

Foreign investment in petroleum sector

1035. SHRI TARUN VIJAY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the plans Government is formulating to enhance investment from foreign investors into the country; and

(b) the status of ONGC Videsh's operations in South China Sea in view of Chinese opposition to it?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) The Government has formulated plans to attract and promote foreign investment in order to supplement domestic capital, technology and skills for accelerating economic growth. In order to provide energy security, the Government is encouraging foreign investment in exploration and refining activities that require expensive state-of-art technology. Foreign Direct Investment (FDI) in exploration and refining sector is allowed under the automatic route with 100% equity for private companies, subject to the existing sectoral policy and regulatory framework.

(b) At present ONGC Videsh is involved in one exploration block and one producing asset in South China Sea.

Increase in prices of petro-products

1036. SHRI SABIR ALI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to pressures from private oil companies and other sources, prices of petrol, diesel and their by-products are forced to increase; and

(b) if so, the manner in which Government proposes to eliminate the pressure from private oil companies and other sources to increase the prices?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) The Government has made the price of Petrol market-determined with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on the pricing of Petrol in line with the international oil prices and market conditions. Even after implementation of the market determined pricing, the OMCs have been making price revisions of Petrol in a guarded manner, at times, absorbing a part of under-recovery themselves.

However, the Government continues to modulate the Retail Selling Price (RSP) of Diesel, PDS Kerosene and Domestic LPG in order to insulate the common man