

LOK SABHA
UNSTARRED QUESTION NO. 4631
TO BE ANSWERED ON 23RD MARCH, 2020

AGREEMENT BETWEEN OPEC AND RUSSIA

4631. SHRI ASADUDDIN OWAISI:
SHRI SYED IMTIAZ JALEEL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether an agreement was signed between 14 OPEC countries and Russia and implemented in 2017 for one year for lower production of crude oil;
- (b) if so, whether the said deal has been extended for further nine months;
- (c) whether this agreement is likely to keep fuel prices elevated and if so, the extent to which this deal is likely to hit high fuel prices and economic growth;
- (d) whether oil prices have risen 25 per cent since start of 2019 and have added reasons for conflict between different countries; and
- (e) if so, the steps taken or being taken by the Government to take advance action in the wake of recent fuel prices?

ANSWER

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

(a) to (d): OPEC and non-OPEC Oil Ministers reached an agreement in Vienna in 2017 to introduce crude oil production cuts of 1.2 million barrels per day from 1 January 2017 to 30 June 2017, extendable for another 6 months, to increase crude oil prices. Subsequently, these countries agreed to continue with crude oil production cuts till March 2020.

Such production cuts, coupled with geo-political developments, resulted in price volatility. Lack of consensus between OPEC and non-OPEC countries to continue with production cuts from 01st April 2020, in addition with demand slump due to COVID19, resulted in sharp decline in crude oil prices globally.

(e) Keeping in view India's energy security, Indian public and private companies source crude oil from diverse sources, depending on their technical and commercial considerations.