

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 1257
ANSWERED ON - 10/03/2025

ETHANOL BLENDING WITH PETROL

1257. SHRI SAKET GOKHALE:

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

- (a) the total savings on India's crude oil import costs as well as savings by oil companies incurred from the blending of ethanol with petrol;
- (b) whether Government plans to transfer savings incurred from blending of ethanol with petrol to consumers through a reduction in retail petrol prices, if not, the reasons therefor; and
- (c) whether Government is aware of any negative effects from the use of ethanol-blended petrol (E20 petrol) on fuel efficiency of vehicles and engine health?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI SURESH GOPI)

(a) and (b) Government has been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme with multiple objectives including reducing import dependence, savings in foreign exchange, providing boost to domestic agriculture sector and for associated environmental benefits. During the last ten years till ESY 2023-24, ethanol blending in petrol by Public Sector Oil Marketing Companies (OMCs) has resulted in savings of more than Rs. 1,13,000 crore of foreign exchange, crude oil substitution of about 192 lakh metric tonnes and CO₂ emission reduction of approximately 578 lakh metric tonnes. Savings on account of EBP Programme are in respect of foreign exchange conserved. EBP Programme has also supported expeditious payment to farmers. The price of petrol (including ethanol blended petrol) has been market determined with effect from 26.06.2010. Since then, OMCs take appropriate decision on pricing on petrol based on international product prices and domestic market conditions.

(c) According to the Roadmap for Ethanol Blending in India 2020-25, prepared by an inter-ministerial committee, using 20% ethanol-blended petrol (E20) results in marginal reduction in fuel efficiency for four-wheelers designed for E10 and calibrated for E20. The Society of Indian Automobile Manufacturers (SIAM) had informed the committee that with modifications in engine hardware and tuning, the efficiency loss due to blended fuel can be reduced. The Roadmap for Ethanol Blending in India 2020-25 has not identified any negative impact on engine health due to blending of ethanol in petrol up to E20.
