

LOK SABHA
UNSTARRED QUESTION NO. 4622
TO BE ANSWERED ON 23RD MARCH, 2020

Import of Oil

4622. SHRI PRATHAP SIMHA:
SHRI PARBATBHAI SAVABHAI PATEL:
SHRI NARANBHAI KACHHADIYA:
SHRI JASWANT SINGH BHABHOR:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Ministry has taken cognisance of the vulnerability of India's oil imports to tensions in the Middle East and if so, the details of the steps being taken to reduce reliance on import of petroleum and crude oil;
- (b) whether the Government has considered expanding its oil imports from other countries and if so, the details thereof;
- (c) the current oil demand in India and the projected growth of oil demand for the next five years and the details of measures taken by the Government to meet this oil demand;
- (d) the target fixed by the public sector oil marketing companies regarding production of oil and natural gas under the existing scheme along with the details of actual achievements made by these companies so far;
- (e) whether there has been any decline in the production of crude oil and natural gas during the implementation of the existing scheme and if so, the reasons therefor; and
- (f) the measures taken by the public sector oil marketing companies in this regard?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में मंत्री (श्री धर्मन्द्र प्रधान)
THE MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): Ministry closely studies global developments, including in the Middle East, that may impact supply as well as price of hydrocarbons to India. The crude oil and natural gas price fluctuation is a frequent market phenomenon. Indian refineries import crude oil from diverse sources depending on their technical and commercial considerations and keeping in view the domestic requirement. Government has taken various steps to reduce reliance on import of crude oil and gas including increasing the domestic production, promoting biofuels and renewable, promoting energy efficiency and conservation measures, reduction through improvement in refinery processes and demand substitution.

(b): Indian oil companies are attempting, on a continuous basis, to diversify source of crude and on 05th February 2020 Indian Oil Corporation Limited and Rosneft has signed the first ever Term Contract for importing of 2.0 Million Metric Ton (MMT) of Urals grade crude oil during the year 2020

(c): India's demand of crude oil in the Financial Year 2018-19 is 213.22 MMT and the expected demand by the year 2025 is 305 MMT. The policy initiatives taken by the Government to increase domestic production of oil and gas include:

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries
- ii. Discovered Small Field Policy
- iii. Hydrocarbon Exploration and Licensing Policy
- iv. Policy for Extension of Production Sharing Contracts
- v. Policy for early monetization of Coal Bed Methane
- vi. Setting up of National Data Repository
- vii. Appraisal of Unappraised areas in Sedimentary Basins.
- viii. Re-assessment of Hydrocarbon Resources.
- ix. Policy framework to streamline the working of Production Sharing Contracts in Pre-NELP and NELP Blocks
- x. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas
- xi. Policy framework for exploration and exploitation of Unconventional Hydrocarbons under existing Production Sharing Contracts, Coal Bed Methane contracts and Nomination fields

The Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms *inter alia* aims to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category II and III sedimentary basins without any production or revenue sharing to Government, early monetization of discoveries by extending fiscal incentives, incentivizing gas production including marketing and pricing freedom, induction of latest technology and capital, more functional freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields, streamlining approval processes and promoting ease of doing business including electronic single window mechanism.

(d): The target of production of crude oil and gas of Public Sector Oil Marketing companies was 4.63 MMT for the year 2019-20 and the achievement till February 2020 is 3.90 MMT.

(e) & (f): Crude oil production during April 2019 to January 2020 was 27.07 MMT, which is 5.95 % lower when compared with April 2018 to January 2019. Natural Gas production during April 2019 to January 2020 was 26.43 BCM which is 3.87 % lower when compared with the corresponding period of last year. Oil and gas production was affected due to various reasons, which include, less than envisaged production, natural decline due to mature fields and reservoir issues in some of the fields, shutdowns taken for maintenance activities, increase in water cut and disruption in field activities due to bandhs.
