

**JOINT WORKING GROUP OF OIL**

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पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether Organisation of Petroleum Exporting countries (OPEC) has agreed to India's proposal for setting up a joint working group to assess future scenarios for the oil industry as energy in major economies has undergone rapid changes due to expansion in renewable sources and if so, the details thereof;
- (b) whether the benchmark Brent crude dropped US \$ 1.6 to US \$ 52.4 a barrel as the market was disappointed by the fact that OPEC, while indicating that it will extend the output cut deal by nine months did not deepen the reduction to exhaust excess supplies and if so, the details thereof;
- (c) whether the Government has conveyed to OPEC to address concerns of key buyers such as India at a time when there were many options in an over supplied oil market and if so, the details thereof;
- (d) whether the Government has urged the OPEC to remove the Asian premium on the crude oil supplied to Indian and Asian buyers and if so, the details thereof; and
- (e) whether the Government had urged the OPEC for due acknowledgment through discount in prices for the large volumes that India imports as India makes timely payments and has honoured all its contractual commitments and if so, the details thereof along with the response received from OPEC in this regard?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में मंत्री (श्री धर्मेन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a) During the 2<sup>nd</sup> India - OPEC Institutional Dialogue held in May, 2017 in Vienna, Austria, Minister for Petroleum & Natural Gas proposed to the Secretary General, Organisation of Petroleum Exporting countries (OPEC) to set up a Joint Working Group to explore areas of cooperation. This was agreed to by OPEC.
- (b) Crude is an international commodity and its price sensitivity depends on various factors such as demand and supply, geopolitics, production plans of major oil producers, sentiment toward oil futures contracts, price speculation and cyclical trends in the commodities market.

(c) to (e): During the 2<sup>nd</sup> India - OPEC Institutional Dialogue, Minister for Petroleum & Natural Gas raised the issue of 'Asian Premium'. He also emphasized that India continues to be a reliable and long term customer and requested OPEC to take necessary step to follow a 'Responsible Pricing' pattern. Responding to the request, Secretary General of OPEC agreed to work with key crude exporters and India in this regard.

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