

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

UNSTARRED QUESTION NO:283

ANSWERED ON:23.11.2006

IMPORT OF CRUDE OIL

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

- (a) the details of the crude oil prices in international market during the last six months, month-wise,
- (b) the total import of crude oil during the last six months;
- (c) whether the country's oil import bill is likely to increase manifold this year in comparison to the last few years;
- (d) if so, whether the policy and initiatives taken by the Government to reduce the oil import bill remain ineffective;
- (e) if so, the reasons therefor; and
- (f) the steps the Government proposes to take to save foreign exchange on this count?

Answer

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

(a) The details of monthly average crude oil price in the international market (Indian basket) is as follows:

Month US\$/Bbl

May	67.33
June	66.75
July	71.29
August	70.87
September	60.94
October	57.26

(b) The total import of crude oil during the last six months was 53.65 MMT (Prov.)

(c) Yes, Sir.

(d) to (f) No, Sir. In order to put a check on net oil import bill, efforts were made to maximize export of petroleum products. As per provisional figures, the net export of petroleum product during 2005-06 rose by 48% in terms of quantity and 200% in terms of value, as compared to the year 2003-04, resulting in corresponding reduction in the net oil import bill. Various measures are being taken to substantially accelerate exploratory activities for enhancing domestic oil and gas production. These measures include the following:

- i. increasing exploration efforts through the New Exploration Licensing Policy (NELP): Under NELP, 110 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding. This includes 20 Exploration Blocks awarded in the fifth round of NELP. Another 55 blocks have now been offered under NELP-VI.
- ii. improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes-in particular. Oil and Natural Gas Corporation Ltd. (ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;
- iii. exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields;
- iv. developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over, and stimulation operations, drilling of wells etc. in producing areas;
- v. 26 contracts included 10 contracts under the recent third round have been signed so far for exploration of Coal Bed Methane (CBM);
- vi. Acquisition of overseas oil and gas reserves through equity or participating interest; and
- vii. With the delicensing of the refinery sector since June 1998, more petroleum infrastructure including domestic refineries have been set up in the country.