



ED/ CHT/ 06/2888

29th July, 2021

Sub: Rajya Sabha Unstarred Question No. 1894 to be answered on 04.08.21 regarding Refining capacity of the country.

Q(a): Whether there is any scheme to increase the Refining capacity of crude oil in coming years in the country;

Reply(a): The refining sector in the country is deregulated. The decision on investment to increase Refining capacity taken by the industry based on market dynamics and product demand. Government has schemes for concessional custom duty on import of items required for setting up new refineries including substantial expansion of existing refineries.

Q(b): if so, the total capital expenditure likely to be incurred in three years including the capacity of Government & Private sector refineries separately;

Reply(b): As per the capacity expansion plan indicated by PSU as well as private refineries, the capacity shall increase from current level of 249 MMTPA to 308 MMTPA by 2025. The total expenditure to be incurred by Public Sector Refineries up to 2025 is estimated to be above Rs. 2 lakh Crore.

Q(c): Whether the said production capacity is likely to remain higher than the consumption of petroleum products; and

Reply(c): Yes, presently Indian refining industry has established itself as an Asian refining hub and the refining capacity exceeds the domestic requirement and surplus products are exported. India aspires to remain as refining hub, however, the surplus capacity for export shall depend on market dynamics and the economic model in future.

Q(d): if so, the estimates of consumption and production capacity of the country?

Reply(d): As per the report of the working group 2018 constituted by MoPNG the requirement of refining capacity by 2040 for domestic consumption was 533 MMTPA and 667 MMTPA with 25% exports. MoPNG has further constituted a working Group to revisit the consumption and required capacity for 2040. The report of the working group is awaited.

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