

LOK SABHA
UNSTARRED QUESTION NO.178
TO BE ANSWERED ON 18TH NOVEMBER, 2019

Import of Oil and Gas

178. SHRI ADALA PRABHAKARA REDDY:
SHRI PARBHUBHAI NAGARBHAI VASAVA:
SHRI NIHAL CHAND:
SHRI CHANDRA SEKHAR BELLANA:
KUMARI SHOBHA KARANDLAJE:
SHRI DUSHYANT SINGH:
SHRI MANOJ KOTAK:
SHRI SHIVAKUMAR C. UDASI:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the proportion of imported crude oil and gas as a percentage of total consumption during the last five years and the details of crude oil prices in the international market during the last two years and the current year;
- (b) whether the higher oil prices raises the current account deficit, which is impacting exchange rates resulting in increase of India's import bill, if so, the details thereof and the steps taken/proposed to be taken to check the rising oil bills;
- (c) whether the attacks on two oil facilities in Saudi Arabia have impacted oil supplies to India, if so, the details thereof and whether any contingency plan is drawn by the Government to supply fuel to the customers uninterruptedly, if so, the details thereof along with the names of the major countries to which the crude oil is exported along with quantity of oil imported;
- (d) the steps taken by the Government to reduce the cost of production of crude oil by public sector oil companies and to bring down the prices of petrol at par with diesel to discourage the use of non-commercial diesel vehicles to curb the pollution level;
- (e) whether the import of crude oil and gas is increased during the last two years and if so, the steps taken/proposed to be taken to reduce the import dependency and whether any target has been set to cut India's crude oil imports by 2022;
- (f) the details of crude oil produced in the country and whether any steps have been taken to reduce the consumption of crude oil, if so, the details thereof; and
- (g) the details of the FAME scheme along with the benefits likely to be accumulated for both the economy and environment?

A N S W E R

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री धर्मेन्द्र प्रधान)

**MINISTER PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

- (a) The import dependency based on consumption basis during last 5 years is as under:-

	2014-15	2015-16	2016-17	2017-18	2018-19
Crude Oil	78.3%	80.6%	81.7%	82.9%	83.8%
Natural Gas	36.3%	40.7%	44.6%	46.4%	47.3%

The details of crude oil prices in the international market during the last two years and the current year are as under:-

Year	Indian basket of crude oil (\$/bbl)
2017-18	56.43
2018-19	69.88
2019-20 (till 12.11.2019)	63.77

- (b) Crude oil import is denominated by US Dollar and higher import prices raise the country's import bill leading to Current Account Deficit (CAD). However, CAD is only a part of Balance of Payments which *inter-alia* is dependent on various factors viz. supply and demand of Rupee vis-à-vis US Dollar, interest rate differentials, capital flows, technical support, etc. As per Economic Survey 2017-18, it is estimated that a \$10 per barrel increase in the price of oil reduces growth by 0.2-03 percentage points and worsens the CAD by about \$9-10 billion dollars.

The Government is giving thrust on demand substitution through promotion of biofuels and renewables to check the rising oil bills.

- (c) The attack on oil facilities in Saudi Arabia has not impacted oil supplies to India. Also, Government through Indian Strategic Petroleum Reserves Limited (ISPRL) has setup strategic petroleum reserves facilities at Visakhapatnam, Mangalore and Padur to meet contingencies.
- (d) Some of the steps taken by public sector oil companies to reduce the cost of production of crude oil are reducing operating cost, maximising utilization of resources, cost effective rig operations and boosting R&D.

Pursuant to the dismantling of Administered Price Mechanism (APM), the Government *inter-alia* deregulated the prices of petrol and diesel in May 2010 and October 2014 respectively. As such, petrol and diesel prices are decided by Oil Marketing Companies.

(e) & (f) India's crude oil import was 220.4 MMT during 2017-18 which had increased to 226.5 MMT in 2018-19. The details of crude oil production during the past three years are given below:-

Year	Crude Oil Production (Qty. in MMT)
2016-17	36.0
2017-18	35.7
2018-19	34.2

The steps taken to reduce the country's import dependence on crude oil are as under:-

- (i) Policies to increase domestic production of crude oil and natural gas,
 - (ii) Promote biofuels and renewables (181 crore litre of ethanol blended with petrol till date in ethanol supply year 2018-19),
 - (iii) Promote energy efficiency and conservation,
 - (iv) Improvement in refinery processes,
 - (v) Demand substitution.
- (g) Department of Heavy Industry has informed that Faster Adoption and Manufacturing of Electric Vehicles (FAME) India scheme is one of the initiatives for promotion of electric mobility. This scheme also aims to reduce Carbon dioxide (CO₂) emission from vehicular transport.

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