

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:567

ANSWERED ON:23.02.2006

ETHANOL BLENDED PETROL

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

- (a) whether oil companies have assessed the demand of ethanol-blended petrol in the country;
- (b) if so, the details thereof;
- (c) whether the ethanol is available as per the demand in the country;
- (d) if not, the steps taken by the Government to meet the demand; and
- (e) the other steps taken by the Government for fully implementation of ethanol-blended petrol programme?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e) The Government had notified vide GSR 644 (E) dated September 12, 2002 introduction of 5% ethanol-blended petrol programme in 9 States and 4 Union Territories w.e.f. 1.1.2003. However, the programme faced problems on account of high prices of ethanol and its erratic availability particularly in the States of Maharashtra, Goa, Gujarat, Karnataka and Andhra Pradesh.

In consideration of the issues related with availability of ethanol and its high price, Government has notified vide GSR705 (E) dated 27.10.2004, that 5% ethanol-blended petrol programme as per Bureau of Indian Standards (BIS) specifications, shall be sold in 10 notified States and 3 Union Territories if the price of sourcing indigenous ethanol is comparable to the price of indigenous ethanol for alternative uses and the delivery price of ethanol at that location is comparable to the import parity price of petrol at that location and the indigenous ethanol industry is able to maintain the availability of ethanol for ethanol-blended petrol at such prices.

In terms of the said notification dated October 27, 2004, the oil marketing companies (OMCs) have invited tenders for purchase of ethanol. Till now, Public Sector Oil Companies have finalized the contracts for purchase of one year requirement of ethanol for Uttar Pradesh approx 73 TKL, for Punjab approx 35 TKL, for Tamil Nadu (only 9 districts) approx 19 TKL, for 8 Industry locations in Andhra Pradesh (except 2 districts) approx 41 TKL and for Karnataka approx 42 TKL.

With a view to have committed and sustained supply of ethanol at reasonable prices, oil marketing companies have also signed a Memorandum of Understanding (MoU) with Indian Sugar Mills Association (ISMA).

The position of implementation of the ethanol-blended petrol programme is being constantly reviewed in the Ministry.