

players in global oil and natural gas. Is there any hope to get that?

SHRI JASWANT SINGH: That was one of the purposes of the hon'ble Prime Minister's visit to Trinidad and Tobago. We have many links with Trinidad and Tobago...*(interruptions)*. If the hon'ble Member would please sit down...

MR. CHAIRMAN: Are you hearing him?

SHRI ABANI ROY: Yes, Sir.

MR. CHAIRMAN: Then, why are you standing?

SHRI ABANI ROY: My second supplementary is this. The Prime Minister's visit to Trinidad and Tobago is expected to give a boost to bilateral ties, which at present have trade of \$12 million. What is our expectation?

कुमारी सरोज खापरें: सर, पहले प्रश्न का ही जवाब नहीं आया।...*(व्यवधान)*...

SHRI JASWANT SINGH: Would the hon. Member please repeat the question?

MR. CHAIRMAN: Please repeat the first question.

SHRI ABANI ROY: My first question was this. Trinidad and Tobago will be the largest players in natural gas and global oil. Is there any hope to get it?

SHRI JASWANT SINGH: Sir, the hon. Prime Minister's visit to Trinidad and Tobago had many dimensions; cultural, ancient linkages etc. One amongst the dimensions of the visit was, of course, trade and, as a part of the trade, the aspect of undertaking some oil explorations in Trinidad and Tobago and utilising their hydro-carbon resources is certainly one of them. The question as to whether they will be utilised or not will depend on many factors after the potentiality in Trinidad and Tobago is fully realised, and after considering the economic viability of transportation etc.

SHRI ABANI ROY: My second supplementary is this. There is a boost to

bilateral ties, which at present have a trade of \$12 million. What is our expectation?

SHRI JASWANT SINGH: Sir, our expectation is to raise the trade to the highest possible level.

Marketing of Petroleum Products by Indian Oil Corporation

*43. **SHRI SURESH KALMADI:**
SHRI K. KALAVENKATA RAO:†

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

(a) whether it is a fact that Government have asked the Indian Oil Corporation to amend its pacts to market half of the petroleum products of Reliance Petroleum and Essar Refineries; and

(b) if so, what are the changes envisaged as a result of the proposed amendments?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI K. RAMAMURTHY): (a) and (b) Government have conveyed to Indian Oil Corporation that the entitlement of the Oil Marketing Companies for distribution of the controlled products of Reliance Petroleum and Essar Refineries will be as follows:—

Indian Oil Corporation Ltd.
(IOCL)—50%

Hindustan Petroleum Corpn. Ltd.
(HPCL)—25%

Bharat Petroleum Corpn. Ltd.
(BPCL)—25%

The agreements are, however, yet to be concluded.

SHRI K. KALAVENKATA RAO: Sir, the Petroleum Ministry has directed the Indian Oil Corporation to amend its pacts to market half of the petroleum

†The Question was actually asked on the floor of the House by Shri K. Kalavenkata Rao.

products of Reliance Petroleum and Essar refineries in tune with the existing administered pricing mechanism. As per the revised pacts, the IOC will market 10.65 million tonnes of controlled petroleum products from the Jamnagar refinery of the Reliance Petroleum and 5.25 million tonnes from the Essar refineries. I would like to know whether IOC has entered into an agreement of joint venture with the Reliance Petroleum and the Essar refineries. What are the proposed concluding details of the agreement

SHRI K. RAMAMURTHY: Sir, the Reliance Petroleum and the Essar refineries were granted licences in the year 1992. Now there is a possibility that these two refineries would start production in the coming months or in a year. Negotiations by these two companies with oil companies for a marketing agreement are in progress from 1993 onwards. Since they are going to start production very soon, there was an urgency of coming to some agreement over this matter. Accordingly, as a commercial proposition, the IOC has signed a Memorandum of Understanding with the Reliance Petroleum and the Essar refineries. After that they have translated in into a draft agreement which has been approved by the Board. Then the agreement was sent to us. In the meantime, the Government has raised some points for clarification. As I said earlier, the Oil Coordination Committee will determine the production capacity. Accordingly, as per the existing demand in the country--we cannot waste our foreign exchange by ignoring our domestic production--and to reduce the import burden, we will take into account the production of the Reliance Petroleum as well as the Essar refineries. We will go in for that. Accordingly, the Government has directed IOC to take 50 per cent of the production from both the refineries. Another two public sector companies, *i.e.* BPCL and HPCL will take 25 per cent each. Sir, it is true that the IOC will

