

[27 April, 2000]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) Yes, Sir, Gas Authority of India Limited (GAIL) is planning to mobilize upto Rs. 300 crores under debt instruments during 2000-01, depending upon availability of internal resources and market conditions, for the Kandla/Jamnagar-Loni Liquified Petroleum Gas (LPG) Pipeline Project and the LPG Processing Complex at Gandhar.

(c) Apart from the on-going projects viz. Kandla/Jamnagar-Loni LPG Pipeline, LPG Processing Complex at Gandhar, Light-End Fraction (LEF) Compressor at Vijaipur and laying of pipelines for transportation of natural gas, GAIL proposes to take up LPG Pipeline network in the Southern region.

IOC's State in Balal Oilfield in Iran

3625. SHRI SATISHCHANDRA SITARAM PRADHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indian Oil Corporation has approached French Multinational ELF to acquire 35 per cent stake in the Balal Oilfield in Iran;

(b) if so, the details thereof with objectives behind such move;

(c) what amount is likely to be invested in U.S. Dollar in the project;

(d) whether the project would ensure additional supply of crude oil in the country; and

(e) if so, the quantum of same with extraction price involved in it?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (e) Indian Oil Corporation (IOC) has held discussion with ELF Aquitaine regarding its interest in participation in the Balal oil field in Iran with the objective to source equity oil from abroad. No agreement in this regard has been signed. However, IOC and ELF have entered into MoU for collaboration in selected areas including research and development.

GAIL's plan to enter Telecom Sector

3626. SHRI RAJNATH SINGH 'SURYA': Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the GAIL is planning to enter the telecom sector;

(b) if so, the reasons therefor;

(c) whether there is no scope for further investment in the areas for which the GAIL was founded; and

(d) whether it is proposed to form a subsidiary company for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) Yes, Sir.

(b) The National Telecom Policy, 1999 provides for usage of the infrastructure of the Gas Authority of India Ltd. (GAIL) for long distance communication. GAIL's entry in the telecom sector would lead to optimum utilization of the available capacity, which, if required, can be enhanced at a relatively low cost. Apart from revenue generation to the Company, it would be in the national interest.

(c) The main thrust of GAIL's future investments will continue to be in the areas of its core competence.

(d) Presently, there is no such proposal.

Petroleum products price hike

3627. SHRI K. M. KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the justification of Government in hiking the price of petroleum products like kerosene and cooking gas;

(b) whether it is a fact that the present hike in prices had been deferred earlier on the advice of the political parties of the TDP and Trinamool Congress; and

(c) if so, what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) The hike in the prices of kerosene for public distribution of LPG (Packed Domestic) has been made for the following reasons:

1. To reduce subsidy on Kerosene for PDS and LPG (Packed Domestic) in Line with the decision of the Government taken in November 1997 on phased dismantling of administered price mechanism (APM);
2. To consider the growing oil pool deficit due to steep increase in the prices of crude oil and petroleum products in the international markets;