

GOVERNMENT OF INDIA
LOK SABHA
UNSTARRED QUESTION NO. 3204
TO BE ANSWERED ON 6th AUGUST, 2018

Revamping of Crude Import Policy

3204: SHRI P.K. KUNHALIKUTTY:

SHRI JYOTIRADITYA M. SCINDIA:

SHRI DEVAJIBHAI G. FATEPARA:

SHRI MUTHAMSETTI SRINIVASA RAO (AVANTHI):

KUMARI SUSHMITA DEV:

PROF. K.V. THOMAS:

SHRI V. ELUMALAI:

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

- (a) whether the Government has been able to achieve the targets fixed to reduce its dependency on oil imports during the last four years and if so, the details thereof along with the likely hurdles coming in the way to reduce crude oil dependency and the steps taken to address the same in an effective way;
- (b) whether the Government has revamped its crude import policy and if so, the details thereof and the extent to which the revamping of crude import policy is likely to benefit the common man;
- (c) the quantum and value-wise crude oil imports made by the Government during the said period, year/country-wise;
- (d) whether the Government proposes to seek exemptions from sanctions imposed by United States of America and look at alternate payment mechanism to enable it to purchase oil from Iran and if so, the details thereof along with the steps being taken to stock oil by our refineries to meet any eventuality;
- (e) whether the price of crude oil in the Indian basket has shown a sudden rising trend recently and if so, the details thereof and its likely impact on the country along with the price of crude oil during the last three years and the current year, year-wise;
- (f) whether the Government has requested OPEC to reduce the prices of crude oil which are reportedly hurting the fiscal balance of the country and if so, the details thereof along with the reaction of the OPEC in this regard; and
- (g) whether the prices of oil and gas have become subject to the vagaries of geopolitics and the Government has urged OPEC to commit ensuring of more sustainable prices and if so, the details thereof along with the steps being taken to check the rising trend and mitigate its impact on common man?

ANSWER

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

(a) Various steps taken by the Government for reduction of import dependency include 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 various policy reforms for enhancing domestic hydrocarbon production which include Hydrocarbon Exploration Licensing Policy (HELP), Open Acreage Licensing Policy (OALP), Discovered Small Field Policy, Marketing and Pricing freedom for gas produced from deepwater, ultradeep water and high pressure high temperature areas, easing out rigidities in the existing Production Sharing Contracts (PSC), Policy for Extension of Production Sharing Contracts, Policy framework for streamlining of operation of PSCs and exploration and exploitation of unconventional hydrocarbons, transparent and clear policy for grant of extension of PSCs of small and medium sized discovered blocks, National Data Repository and National Seismic Programme for unappraised areas. Government has also taken several steps to promote clean alternative fuels in order to reduce imports of crude oil which includes National Policy on Biofuels and encourage the use of alternative fuels such as Ethanol and Bio Diesel.

(b) Oil Marketing Companies (OMCs) formulate policies for import of crude oil in their best commercial interest and in accordance with the extant guidelines of the Central Vigilance Commission, etc.

(c) Year-wise quantum and value-wise crude oil imports during the last four years is as given below:

Quantum and value of crude oil imports during the last four years

2014-15		2015-16		2016-17		2017-18 *	
Quantum Million Metric tonne (MMT)	Value (₹ in crore)	Quantum (MMT)	Value ₹ in crore	Quantum (MMT)	Value (₹ in crore)	Quantum (MMT)	Value (₹ in crore)
189.4	6,87,416	202.9	4,16,579	213.9	4,70,159	220.4	5,65,951

* = Provisional

(d) India has taken note of the re-imposition of US sanctions on Iran in wake of the US pullout from the Joint Comprehensive Plan of Action on May 8, 2018. Indian refineries import crude oil from diverse sources, including from Iran, depending on their technical and commercial considerations.

- (e) The average price of Indian basket of crude oil year wise for the last three years and current year is as under:-

Year	Average price of Indian basket of Crude Oil Prices(\$/bbl)
2015-16	46.17
2016-17	47.56
2017-18	56.43
2018-19 (till 31 st July, 2018)	72.97

The increase/decrease in crude prices by one \$/bbl results in increase/decrease of crude oil import bill by about ₹ 10,880 crore per annum. (Assuming annual average exchange rate of Rs.65/US\$).

(f) & (g) India gave a call for responsible and reasonable pricing at several international fora, including at the 16th International Energy Forum Ministerial meeting held in New Delhi in April 2018. During discussions with OPEC, India has stressed that the OPEC should work with consuming countries for the benefit of both producers and consumers. The crude oil price fluctuation is a frequent market phenomenon and the price of crude oil is determined by many factors, including geo-political situations and demand and supply in the global market.
