

GOVERNMENT OF INDIA
LOK SABHA
UNSTARRED QUESTION NO. 2277
TO BE ANSWERED ON 24th DECEMBER, 2018

IMPORT OF CRUDE OIL

2277: SHRI P. KARUNAKARAN:

SHRI PR. SENTHIL NATHAN:

SHRI MANSUKHBHAI DHANJIBHAI VASAVA:

SHRI DHARMENDRA YADAV:

DR. PRITAM GOPINATH MUNDE:

SHRI CHANDRAKANT KHAIRE:

SHRIMATI VANAROJA R.:

SHRI SHRIRANG APPA BARNE:

SHRIMATI K. MARAGATHAM:

SHRI ANANDRAO ADSUL:

SHRI ADHALRAO PATIL SHIVAJIRAO:

SHRI RAKESH SINGH:

SHRI BHARATHI MOHAN R.K.:

Will the Minister of PETROLEUM AND NATURAL GAS

(a) whether the Government proposes to cut import dependence of oil/petroleum products by 10 per cent in 2022 and prepare a long term scheme for development of oil/gas and petroleum sector and if so, the details thereof along with the measures taken to reduce the import bill and prices of petroleum products especially petrol, diesel and LPG;

(b) whether the experts have sketched the oil demand of the country to 458 million tonnes by 2040 and if so, the details thereof along with the steps taken by the Government to meet the energy demand and expand the refining capacity of the country;

(c) the present refining capacity of the country, refinery-wise;

(d) whether some countries have offered to meet the growing energy demands of the country and if so, the details thereof and the steps taken/being taken to make the country self-reliant

in the production of petroleum products and develop alternative pollution free cost effective fuel economy including ethanol blended petrol in the country;

(e) whether OPEC proposes to cut crude oil production which might result in increasing the prices of petrol/diesel in coming month and if so, the details thereof along with steps being taken to arrest the prices of petrol/diesel; and

(f) the present crude oil price for one barrel in the international market and subsequent cost of production for one litre petrol and diesel in the country along with monthly price of crude oil during 2017-18 and the current year?

ANSWER

MINISTER OF MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) Ministry is working in collaboration with various Central Government Ministries to achieve the goal to reduce the dependency on import from oil and gas by 10% by 2021-22. In this context, five-pronged strategy broadly comprises of increasing domestic production of oil and gas, promoting energy efficiency and conservation measures, giving thrust on demand substitution, capitalizing untapped potential in biofuels and other alternate fuels/ renewables and implementing measures for refinery process improvements. Government has taken several steps to enhance exploration & production of oil and gas in the country which include inter-alia Hydrocarbon Exploration Licensing Policy (HELP) and Open Acreage Licensing Policy (OALP), Discovered Small Field (DSF) Policy, gas pricing reforms with premium for difficult areas, grant of marketing freedom for gas produced from difficult areas, National Seismic Programme for unappraised areas, National Data Repository, easing out rigidities in the existing Production Sharing Contracts and transparent and clear policy for grant of extension under the PSC regime, promoting and incentivizing Enhanced Recovery Methods to improve recovery factor of existing hydrocarbons reserves for augmenting domestic production of oil and gas and permitting exploration and exploitation of unconventional hydrocarbons such as Shale oil/gas, Coal Bed Methane (CBM) etc.

Prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. With an aim to reduce prices of petrol and diesel, the Central Government reduced the Central Excise duty on petrol and diesel by ₹ 2 per litre with effect from 4th October, 2017. The Central Government further reduced the Central Excise Duty on petrol and diesel by ₹ 1.5 per litre with effect from 5th October, 2018 and public sector Oil Marketing Companies also reduced ₹ 1.0 per litre to reduce the overall price of petrol and diesel. The Central Government also requested the State Governments to make a reduction of ₹ 2.5 per litre in VAT imposed on petrol and diesel. Accordingly, 18 State Governments and 1 Union Territory have reduced VAT on petrol and diesel. Further, the Government continues to modulate the effective price to consumer for subsidized domestic LPG.

