



No.: CHT/ED/06/2250

28.01.2020

Sub: Provisionally Admitted Lok Sabha Starred/Unstarred : Diary No: 254 to be answered on 03.02.2020 regarding 'Rising Demand of Oil'

Q (a) whether as per the International Energy Agency (IEA), India's oil demand growth will overtake china by mid-2020;

Ans (a): Yes. As per India 2020 Energy Policy Review Report published by IEA, the country is set to overtake china in the mid-2020s.

Q (b) if so, the details thereof and the reasons for the same;

Ans (b): The details of Oil demand and growth rate is as under :

(Figs. in Million barrel Oil equivalent/day)

Country	2018	2020	Growth rate
India	4.6	4.9	3.21%
China	12.1	12.7	2.45%

Source: OPEC, World Oil Outlook, 2019

The main reasons for higher growth rate as compared to China is on account of:

- 1) Lower base consumption of oil in India
- 2) Higher growth rate in transportation, as India has one of the world's fastest-growing passenger car markets as well as Aviation Sector.
- 3) Growing penetration of domestic LPG in line Ujjwala Scheme.

On the contrary, as per World oil outlook 2017, China growth rate has been on the lower side mainly due to (1) modified prospects for economic activity, which have mainly resulted in downward revisions for China's GDP growth. (2) Policy initiatives like-closure of several inefficient coal power plants, rapid expansion of renewable energy sources – have raised the credibility of government endeavours to combat domestic pollution problems, contribute to efforts to reduce global emissions and use energy more efficiently. As a result, overall energy demand in China by 2040 has been reduced.

Q (c) Whether the Government has prepared/proposes a policy counter the increasing demand of petroleum and petroleum products in the country, if so the details thereof:

Ans (c): Blending of Ethanol in Gasoline and Bio-Diesel in Diesel has already commenced. Govt of India has launched National Policy on Biofuels-in June 2018, which aims to utilise, develop and promote domestic feedstock and its utilisation for production of biofuels. The Policy aimed at accelerated promotion of Biofuels with indicative targets of achieving 20% blending in Petrol and 5% blending in Diesel by 2030. Ministry of



Petroleum and Natural Gas is working on a four-pronged strategy in this regard - promoting Ethanol, 2-G ethanol, Compressed Bio-Gas and Bio-diesel. Further, Pradhan Mantri JI-VAN Yojna was announced in March, 2019 for promotion of 2G ethanol by providing financial support in the form of VGF to Integrated Bioethanol Projects using lignocellulosic biomass and other Renewable feedstock for setting up of 12 commercial units (combined capacity of ~40 crore litre per annum) and 10 demonstration units at semi commercial level. Further, EOI has been launched by OMCs for procurement of Bio-Diesel from Used Cooking Oil (UCO), which will provide the entrepreneurs to set up biodiesel plants while getting remunerative price and assurance of complete off take of production by OMCs.

For promoting use of Compressed Bio Gas (CBG) also known as BioCNG, Govt of India launched SATAT (Sustainable Alternative towards Affordable Transportation) scheme on 01.10.2018. Under this scheme, there is a plan to install 5000 Bio-CNG units with potential to produce 15 million tons of Gas by 2023.

Q (d) Whether the Government has created adequate reserves of petroleum products to meet the rising demand of Crude Oil in the country and if so the details thereof :

Ans (d): The Government of India (GoI) has created the Indian Strategic Petroleum Reserves (ISPRL) to build its strategic crude oil reserves. The detailed input may be obtained from ISPRL.

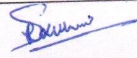
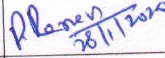

Q (e) Whether the Government is focusing on some other alternate means of energy to reduce dependency on oil and petroleum products and if so, the details thereof and the steps taken in this regard:

Ans (e): Blending domestically produced Ethanol in Gasoline and Bio-Diesel in Diesel will reduce dependency on oil and petroleum products. Due to limited availability of conventional biofuels i.e 1G ethanol and palm Stearin/ non-edible oil seeds based biodiesel, thrust is being given to Advanced Biofuels such as 2G Ethanol, Bio-CNG/CBG, UCO based biodiesel etc. which can be sourced from wastes such as Crop residues, Biomass, industrial waste, sewage water etc. and are abundantly available in the Country.

To diversify India's energy mix and develop a gas-based economy, India has set an ambitious target of increasing the share of natural gas in its primary energy mix from 6% to 15% by 2030. Major thrust is being given in development of natural gas infrastructure at Port locations, cross country pipelines and expansion of city distribution networks. Further, demo trial in 50 buses in Delhi planned using HCNG (blend of 18% Hydrogen in CNG) to promote use of Hydrogen as an alternate fuel.



Apart from Policy initiatives mentioned in response to Q(c) above, Several other alternate means of energy have been initiated to reduce dependence on oil and petroleum products. These include plan for use of grid power at refineries, enhanced capacity of renewable power generation, promotion of Electric/Hybrid Vehicles in Automobile Sector, Electrification of Railways etc.

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