

LOK SABHA
UNSTARRED QUESTION NO. 54
TO BE ANSWERED ON 4TH FEBRUARY, 2019

Pricing of OPEC

54. ADV.M. UDHAYAKUMAR:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether it is a fact that the Government has sought the OPEC nations to deliver the message on responsible pricing and if so, the details thereof;
- (b) whether the current high price level were not supported by market fundamentals and would eventually shrink the market by stalling growth and if so, the details thereof;
- (c) whether the prevailing high price dent our fiscal balance and undermine our development process; and
- (d) if so, the details thereof along with the reaction of the Government thereto?

ANSWER

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

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) Government has strongly taken up the issue of high crude oil price, bilaterally with crude oil producing countries and with Organisation of Petroleum Exporting Countries (OPEC). During his annual interaction with global oil and gas experts, on 15th October 2018, India expressed concern regarding the rising global crude oil prices and highlighted the issues being faced by consuming countries due to high crude oil prices. Further, the need for synergy and cooperation between producing and consuming countries was also expressed.

India has also given 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 it should work closely with consuming countries for the benefit of both producers and consumers.

- (b) to (d) The crude oil price fluctuation is a frequent market phenomenon and crude oil production and price depends on several factors, including demand and supply, geo-political situation and policies of crude oil producing countries. Indian refineries import crude oil from diverse sources depending on their technical and commercial considerations and keeping in view the domestic requirement. Government has also taken steps to enhance domestic oil and gas production and to reduce reliance on imports.
