

LOK SABHA
UNSTARRED QUESTION NO. 3042
TO BE ANSWERED ON 15th March 2021

Low Demand of Domestic Petroleum Products

3042. SHRI GNANATHIRAVIAM S.:
PROF. SAUGATA RAY:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of crude oil production in the country since the last three years and whether the crude oil production has declined in the above period and if so, the reasons therefor;
- (b) whether it is also true that many refineries in the country were not running to their capacity for the last several months and if so, the details thereof and reasons therefor;
- (c) whether one of the reasons for the reduction in the production of crude oil and the slowdown in the refineries was because of the low demand for petroleum products and if so, the details thereof; and
- (d) the steps to be taken to increase the crude oil production?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्री (श्रीधर्मेंद्र प्रधान)
MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a) The year wise details of the crude oil production in the country during the last three years is given below:

Years	2017-18	2018-19	2019-20	2020-21 (P)
Production of Crude Oil (in MMT)	35.7	34.2	32.2	25.6

P = Provisional

Natural decline in all aging fields and increase in water-cut in major oil producing fields are the main reasons for decline in oil production.

(b) & (c) During April-January, 2020-21, Crude oil processing is 182.2 MMT i.e. 73% of total crude oil processing capacity (249.87 MMT). During 2020-21, the capacity utilisation of Indian refineries are lower due to lower demand on account of Covid-19 pandemic.

(d) The policy initiatives taken by the Government to reduce import dependency and 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.

Further, 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 production or revenue sharing to Government, early monetization of discoveries by extending fiscal incentives, incentivizing and more functional freedom to National Oil Companies for collaboration for production enhancement methods in nomination fields.
