

LOK SABHA
UNSTARRED QUESTION NO. 80
TO BE ANSWERED ON 3rd FEBRUARY, 2019

Rising Demand of Oil

- 80.** SHRI SHRIRANG APPA BARNE:
SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI BIDYUT BARAN MAHATO:
SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:

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

- (a) whether as per the International Energy Agency (IEA), India's oil demand growth will overtake China by mid 2020;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has prepared/likely to prepare a policy to counter the increasing demand of petroleum and petroleum products in the country if so, the details thereof;
- (d) whether the Government has created adequate reserves of petroleum products to meet the rising demand of crude oil in the country and if so, the details thereof; and
- (e) whether the Government is focusing on some other alternate means of energy to reduce dependency on oil and petroleum products and if so, the details thereof and the steps taken in this regard?

ANSWER

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

(a) & (b) As per World Energy Outlook 2019 published by International Energy Agency, India's oil demand in total primary energy is projected to increase from 233 Million tonne of oil equivalent (Mtoe) in 2018 to 305 Mtoe in 2025, whereas China's oil demand is projected to increase from 593 Mtoe in 2018 to 672 Mtoe in 2025.

(c) Government has taken several steps to enhance exploration & production of oil and gas, give thrust on demand substitution, promote energy efficiency and conservation, capitalize untapped potential on biofuels and alternative fuels/renewables in order to reduce imports of crude oil. These include a series of initiatives such as Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, Discovered Small Field Policy, Hydrocarbon Exploration and Licensing Policy, Policy for early monetization of Coal Bed Methane, Setting up of National Data Repository, Appraisal of Unappraised areas in Sedimentary Basins, Re-

assessment of Hydrocarbon Resources, Policy framework to streamline the working of Production Sharing Contracts in Pre-NELP and NELP Blocks, Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 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 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) Indian Strategic Petroleum Reserve Limited (ISPRL) has already created SPR facilities at 3 locations, namely (i) Vishakhapatnam (1.33 MMT), (ii) Mangaluru (1.5 MMT) and (iii) Padur (2.5 MMT). Government has given 'in principle' approval for creation of two additional underground rock cavern SPR facilities with total storage capacity of 6.5 Million Metric Tonne (MMT).

(e) Government is promoting the usage of environment friendly transportation fuel, i.e. CNG by expanding the coverage of City Gas Distribution (CGD) network in the country. Government has also taken a number of initiatives to encourage the use of alternative fuels like ethanol and bio-diesel through Ethanol Blending in Petrol (EBP) Programme and Bio-diesel blending in diesel. Government has formulated a National Bio Fuel Policy 2018 to boost availability of biofuels in country.
