Strategic Petroleum Reserves

Why in news?

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Union government approved the construction of two more strategic petroleum reserves in the country.

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What is Strategic petroleum reserves?

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- Strategic petroleum reserves are essentially huge stockpiles of crude oil to keep the wheels of the country running in crunch situations.
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- This is because the government has to stay prepared with emergency stores of crude oil to tide over severe supply shocks of this critical fuel.
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- Many major global oil consumers such as the US, China and Japan have built massive strategic reserves of oil over the years, and India too embarked on the path in the last decade.
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What is India’s Plan on strategic Petroleum reserve?

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- Indian Strategic Petroleum Reserves Ltd, has constructed three strategic petroleum reserves in huge underground rock caverns at Visakhapatnam on the East Coast, and at Mangaluru and Padur on the West Coast.
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- These facilities, with total capacity of 5.33 million tonnes, can meet about 10 days of India’s crude oil requirements.

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- The new facilities approved recently can provide additional supply for about 12 days.
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Why is the need for such structures?

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- India is the world’s third largest energy consumer after the US and China.
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- The trouble is India produce very little oil of its own and are dependent on imports for more than 80 per cent of its needs.
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- The chunk of this is from West Asia which is often in the midst some geo-political face-off or the other.
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- Added to this, there’s always the risk of supply disruption from natural disasters, war or other calamities.
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- Thus strategic petroleum reserves add much-needed heft to the country’s energy security.
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Source: Business Line

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