

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
QUESTION NO 598
ANSWERED ON 10.12.2013

Forex savings from ethanol blended petrol

598 SHRI SUKHENDU SEKHAR ROY

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

(a) whether it is a fact that if 10 per cent ethanol is blended with petrol, the country will save almost 1.8 billion to 2 billion USD in foreign exchange which will help reduce the Current Account Deficit;

(b) whether Indian sugar industry has represented for producing enough ethanol from molasses as well as surplus sugarcane juice to meet the requirement for 10 per cent ethanol blending;

(c) if so, whether the Ministry and the Oil Marketing Companies have initiated appropriate steps to achieve the 10 per cent blending;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

ANSWER

MINISTER of STATE for PETROLEUM & NATURAL GAS
(SHRIMATI PANABAACA LAKSHMI)

(a) The savings in foreign exchange as a result of ethanol blending in Petrol would be limited as it will have little impact on import of crude oil, since Petrol is only a by-product of the crude distillation process.

(b) Indian Sugar Mills Association has submitted a representation dated 19th November 2013 to the Government, requesting therein for taking steps to move to a flexible ethanol blending programme with Petrol ranging from 5% to 25% depending upon excess sugarcane available at a fixed premium pricing commensurate with the cost of production.

(c)to(e) Oil Marketing Companies (OMCs) floated a tender on 29th December, 2012 for their requirement of 140.4 crore litres of ethanol for 10% blending in 6 States (Uttar Pradesh, Uttarakhand, Bihar, Maharashtra, Goa and Karnataka) and 5% blending in another 14 States and 4 UTs for the period from July 2013 to June 2014. However,

offers for 10% blending were received only in Uttar Pradesh. OMCs have been undertaking 10% Ethanol Blending in Uttar Pradesh and some locations in Karnataka, Maharashtra and Bihar. Out of the total finalized quantity of 40 crore litres of ethanol, the OMCs have procured 15.1 crore litres of ethanol as on 30.11.2013.

OMCs have floated a fresh tender on 22.07.2013 for the period from 1.12.2013 to 30.11.2014 for a quantity of 133.2 crore litres of ethanol for blending with petrol. The offered quantity of technically acceptable bids is 61.4 crore litres of ethanol, which is under examination.
