

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

STARRED QUESTION NO:127

ANSWERED ON:22.03.2012

IMPORT OF PETROLEUM PRODUCTS

Mandal Shri Mangani Lal;Yadav Shri Om Prakash

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

- (a) the current demand of various petroleum products in the country, product-wise alongwith the quantum of imported petroleum products during each of the last three years indicating the names of the countries from where they were imported;
- (b) the expenditure incurred on import of various petroleum products during the corresponding period;
- (c) the quantum of indigenous production of petroleum products in the country during each of the last three years, State/UT-wise;
- (d) the price differential between indigenously produced and imported petroleum products, if any, alongwith the reasons for such price difference; and
- (e) the steps taken by the Government for identification of new crude oil reserves in the country to meet the scarcity of petroleum products in the country?

**Answer**

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

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 127 TO BE ANSWERED ON 22.3.2012 REGARDING IMPORT OF PETROLEUM PRODUCTS.

(a) & (b): The product-wise demand of various petroleum products in the country alongwith the quantum of imported petroleum products and expenditure incurred on their import since 2008-09 is given at Annexure-I & II. The country-wise import of petroleum products, being commercial information, is not maintained by the Ministry.

(c): The production of petroleum products in the country since 2008-09 is given at Annexure-III. These products are produced in the 21 refineries in the country. The State-wise location of the refinery alongwith their present capacity is at Annexure-IV.

(d): Refining of crude oil is a process industry where crude oil constitutes around 90% of the total cost. Crude oil is processed through numerous processing units such as Crude Distillation Unit (CDU), Vacuum Distillation Unit (VDU), Fluid Catalytic Cracking Unit (FCCU), Hydro Cracker Unit, Lube Unit etc. each of these units produce intermediate products streams, which require extensive reprocessing and blending. Petroleum products are processed from blend of various intermediate streams. The blending of intermediate products streams from various units for making finished petroleum products results in difficulty in allotting the total joint cost to individual refined products with reasonable accuracy. Therefore, individual product wise costs are not identifiable separately. The oil marketing companies pay trade parity price for Petrol and Diesel and import parity price for Domestic LPG and PDS Kerosene when they purchase from refineries.

(e): Several measures have been taken by the Government for identification of new crude oil reserves, etc. to meet the scarcity of petroleum products in the country, which include the following:-

i) Carving out more areas of exploration for offer under various rounds of New Exploration Licensing Policy (NELP) / Coal Bed Methane (CBM) Policy.

ii) Application of Enhanced Oil Recovery (EOR) / Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.

iii) Acquisition of exploration acreages and producing properties overseas to bring in equity oil.

iv) Substitution of oil through use of alternate/ non-conventional sources of energy such as Bio-Diesel, Ethanol-blended Petrol.