market 10.65 million tonnes of controlled petroleum products from the Reliance Petroleum and 5.25 million tonnes from the Essar refineries. All the three companies will take care of the production.

MISS SAROJ KHAPARDE: Mr. Chairman, Sir, I would like to know this from the hon. Minister. What is the justification for fixing entitlement of oil marketing companies for distribution of the controlled products of Reliance Petroleum and Essar refineries? When is the agreement with oil companies going to be concluded?

SHRI K. RAMAMURTHY: Sir, this agreement is in tune with this existing practice. Already, the IOC has 60 per cent market in the country, and 40 per cent is being shared by BPCL, HPCL and IBP. So, we have reduced the share of the IOC by 10 per cent. We have reduced it to 50 per cent. Another 25 per cent will be distributed each to HPCL and BPCL. The agreement is likely to be concluded very soon.

SHRI NARENDRA MOHAN: Sir, I would like to know whether the three oil refineries which are working in India are getting sufficient domestic crude for refining or whether they are importing most part of it. If this is so, how much is the domestic production which is available to these oil refineries for refining and how much are they importing? Moreover, you know that the price of crude in the international market has fallen. Will it be possible for the Government to pass on some of the production and the price benefit to the consumers as will? Is there any such policy with the Government?

SHRI K. RAMAMURTHY: Sir, it is true that we are dependent on import of crude. The domestic production is only 27 per cent to 30 per cent. In the present scenario as well as considering the international price situation, it would be better not to exhaust our reserves, and it is better to purchase crude from outside because it is available at the lowest price

ever in the history of the crude price. Sir, as regards the second question put by the hon. Member, this Government has already been revising the price of HSD, on an experimental basis. This is being done since 1.4.98, after the deregulation scenario and also after the withdrawal of APM for some of the projects. Once in three months, we are revising the price of HSD, on an experimental basis, on parity with the import price. In January also, the Government announced a 10 per cent cut in the price of the HSD.

SHRI DIPANKAR MUKHERJEE: Sir, now, I feel it a little embarrassing. These two companies are very much in the newspapers, creating problems within the Government. Anyway, Sir, Reliance and ESSAR refineries have been assured of 15 per cent market. My first point is that an assured market, a guaranteed market share, is being given to companies which are yet to produce. No. 2 is that they are also being given all the facilities of market infrastructure of the IOC at its cost. I would like to know whether, before this 15 per cent or 20 per cent distribution was done, quantification was done. Forget about the agreement; so far as the money value of this assured market which is being given is concerned, I would like to know whether the marketing infrastructure which is now being utilised by these private companies has been quantified. And, before such an agreement, how can you assure of 15 per cent or 20 per cent or 25 per cent? मुर्गी पहले कि अंडा पहले?

जब ऐग्रीमेंट ही नहीं हुआ तो 50 फ़सेंट या 25 फ़सेंट का क्या सवाल है?

Will the Minister assure us that this quantification of assured market and marketing infrastructure will be taken into account before fixing this percentage? पहले ऐग्रीमेंट होगा, तब आप बोलेंगे कि 25 फ़सेंट या 50 फ़सेंट। It is more or less a *fait accompli*. Is it a *fait accompli*?

