exporting Countries for developing countries; and

(b) if so, the extent to which these proposal have been considered by the Organisation of Exporting Countries?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): At the International Energy forum meeting of oil producing and consuming countries held at Riyadh, Saudi Arabia from November 17-19, 2000, India made a suggestion to the effect that oil exporting countries should consider to give concessions to the developing countries in the form of discounts, deferred payments, soft credits etc. The suggestion was well taken and the need to give special consideration to developing countries was appreciated. Later, Minister of Petroleum and Natural Gas has written to the Oil Ministers of OPEC member countries to consider extending the following concessions to the oil importing developing countries:-

(i) Extension of credit period of 90 days by the oil exporting company instead of the normal period of 30 days;

(ii) A price discount of 20% of the incremental price beyond an accepted crude price, say \$ 25 per barrel; and

(iii) Deferred payment facility at LIBOR for a period of three years for incremental amounts due to price increases beyond an agreed level, say \$ 28 per barrel.

Qatar and Indonesia have responded conveying that India's proposal may be considered at the next meeting of the Organisation of Petroleum Exporting Countries (OPEC) scheduled to be held in Vienna in mid-March, 2001.