

GOVERNMENT OF INDIA
LOK SABHA
UNSTARRED QUESTION NO. 4956
TO BE ANSWERED ON 26th MARCH, 2018

IMPORT OF PETROLEUM PRODUCTS

4956: SHRI KUNWAR BHARATENDRA:
DR. K. GOPAL:
PROF. SAUGATA ROY:

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

- (a) whether the Government has fixed any target to reduce fuel imports by 10 percent by 2022 and if so, the details thereof along with measures being taken by the Government to ensure savings of foreign exchange;
- (b) whether the imports of petroleum products have increased during the current year and if so, the details thereof;
- (c) whether India has cut its annual fuel demand growth estimate to 4.5 percent for 2017-18 and if so, the details thereof and reasons for new forecast along with actual fuel demand during the last three years;
- (d) whether the country is expected to consume 203.4 million tonnes of refined products during the current year and if so, the details thereof; and
- (e) whether any long standing agreement/understanding has been made between GAIL and United States of America to import LNG and if so, the details thereof along with the kind of advantages to India through the said deal?

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 in energy from oil and gas by 10% by 2021-22. The Ministry has prepared a roadmap with a five-pronged strategy, which 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 Fields (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 (PSCs) and transparent and clear policy for grant of extension under the PSC regime. Government has also taken a number of initiatives to encourage the use of alternative fuels, such as, Ethanol and Bio Diesel and promote the conservation of petroleum products. Some of the important achievements/initiatives in these areas include inter-alia, award of 30 hydrocarbon bearing contract areas under DSF Policy, launch of bids under OALP for 55 oil & gas blocks, approval of 40% capital grant under Pradhan Mantri Urja Ganga to promote gas based economy, improvement in the supply of ethanol, direct sale of bio-diesel to all consumers for blending with High Speed Diesel and setting up of 2 G ethanol plants.

(b) Imports of petroleum products at 32.89 Million Metric Tonne (MMT) during April'17-February'18 registered a decline of 0.5% as compared to the corresponding period of the previous year.

(c) & (d) The revised fuel demand as estimated by the Petroleum Planning and Analysis Cell, for 2017-18 is 203.4 MMT with 4.5% growth, against an original demand estimate of 205.4 MMT with a growth rate of 5.6%. This revision is in the wake of the recent Supreme Court ban on use of petcoke and furnace oil and increased coverage of LPG and rural electrification leading to rationalization of PDS kerosene. The growth in consumption of petroleum products during the last 3 years and current year up to February, 2018 is given below:

Year	Consumption (MMT)	Growth (%)
2014-15	165.5	4.5
2015-16	184.7	11.6
2016-17	194.6	5.4
2017-18 (Apr-Feb 18)	186.2	5.1

(e) GAIL had executed contracts for import of 5.8 Million Metric Tonnes Per Annum (MMTPA) of LNG from USA including 2.30 MMTPA of LNG from Dominion Cove Point LNG project, USA and 3.50 MMTPA of LNG from Sabine Pass LNG project, USA. As reported, GAIL has executed the LNG contracts based on Henry Hub index for supply of LNG from USA to manage/diversify geographical and index risk.