(b) As per the report of the Working Group on Enhancing Refining Capacity by 2040, the refining capacity requirement by 2040 is projected to be 533 Million Metric Tonne per Annum (MMTPA) to meet the domestic demand. Further, in order to meet the rising domestic demand of fuel products, the refining industry has also planned for enhancing crude processing capacity through debottlenecking of existing assets, expansion of existing refineries and grass-root refinery projects.

(c) The present refining capacity of the country is 247.566 Million Metric Tonne Per Annum (MMTPA), refinery wise details are at Annexure.

(d) Crude oil exporting countries have expressed their interest in supplying increased quantities to India. Indian oil and Gas PSUs also remain in contact with multiple source countries so as to maintain crude supplies to the country. Government is promoting the usage of environment friendly transportation fuel, i.e. CNG by expanding the coverage of City Gas Distribution (CGD) network in the country. Government has also taken a number of initiatives to encourage the use of alternative fuels like ethanol and bio-diesel through Ethanol Blending in Petrol (EBP) Programme and Bio-diesel blending in diesel. Government has notified a National Bio Fuel Policy 2018 to boost availability of biofuels in country.

(e) As per an OPEC press release in December, 2018, OPEC decided to adjust the overall production by 1.2 million barrel per day, effective as of January 2019 for an initial period of six months. India which has an Institutional Dialogue with OPEC, has urged OPEC members for responsible pricing which balances the interests of both consumers and producers.

(f) The price of Indian basket of crude oil as on 19.12.2018 is \$55.49 per barrel. Refining of crude oil is a process industry, where crude oil is processed through several processing units. Each of these units produces intermediate product streams, which require further reprocessing and blending. As it is difficult to apportion the total cost amongst individual refined products, product wise costs are not identified separately. The monthly price of Indian basket of crude oil in 2017-18 and current year may be seen at Petroleum Planning and Analysis Cell (PPAC) website www.ppac.org.in.

Annexure

Sr. No.	Refinery Location	Name of the Company	Name Plate Capacity (MMTPA)*
CPSE Refineries			
1	Digboi, Assam	Indian Oil Corporation Limited	0.650
2	Guwahati, Assam		1.000
3	Barauni, Bihar		6.000
4	Koyali, Gujarat		13.700
5	Bongaigaon, Assam		2.350
6	Haldia, West Bengal		7.500
7	Mathura, U.P		8.000
8	Panipat, Haryana		15.000
9	Paradip, Odisha		15.000
10	Mumbai, Maharashtra	Hindustan Petroleum Corporation Limited	7.500
11	Visakhapatnam, Andhra Pradesh		8.300
12	Mumbai, Maharashtra	Bharat Petroleum Corporation Limited	12.000
13	Kochi, Kerala		15.500
14	Manali, Tamil Nadu	Chennai Petroleum Corporation Limited	10.500
15	Nagapattinam, Tamil Nadu		1.000
16	Numaligarh, Assam	Numaligarh Refinery Limited	3.000
17	Mangalore, Karnataka	Mangalore Refinery and Petrochemicals Limited	15.000
18	Tatipaka, Andhra Pradesh	Oil and Natural Gas Commission	0.066
Total			142.066
JV Refineries			
19	Bina, Madhya Pradesh	Bharat Oman Refinery Ltd.	6.000
20	Bathinda, Punjab	HPCL Mittal Energy Ltd.	11.300
Total			17.300
Private Sector Refineries			
21	DTA-Jamnagar, Gujarat	Reliance Industries Limited	33.000
22	SEZ, Jamnagar, Gujarat		35.200
23	Vadinar, Gujarat	Essar Oil Limited	20.000
Total			88.200
Grand Total			247.566

*MMTPA-Million Metric Tonne Per Annum