



India's Strategic Petroleum Reserves

[Source: PIB](#)

Why in News?

Recently, the Ministry of Petroleum & Natural Gas provided valuable insights into the [Strategic Petroleum Reserve Programme](#) during a written reply in the Lok Sabha.

What are Strategic Petroleum Reserves?

▪ About:

- **Strategic petroleum reserves (SPRs)** are stockpiles of [crude oil](#) maintained by countries ensuring a stable supply of crude oil even during times of geopolitical uncertainty or supply disruptions.
- These underground storage facilities play a crucial role in **maintaining a steady flow of energy resources for the nation's growth** and development.

Note:

- As per the terms of the **International Energy Programme (I.E.P.) agreement**, every nation belonging to the [International Energy Agency \(IEA\)](#) is required to maintain **emergency reserves of oil amounting to a minimum of 90 days'** worth of their net oil imports.
- In case of a severe oil supply disruption, IEA members may decide to release these stocks to the market as part of a collective action.
- In **2017**, India attained the **status of an associate member within the International Energy Agency**.
- **Current SPR Infrastructure and Capacity in India:**
 - **Indian Strategic Petroleum Reserves Ltd. (ISPRL)** was created by the Government of India as a [Special Purpose Vehicle](#) under the Ministry of Petroleum & Natural Gas in **2004**.
 - India's existing underground SPR facilities have a combined capacity of **5.33 Million Metric Tonnes (MMT) of crude oil**. These storage sites are strategically positioned across two states:
 - Visakhapatnam, Andhra Pradesh - 1.33 MMT capacity
 - Mangaluru, Karnataka - 1.5 MMT capacity
 - Padur, Karnataka - 2.5 MMT capacity
- **Filling Strategy:**
 - Leveraging the opportunity presented by low crude oil prices in April/May 2020, India successfully filled its existing SPR facilities to full capacity.
 - This tactical move resulted in **substantial notional savings, estimated at around INR 5000 crore**.
- **Expansion Plans and Commercial-Cum-Strategic Facilities**
 - In July 2021, the Indian Government granted approval for the establishment of two additional commercial-cum-strategic SPR facilities.
 - Chandikhol, Odisha - 4 MMT capacity

- Padur, Karnataka - 2.5 MMT capacity (expansion)
- These facilities, totaling a storage capacity of 6.5 MMT, will operate under a [Public Private Partnership \(PPP\) mode](#).

▪ **Transfer and Timeline:**

- At the conclusion of the 60-year Concession Period, the concessionaire will transfer the SPR, along with associated infrastructure such as **Single Mooring Points (SPMs) and onshore/offshore pipelines**, back to the Government of India.

▪ **History of Reserve:**

- In 1990, during the **Gulf War in West Asia**, India was grappling with a significant energy crisis, with its **existing oil reserves deemed sufficient for only a mere three days**.
 - Although India successfully averted the crisis at that time, the persistent risk of energy disruptions remains a tangible and ongoing concern.
- In an effort to tackle this **energy insecurity**, the administration led by **Atal Bihari Vajpayee** put forward the idea of establishing strategic petroleum reserves in 1998.
 - In the present day, as India's consumption of energy continues to rise, the rationale for developing such reserves becomes increasingly compelling.

▪ **Biggest Global Strategic Petroleum Reserves in the World:**

- **United States- 714 million barrels**
- **China- 475 million barrels**
- **Japan- 324 million barrels**

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