

**Impact of Iraq crisis on import of oil**

364. SHRI SANJAY RAUT : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether current Iraq crisis will have any impact on India's import of oil from Iraq;

(b) if so, the details thereof and the alternative measures being explored by Government in the event of non-supply of oil from Iraq; and

(c) the details of measures/contingency plan prepared by Government for both short and medium term to tackle any war like situation, particularly in Iraq and also keep the prices of petroleum products under check?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN) : (a) and (b) Currently, there is no impact on import of crude oil from Iraq due to the prevailing crisis in that country. Indian oil companies import Iraqi crude oil from the Basrah terminal located in southern Iraq and the export facilities at Basrah are operational and the loadings of crude oil are going on normally.

(c) In order to deal with any contingency arising out of further deepening in crisis in Iraq, the Indian oil companies have formulated their short and medium term contingency plans. The contingency plans, *inter-alia*, include the following measures :

- (i) The oil companies will approach other term suppliers *i.e.* National Oil Companies of countries with whom they presently have crude oil term contracts for any additional volume, over and above the existing planned term lifting, so as to compensate for any reduction in imports from Iraq.
- (ii) The oil companies can also make up any subsequent uncovered shortfall in crude oil availability by increasing spot procurement of high sulphur and low sulphur grades from the international market through the tender route.
- (iii) Standalone refiners *viz* Reliance, Essar and MRPL would be requested to reserve additional stock of HSD/SKO/MS/LPG over and above the normal month to month requirement, to enable the PSU oil marketing companies to meet the domestic demand.
- (iv) In case there is a shortfall in availability of HSD/SKO/LPG from indigenous refineries due to shortfall in crude oil availability, then the same can be imported.
- (v) Ministry of Railways and Ministry of Shipping could also be requested for support regarding priority movement of POL products and berthing of POL tankers, respectively.

- (vi) ONGC Videsh Ltd. (OVL) has equity sweet crude in Sakhalin-I, Imperial (Russia), Sudan (North and South), Brazil and Azerbaijan. Besides these, OVL also has equity sour and heavy crude from Colombia and Venezuela. OVL's share of crude oil can also be brought to India.

### Strategic oil reserves

†365. SHRI NARESH AGRAWAL : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government has built strategic oil reserves for ensuring energy security;
- (b) if so, the details thereof; and
- (c) whether it is sufficient to tackle any emergency situation?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) The Government, through Indian Strategic Petroleum Reserves Limited (ISPRL), is setting up Strategic Crude Oil Reserves with storage capacity of 5.33 Million Metric Tonnes (MMT) at three locations viz. Visakhapatnam (storage capacity: 1.33 MMT), Mangalore (storage capacity: 1.5 MMT) and Padur (storage capacity: 2.5 MMT) to enhance the energy security of the country.

The Visakhapatnam Project is expected to be completed this year, whereas the Mangalore and Padur projects are expected to be completed next year.

(c) Based on an approach paper prepared by the Ministry of Petroleum and Natural Gas, in December 2009, the aforesaid reserves being created in Phase-I would provide a cover of approximately 13 days on the basis of net oil imports. Based on the crude oil and product storages already existing with the oil companies and also taking into consideration the storages being built by ISPRL, it was estimated that to have a total cover of 90 days on net oil imports, as suggested in the Integrated Energy Policy (IEP), the country would require additional crude oil storage of approximately 13.32 MMT by the year 2019-20.

In order to further increase the Strategic crude oil storage capacity, ISPRL through Engineers India Limited, has prepared a detailed feasibility study for construction of additional 12.5 MMT of crude oil storages in Phase-II at four locations viz. Bikaner, Rajkot, Chandikhol and Padur.

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†Original notice of the question was received in Hindi.