

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

LOK SABHA
STARRED QUESTION NO. *232
TO BE ANSWERED ON 04.08.2023

Shortage of Petroleum Products/Crude

***232. SHRI SUNIL KUMAR MONDAL:**

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- a. whether the Government has been successful in controlling the price rise in chemicals and petrochemicals in the country and if so, the details thereof;
- b. the details of the schemes or plans launched to fulfil the shortage of petroleum products/crude during the last three years and the current year, year-wise;
- c. the details of the funds allocated and utilized for the said purpose for the FY 2022-23;
- d. whether the Government has taken/proposes to take any measures in this regard; and
- e. if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER FOR CHEMICALS AND FERTILIZERS

(DR. MANSUKH MANDAVIYA)

(a): The Chemical and Petrochemical sector is mainly deregulated, de-licensed except for few hazardous chemicals. 100% FDI is generally permitted through the automatic route without any sectoral cap in the petrochemical sector. There is no regulatory control on the pricing of chemical and petrochemical products.

(b) to (e): Oil Marketing Companies (OMCs) have informed that there is no shortage of petroleum products for meeting the demand in the Country. To continue to meet the

demand of petroleum products across the Country, OMCs undertake various projects to enhance refining capacities and marketing infrastructure comprising of pipeline network, supply and distribution network etc.

The details of production and consumption of petroleum products for last three years and current year is as under:

(Fig. In MMT)

Year	Production	Consumption
2020-21	233.5	194.3
2021-22	254.3	201.7
2022-23	266.5	223.0
2023-24(April-June,23)	69.4	58.1

Source: PPAC (Petroleum Planning & Analysis Cell)

Various policy initiatives have been undertaken during last three years to increase the domestic production and fulfil the shortage of crude oil which *inter-alia* include

- i. Reforms in Hydrocarbon Exploration and Licensing Policy for enhancing domestic exploration and production of oil and gas, 2019
- ii. Dispute Resolution Committee, 2019
- iii. Discovered Small Field (DSF) Policy, 2015

So far, Seven Open Acreage Licensing Policy (OALP) Rounds were successfully concluded with award of 134 exploration blocks covering 2,07,691 sq. km. area for Exploration & Production activities. During last three years, blocks awarded under OALP are as stated below:

Financial Year (FY)	OALP rounds conducted	Number of Blocks awarded
2019-20	OALP Bid Round- IV & V	18
2020-21	-	-
2021-22	OALP Bid Round VI & VII	29

Under the three Discovered Small Field (DSF) bid rounds, a total of 85 Revenue Sharing Contracts (RSC) comprising 175 fields were awarded to successful bidders. In FY 2021-22, revenue sharing contracts for 31 Contract Areas were signed under DSF-III.

Based on the long term growth trends in consumption of Petrol and Diesel and various efforts of the Government towards energy transition, increasing adoption of Compressed Natural Gas (CNG), Bio fuels including Ethanol, Electric Vehicles (EV), etc. as well as evolving consumer preferences, this capacity is likely to be adequate to meet projected demand.
