

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

UNSTARRED QUESTION NO:655

ANSWERED ON:15.03.2012

PRICES OF CRUDE OIL

Ahir Shri Hansraj Gangaram;Ajmal Shri Badruddin;Bhagora Shri Tarachand;Khan Shri Hassan;Mani Shri Jose K.;Muttamwar Shri Vilas Baburao;Ponnam Shri Prabhakar;Sharma Shri Jagdish;Singh Shri Rakesh

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

- (a) the details of quantum of crude oil imported during the last two years and the financial implications therefor, country-wise;
- (b) the current price of crude oil in the international market and the impact of the rising prices of crude oil in India;
- (c) whether sanctions imposed by USA or stopping of oil supply by Iran to European countries will have any impact on India's import of oil from Iran;
- (d) if so, the alternative measures being explored by India in the event of non-supply of oil from Iran alongwith the oil payment mechanism being explored by India to pay Iranian oil dues; and
- (e) the measures taken by the Government to ensure adequate supply of crude oil in the country and also keep the prices of petroleum products under check?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a): Country-wise details of crude oil imported during 2009-10 and 2010-11 is given at Annexure-I. As reported by Oil Companies, total value of crude oil imported during 2009-10 and 2010-11 is Rs 3,75,277 crore and ` 4,55,276 crore respectively.

(b): The price of crude oil in the international market as on 9th March, 2012 is as under:

Brent crude : 127.54 \$/bbl

Indian Basket of crude oil: 125.13 \$/bbl

Apart from increasing the import bill, rising crude and product prices exert an upward pressure on domestic prices. However, since the Retail Selling prices of sensitive petroleum products are modulated by the Government to insulate the common man from rising prices, the increase in international prices lead to increase in under-recoveries incurred by the Oil Marketing Companies.

(c): No, Madam.

(d): After the Asian Clearing Union was withdrawn by the Reserve Bank of India (RBI) in December, 2010, the Government has operationalised a new payment mechanism since August, 2011 under which all the outstanding payments due to National Iranian Oil Company (NIOC) are being settled for crude oil import from Iran, as and when due.

(e): In order to reduce its dependence on any particular region of the world, India has been consciously trying to diversify its sources of crude oil imports. During 2011-12, the country imported crude oil from more than 30 countries spread across different continents. International prices of petroleum products are governed by the prevalent demand/supply scenario of crude oil and other related factors in the international market including speculation and geo-political issues. However, in order to protect the common man, the Government has been modulating the prices of Diesel, PDS-Kerosene and Domestic LPG and prices of these products is below the required market price.