

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

UNSTARRED QUESTION NO:387

ANSWERED ON:09.08.2012

OIL SANCTION

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

- (a) the quantum of crude oil imported from Iran during each of the last three years along with the reasons for curtailing imports, if any, and the target fixed for import during the year 2012-2013;
- (b) the status of seeking waiver by India from United States to import Iranian oil;
- (c) whether the Government has allowed the oil Public Sector Undertakings (PSUs) to import oil from Iran with Tehran arranging shipping and insurance from July 2012;
- (d) if so, the details thereof and the impact of the European sanctions from July 2012 banning insurers and re-insurers to cover shipments of Iranian oil on the Indian oil PSUs; and
- (e) the steps taken by the Government to provide cover for importing Iranian oil along with the mechanism evolved for payment to Iran?

Answer

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

(a) Import of crude oil from Iran during the last 3 years is as under:

| | | | |
|---------------------|---------|---------|---------|
| Year | 2009-10 | 2010-11 | 2011-12 |
| Quantity in Million | 21.20 | 18.50 | 18.11 |
| Metric Tonne | | | |

As regards the reduction in oil imports from Iran, it is stated that as part of our energy security strategy, the Ministry of Petroleum & Natural Gas has been consciously trying to diversify the sources of crude oil imports, in order to reduce the country's dependence on any particular country or region of the world. As a result, today the country imports crude oil from a basket of about 40 countries spread across different continents.

Further, while deciding to procure crude oil, our petroleum refineries take into consideration several factors including techno - commercial considerations, geo-political factors in the global trade environment, etc.

(b) India does not seek waiver from any country or group of countries with regard to unilateral sanctions on importing oil from Iran. India implements UN sanctions on Iran. The United states, in accordance with its own law has granted exemption to a number of countries including India".

(c) to (e) Subsequent to the US/EU sanctions, the EU based P&I Clubs withdrew the Protection & Indemnity (P&I) insurance cover from ships carrying Iranian crude. As a result of this withdrawal, Indian as well as foreign ships were not in a position to provide transportation for importing crude from Iran till alternate arrangements were worked out. The Ministry of Shipping allowed import of crude on Cost-Insurance-Freight (CIF) basis for a few shipments in the month of July, 2012. However, the blanket relaxation has subsequently been withdrawn and it has been decided to deal with this matter on case to case basis.

The Department of Financial Services has informed that for providing Insurance cover to Indian Vessels for trans-shipment of Iranian crude oil to India, the insurance policy has been notified on 30.07.2012.

India has reached an agreement with Iran to pay 45% of the total value of crude oil imported from that country in the Indian Rupee (INR).