

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

UNSTARRED QUESTION NO:2524

ANSWERED ON:01.08.2016

New Petroleum Policy

Gaikwad Dr. Sunil Baliram; Gaikwad Prof. Ravindra Vishwanath; Gavit Dr. Heena Vijaykumar; Gopal Dr. K.; Gupta Shri Sudheer; Kirtikar Shri Gajanan Chandrakant; Maragatham Smt. K.; Shetty Shri Gopal Chinayya; Shewale Shri Rahul Ramesh; Singh Shri Kunwar Haribansh; Sule Smt. Supriya Sadanand; Udhayakumar Shri M.; Vellaigounder Shri Elumalai

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

- (a) whether the domestically produced crude oils cheaper than the imported crude oil and if so, the details thereof;
- (b) whether there is increase/decrease in import of crude oil during the last three years and the current year if so, the details thereof along with the likely impact on foreign exchange reserves of the country;
- (c) whether the Government has set a target of reducing crude oil imports by 10 percentage points to 66 per cent of the total requirement by 2022 and if so, the details thereof along with steps taken to increase domestic resources in order to become self-reliant in the production of oil and gas;
- (d) whether the consumption of oil and gas is likely to grow three folds by 2040 and if so, the details thereof along with the concrete steps taken to diversify our sources and technology to meet the demand in future; and
- (e) whether the Government proposes to launch domestic/international roadshows to promote and monetise un-remunerative/ surrendered small oil and gas blocks i.e., discovered small fields by upstream companies such as ONGC and Oil India Limited, and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a): The price of crude is based on its properties and gross product value. The domestic prices of crude oil are benchmarked to their respective marker crude traded in the international market.
- (b): The details of crude oil imported and its value in terms of rupee and dollar during the last three years and the current year and is given in Annexure-I. The decline in value of crude oil import is favourably impacting foreign exchange outflow.
- (c): During the Urja Sangam held on 27.03.2015 at New Delhi, Hon'ble Prime Minister said that the current import was around 77 % in energy sector, in oil, gas and petroleum sector which could be reduced at least 10 % by 2022. In order to take this vision forward, a Committee was constituted by Ministry of Petroleum and Natural Gas on "Preparing a Roadmap to reduce dependency on import in energy by 10% by 2021-22." The Committee has submitted its Report in April, 2016 and its recommendations have been accepted by the Government. To achieve this goal, the Committee has proposed the following strategy for reducing import dependency:-
 - i. Increasing production of oil & gas;
 - ii. Promoting energy efficiency and conservation measures;
 - iii. Giving thrust on demand substitution;
 - iv. Capitalizing untapped potential in biofuels and other alternate fuels/renewable; and
 - v. Implementing measures for refinery process improvements.
- (d): As per International Energy Agency's (IEA) World Energy Outlook 2015 and India Energy Outlook 2015, the projected demand of oil and natural gas by 2040 in India under Current Policies Scenario would be 505 & 143 Million Tonnes of oil equivalent respectively. As regards diversification of sources and technology to meet the demand in future, in addition to the strategy mentioned in part (c) above, the Public Sector Oil Companies have made significant efforts to diversify their source of crude oil over last few years.
- (e): The Government has held domestic Road shows in Delhi, Mumbai and Guwahati and International Road shows at Houston in USA and at Calgary in Canada to attract investments in the discovered small fields being auctioned under the discover small field bid round 2016.
