

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

STARRED QUESTION NO:175

ANSWERED ON:23.08.2012

OIL IMPORT BILL

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo

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

- (a) the details of increase of India's oil import bill during each of the last three years along with the reasons for such increase and its effect on the Gross Domestic Product (GDP) growth rate during the year 2011-12;
- (b) the measures being taken by the Government to mitigate the oil import bill;
- (c) the details of the deliberations held during the Fifth OPEC International Seminar held in Vienna?
- (d) the response of the other participant countries on the issue of transparency and predictability in global oil markets along with names of the countries with whom bilateral talks were held during the same and their response regarding supply of crude oil and Liquefied Natural Gas (LNG) to India; and
- (e) the steps taken or being taken by the Government to resolve the pricing issue and receive more crude oil and LNG from these countries? ANSWER

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI S. JAIPAL REDDY)

(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. 175 TO BE ANSWERED ON 23.8.2012 REGARDING OIL IMPORT BILL.

(a): India's oil import bill in terms of value has increased from ? 409,077 crore in 2009-10 to T 726386 crore in 2011-12. The details of the total oil import bill alongwith export of petroleum products from 2009-10 to 2011-12 are given below :-

Import Bill from 2009-10 to 2011-12 (Prov.)

	2009-10	2010-11	2011-12 (Prov.)			
	Quantity	Value	Quantity	Value	Quantity	Value
	(MMT)	(Rs crore)	(MMT)	(RS crore)	(MMT)	(RS crore)
(A) Crude oil import	159.3	375277	163.6	455276	171.7	672220
(B) Product import	14.7	33800	16.8	52106	15.0	54166
Total Import (A+B)	174.0	409077	180.4	507382	186.7	726386
(C) Total product Export	51.0	144229	59.1	196862	60.8	284643
Net Import (A+B) - (C)	123.0	264848	121.3	310520	125.9	441743

The increase in import bill of crude oil is due to increase in price of crude oil and petroleum products in the international market, depreciation of Rupee, increase in domestic consumption of petroleum products from 137.8 MMT in 2009-10 to 148.0 MMT in 2011-12 as well as on account of rise in the level of exports from 51.0 MMT in 2009-10 to 60.8 MMT in 2011-12. Consumption and exports of value added products during 2011-12 contributed to higher level of GDP. Increase in refining throughput has reduced import dependency on petroleum products and the country has exported petroleum products worth ? 2,84,643/- crore during 2011-12.

(b): Several measures have been taken by the Government to mitigate the oil import bill, 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.

(c) to

(e): The Fifth OPEC International Seminar, organized under the theme of 'Petroleum: Fuelling Prosperity, Supporting Sustainability', took place at Vienna on 13-14 June, 2012. The Seminar focused on the global energy scene, oil and the world economy, capacity expansion and investment and technology, environmental policies. Some of the sessions included: the expansionary long-term outlook for energy demand; different challenges facing capacity expansion and investment; the importance of clarity, consistency and predictability for investment strategies in the industry; the role of advanced technology in delivering new volumes of crude while also improving environmental standards; the uncertain impact of shale gas and oil, alternative transportation technologies and the development of LNG markets on the global energy markets; the use of oil as an asset class, the rise in speculative investment flows and the volatile impact of this on crude prices.

The Minister of Petroleum and Natural Gas held a series of bilateral meetings with his counterparts from different countries, such as, Iran, Saudi Arabia, Algeria and Qatar on the sidelines of the Seminar and had wide-ranging talks aiming to enhance mutual cooperation in the oil & gas sector. The talks focused on sourcing more crude oil, LNG, LPG and promoting investments in hydrocarbon sector projects. The discussions focused on enhancing cooperation in the oil and gas sector.

The Minister met Minister of Petroleum & Mineral Resources, Saudi Arabia and asked for another 5 million tonnes per annum of crude oil from Saudi Arabia over and above the 32 million tonnes it had imported during 2011-12. India also asked for an additional 1.5 million tonnes of LPG during the current year.

The Minister, during the meeting with Minister of Energy and Mines, Algeria, asked for additional quantities of crude oil and expressed interest in investing in Algeria's upcoming LNG sector with the objective of some quantities of LNG being booked for India.

The Ministers of India and Qatar discussed matters of bilateral interest including the long term LNG contract between PLL and RasGas.