

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

UNSTARRED QUESTION NO:3375

ANSWERED ON:24.08.2006

DEMAND AND PRODUCTION OF PETROLEUM PRODUCTS

Chowdhury Shri Bansagopal;Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

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

- (a) the gap between demand and production of petroleum products in the country;
- (b) whether demand for petrol, diesel, naphtha and furnace oil has been increasing in the country constantly for the last years;
- (c) if so, the percentage of average annual increase in the demand of the said products during the period from 2003-04 to 2005-06;
- (d) the percentage of annual increase in the production of crude oil in the country during the said period;
- (e) whether the rate of annual increase in the production is less than that of its demand;
- (f) if so, the reasons therefor; and
- (g) the steps taken by the Government to meet the demand of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a): The production of petroleum products in the country is more than the demand. As such there is no shortage of petroleum products, except LPG which is imported. However, over 75% of the crude processed within the country is imported.

(b) & (c): The percentage of increase/ decrease of growth in the demand of petrol, diesel, naphtha and furnace oil for the last three years i.e 2003-04, 2004-05 and 2005-06 are given below: -

Figure in (TMT)
2003-04 2004-05 2005-06 (Provisional)

Petrol % Growth	4.3	4.5	4.8
Diesel % Growth	1.2	6.9	1.3
Naphtha % Growth	(-)0.8	17.9	(-)12.4
Furnace Oil % Growth	1.6	4.6	(-)6.0

(d): The percentage of annual increase in production of crude oil in the country for the last three years i.e 2003-04, 2004-05 and 2005-06 are given below: -

Figure in (TMT)
2003-04 2004-05 2005-06 (Provisional)
Production % Growth 0.9 2.3 (-)5.7

(e) to (g): India is self-sufficient in the Refining sector and has also developed and requisite marketing infrastructure to meet the indigenous demand of petroleum products. The refining capacity is in excess of indigenous demand and the surplus quantity is being exported. The indigenous production of crude oil has not kept pace with the growth in demand of petroleum products. However, the following measures have been taken to accelerate hydrocarbon exploration and production activities in the country to meet the growing demand: -

- (i) Accelerate exploration activities through New Exploration Licensing Policy.
- (ii) Enhancement of domestic production through Improved Oil Recovery (IOR)/enhanced Oil Recovery (EOR) techniques.
- (iii) Fast track development of discoveries/reserves for early commencement of production.

- (iv) Use of stimulation techniques for increasing production from existing fields.
- (v) Acquisition of exploration acreages and producing properties abroad to bring equity oil.
- (vi) Arresting decline from ageing fields.
- (vii) Substitution of oil through use of non-conventional sources of energy such as bio diesel, ethanol, etc.