

# India to add 56.6 mtpa of crude oil refining capacity by 2030

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India, the world's fourth largest refiner, will add 56.6 million tonnes per annum (mtpa) of crude oil refining capacity in the next seven years of which 84 per cent will be through brownfield expansion. At present, the world's third largest crude oil consumer has a cumulative refining capacity of almost 254 mtpa, or a little over 5 million barrels per day (mb/d).

According to the Ministry of Petroleum and Natural Gas, 9 mtpa of refining capacity will be added through greenfield expansion.

Between 2014 and 2023, a total of 38.9 mtpa of refining capacity, of which 39 per cent was greenfield and the remaining brownfield, was added. During 2010-14, 29.7 mtpa capacity had come on stream through brownfield expansion.

According to the Centre for High Technology (CHT), a technical wing of the Oil Ministry, the capacity of Indian refineries is projected to increase by about 56 mtpa by 2028.

In FY23, Indian refineries processed 5.13 mb/d of crude oil, or 255.2 million tonnes (mt). In August 2023, the crude pressed stood at 5.28 mb/d or 21.9 mt (provisional), while during April-August FY24, the crude processed stood at 5.25 mb/d or 109.5 mt.

## REFINING PUSH

As of September, India had a total crude oil transportation pipeline of 10,938 km with a capacity of 153.1 mtpa. The refined products transportation

## India crude oil refining capacity expansion

(million tonnes per annum)

Time Period	Greenfield	Brownfield
2023-30	9	47.6
2014-23	15	23.9
2010-14	0	29.7

Source: Ministry of Petroleum & Natural Gas

pipeline is 22,973 km with a capacity of 149.3 mtpa. The government's refining push is on account of India's rising consumption of crude oil as its industrial, construction and manufacturing sectors expand. Besides, after the Russia-Ukraine war, India has emerged a key refining destination.

CareEdge Ratings said that FY23 marked an exceptional period for Indian refiners. They achieved exceptionally high gross refinery margins (GRMs), primarily attributed to disruptions in the demand-supply dynamics resulting from the outbreak of the Russia-Ukraine war in February 2022.

On higher refining in FY23, CareEdge said the overcapacity operation is primarily attributed to robust domestic and export demand for refined products. The availability of relatively cost-effective Russian crude, limited additions to refining capacities worldwide, a substantial post-pandemic surge in refined product demand, and geopolitical disruptions have collectively contributed to Indian refiners consistently achieving significantly higher GRMs than the benchmark Singapore GRMs over the past three years. Consequently, this has led to an improvement in the credit profile of Indian refiners.



CRUDE WATCH

**OIL SURGES NEARLY 6%**

Oil prices leapt nearly 6% on Friday, with Brent posting its highest weekly gain since February, as investors priced in the possibility that the conflict in the Middle East could widen as Israel began ground raids inside the Gaza Strip. **REUTERS**