SHRI K. RAMAMURTHY: Sir, the hon. Member is aware that when both Reliance and ESSAR were granted per-

mission for establishment of the refineries at Jamnagar, at that time, the liberalisation scenario was not in vogue in the country. Secondly, this percentage which we have fixed for the companies are only on controlled items, namely, the five products which are all now under the Administrative Price Mechanism. No company, either private or multinational, is entitled to market there out of these are petroleum products which are under the APM in this country up to 1.4.2002; that is the terminal year. Accordingly, these refineries are accorded licences from the Government of India. Where will they go and sell when the country is importing a lot of petroleum products? So, in order to get the products, we have fixed the distribution percentage for these three companies. It is not that they are going to use our installations. Only our own company is going to distribute from them. It is not that the Reliance or the ESSAR is going to make use of our petrol pumps, which are owned by the Indian Oil or the BPCL or the HPCL or the IBP. It is not like that. This misunderstanding should do. It is only limited up to 1.4.2002. Before taking the percentage of distribution by each of these oil companies into account, we have gone into all the market feasibilities. We have also gone into other relevant factors in this matter.

SHRI JOHN. F. FERNANDES: Sir, the public sector undertakings, that is, the IOC, the BPCL and the HPCL, have, over the years, created a base for their products in the market. We know that these two private companies, before production, got involved in frauds. We know how petrol was adulterated with Naptha and supplied to various parts of the country. I would like to know from the hon. Minister whether he will lay down quality standards to see that there is proper quality of supply of products from these private sector companies to the Government sector companies. Will he lay down quality standards and constitute monitoring teams to see that the adulter-

ated private factory petroleum products do not come to the Government sector petroleum companies?

SHRI K. RAMAMURTHY: Sir, I fully share the anxiety of the hon. Member with regard to adulterated petroleum products in the country. We are taking steps, but I do not know how far they will be able to prevent adulteration. So far as the second point raised by the hon. Member is concerned, I would say that there will definitely be quality control monitoring. There will also be a Government representative. (*Interruptions*)

SHRI JAYANT KUMAR MALHOUTRA: Sir, the hon. Member has asked about adulteration, and the hon. Minister says that he is not sure what steps he has taken. (*Interruptions*) You must take steps with confidence. What steps have been taken? The House wants to know (*Interruptions*)

SHRI K. RAMAMURTHY: Sir, I am sorry if the hon. Members misunderstood my answer. I am sorry for that. Hon. Member, Mr. Fernandes, has asked whether the Government is aware that these two companies have indulged in adulteration. The other connected question was whether we are going to take products which are produced by these factories. Then he has asked whether there will be any monitoring on the quality control. Sir, I have replied that we are taking some steps, but I do not know how far they are going to prevent adulteration. But we are taking some effective steps. Then, so far as taking products from them is concerned, we are going to take them by our own pipeline. Whenever they will be taken, there will be proper monitoring. A Government representative will also be there to ensure quality control.

Shiv Sena activists' attempt to disrupt Cricket Series

*44. **SHRI JALALUDIN ANSARI:**
SHRIGURUDAS DASGUPTA:+

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the recent attempt by the Shiv Sena activists to disrupt the Indo-Pak cricket series had any adverse impact on the efforts of Government to normalise relations between the two countries; and

(b) if so, the details thereof?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI JASWANT SINGH):

(a) and (b) In keeping with Government of India's policy of working to build a relationship of peace, friendship and cooperation with Pakistan, and in response to an invitation from the Prime Minister of Pakistan, Prime Minister Atal Behari Vajpayee visited Pakistan on February 20-21, 1999 on the inaugural run of the Delhi-Lahore-Delhi bus service. During his visit, Prime Minister conveyed to the Government and people of Pakistan, India's consistent commitment to peace and friendship with Pakistan and to developing a comprehensive structure of cooperation for the benefit of the two peoples. Prime Minister and the Prime Minister of Pakistan signed the Lahore Declaration which is landmark event in the move towards peace and security of the two countries. India and Pakistan will now work to enter into agreements to put into place far-reaching Confidence Building Measures. The two countries also identified new and significant areas of cooperation such as information technology and decided to address humanitarian issues at a ministerial level on an urgent basis. Government expect that the Prime Minister's visit will mark a new chapter in our bilateral ties.

Government place strong emphasis on developing relations in the fields of culture, sports and people-to-people

+ The Question was actually asked on the floor of the House by Shri Gurudas Das Gupta.