

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO. 140
ANSWERED ON - 03/02/2025

STATUS OF PETROLEUM PRODUCTION AND CONSUMPTION

140. SHRI BABUBHAI JESANGBHAI DESAI:

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

- (a) the current status of petroleum production and consumption in the country as compared to previous years;
- (b) Whether Government will provide an update on the pricing mechanisms for petroleum products and their impact on consumers;
- (c) the manner in which Government is managing the subsidy regime for petroleum products, including LPG;
- (d) the steps being taken to reduce the dependency on imported crude oil and promote domestic production; and
- (e) initiatives taken by Government to promote alternative and cleaner energy sources to reduce reliance on petroleum products; and
- (f) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

- (a) The status of petroleum production and consumption in the country during the financial year 2022-23, 2023-24 and 2024-25 (upto Dec 2024), is as under:

Year	2022-23	2023-24 (P)	2024-25 (Apr- Dec)
Production (MMT)	266.5	276	211.6
Consumption (MMT)	223	234	178.5

Source: Petroleum Planning and Analysis Cell P: Provisional MMT: Million Metric Tonne

- (b) & (c) Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$55/bbl (March 2015) to \$113/bbl (March 2022) and further to \$116/bbl (June 2022) and have continued to remain highly volatile. As a result of various steps taken by Government and PSU OMCs, including reduction of Central Excise duty by the Central Government and reduction of state VAT rates by some State Governments, relief has been provided to citizens, in times of need.

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG. Currently, Government is providing a targeted subsidy of Rs 300/cylinder to PMUY consumers. This is available to more than 10.33 crore Ujjwala beneficiaries, across the country. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

Effective 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at nil under-recovery level on pan India basis.

- (d) The Government has taken various measures to reduce the dependency on imported crude oil and promote domestic production of oil and gas which inter alia include:
- i. Policy under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014.
 - ii. Discovered Small Field Policy, 2015.
 - iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016.
 - iv. Policy for Extension of PSCs, 2016 and 2017.
 - v. Policy for early monetization of Coal Bed Methane, 2017.
 - vi. Setting up of National Data Repository, 2017.
 - vii. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017.
 - viii. Policy framework for extension of PSCs for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.
 - ix. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
 - x. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
 - xi. Natural Gas Marketing Reforms, 2020.
 - xii. Lower Royalty Rates, Zero Revenue Share (till Windfall Gain) and no drilling commitment in Phase-I in OALP Blocks under Category II and III basins to attract bidders.
 - xiii. Release of about 1 Million Sq. Km. (SKM) 'No-Go' area in offshore which were earlier blocked for exploration for decades.
- (e) & (f) Government has been promoting various alternative fuels in the petroleum sector, which inter-alia include Compressed Natural Gas (CNG), Piped Natural Gas (PNG), Compressed Bio Gas (CBG) and Ethanol blended Petrol. Under the Ethanol Blended Petrol (EBP) Programme, Oil Marketing Companies (OMCs) sell petrol blended with ethanol and under the 'Sustainable Alternative towards Affordable Transportation' (SATAT) initiative, Compressed Bio Gas (CBG) is marketed along with Compressed Natural Gas (CNG).

Under the EBP Programme, the blending of ethanol in petrol increased from 188.6 crore litres in Ethanol Supply Year (ESY) 2018-19 to more than 700 crore litres in ESY 2023-24, with a corresponding increase in the blending percentage from 5% in ESY 2018-19 to 14.6% in ESY 2023-24. For the ongoing ESY 2024-25, OMCs have blended 140.8 crore litres of ethanol and achieved blending of 16.41% by the end of December, 2024.

The number of CNG stations has increased from 1742 in 2019 to 7395 in 2024 (as on 30.11.2024), improving accessibility to cleaner fuels for the transport sector. Domestic PNG connections to households have increased from 54.04 lacs in 2019 to 1.39 crore in 2024 (as on 30.11.2024). More than 740 districts have been covered under City Gas Distribution (CGD) authorization. Around 82 CBG plants have been commissioned under the SATAT initiative in the last 5 years.