

LOK SABHA DEBATES

LOK SABHA

Thursday, August 24, 1995/Bhadra 2, 1917 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Shortage of Petrol/Diesel

*301. SHRI DILEEP BHAI SANGHANI :
SHRI PRAKASH V. PATIL :

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

(a) whether it has come to the notice of Union Government that there is acute shortage of diesel and petrol in various parts of the country, particularly in Gujarat and Maharashtra;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the corrective steps taken/proposed by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES AND MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S. KRISHNA KUMAR) : (a) to (c) No shortage of diesel and petrol has been reported from any part of the country including Gujarat and Maharashtra. The demand for petrol and diesel in the country is being met in full.

SHRI PRAKASH V. PATIL : Mr. Speaker, Sir, in the month of May there was a shortage of diesel and petrol. The indigenous production of crude oil in the year 1994-95 was 32 MMT. We are importing about 30 MMT of crude oil valuing about Rs. 11,000 crore. To achieve self-reliance, I would like to know whether the Government will allow 10 percent alcohol to be blended with petrol and diesel, as is done in Brazil. We have adequate quantity of alcohol. We rather have surplus alcohol and we are trying to export it also. I would like to know whether the Government will allow this surplus alcohol to be blended with petrol and diesel.

SHRI S. KRISHNA KUMAR : Sir, the answer to the main question refers to the shortages at present. There

was a shortage in April-May this year in the Northern region because of the emergency shut down of the Mathura Refinery which was not anticipated.

So far as blending of alcohol with petrol is concerned, it is a question of policy. We shall definitely consider the request of the hon. Member and get back to him. We have to examine it.

SHRI PRAKASH V. PATIL : The oil companies are enjoying a monopoly in the field of oil. To serve the country better, I would like to know whether responsibilities have been fixed on the oil companies when such shortages come before us? The Private Sector and Public Sector undertakings are putting up numerous refineries. How does the Government propose to use excess capacity of the refineries in the near future?

SHRI S. KRISHNA KUMAR : Sir, to answer the second part of the question first, when this Government took over, the refinery capacity as well as production of petroleum products within the country had a shortfall. We still are importing about 50 million tonnes of petroleum products a year. But because of the initiative taken by this Government—including private investment, foreign investment and joint ventures—a large number of proposals have been cleared or are in the process of being cleared and by the turn of the century we are certain that the refinery capacity in India will be adequate to meet the demand. In fact we will have a production of 15 million tonnes more than the requirement of about 115 million tonnes of products.

As regards fixing responsibility on the oil companies, the production as well as distribution and marketing has always been the responsibility of our public sector companies. It is being constantly reviewed and production is sought to be increased by this review. But now the field has been thrown open for private sector and foreign investment including exploration, production, refining and marketing. This initiative is likely to produce very good results for our country.

[Translation]

DR. P.R. GANGWAR : Mr. Speaker, Sir, the hon. Minister has attributed the shortage of diesel to the emergency shut down of Mathura Refinery. Sir, the Bareilly division, which includes Pilibhit also, has in particular been experiencing acute shortage of Diesel during the months of May, June and July. We had been raising question here but the shortage of diesel in Bareilly division has not been made up. Whether the hon. Minister has formulated any scheme to ensure that there is no recurrence of shortage of diesel in the Bareilly division?

[English]

SHRI S. KRISHNA KUMAR : As a result of the emergency measures taken by the Government, the shortages were made up and now we have a stock, both in storage and transit, of 35 days cover for high speed diesel and 36 days cover for motor spirit. For Northern region these figures are, 25 days cover for motor spirit and 27 days cover for high speed diesel. These stocks are adequate. The shortage was a past history and that has been overcome. The steps taken by the Government to make up the shortages, that are available with me, are : extra wagon evacuating more diesel from the Northern States and other parts of the country and a series of emergency measures which succeeded in overcoming the particular short term shortage.

DR. R. MALLU : Mr. Speaker, Sir, it is a surprising to see the reply which says that there is no shortfall. There was a shortfall in Andhra Pradesh in the months of May, June and July which we had brought to the notice of all concerned in the State and the Central Government. When we brought this issue to the notice of the Government, we were told that the shortage of diesel and petrol is not a problem but the problem is with regard to the shortage of wagons to transport petrol and diesel. I would like to know from the hon. Minister, whether there is any shortage of wagon to transport petrol and diesel to the States concerned because long queues were there in the month of June and July, particularly in the State of Andhra Pradesh.

SHRI S. KRISHNA KUMAR : The question refers to the present position. The Government have admitted that there was a shortage in the Northern region and also in certain districts of Andhra Pradesh during a short period of three to four weeks. My hon. colleague, Shri Satish Sharma, who is in charge of Petroleum had made a statement on the floor of the House about the steps being taken. As far as Andhra Pradesh is concerned, there was a temporary shortage in Sanat Nagar and Tadepalli districts and they were also solved by emergency in movement of wagons. There is a general shortage of wagons, but we are solving the problem through various schemes like, Petroleum Companies' Own Your Wagon Scheme and by extension of the pipeline network, such as the Khandla-Batindha pipeline and various other pipeline systems. In all the developed petroleum producing countries, petroleum is transported through the pipeline network. We are moving in this direction. We have a strategy for efficient distribution of petroleum products in the country.

[Translation]

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI : The hon. Minister has admitted the shortage in the Northern region only in the months of April, May and June which is factually not correct, as expressed by other Members also. There is a recurring shortage

of oil in the hill areas, particularly during the tourist season. Other regions are not affected by this problem. One major reason is that petrol and diesel are transported by road. Besides, the agencies earmarked for supply of oil to the hilly areas are also the cause of shortage for 3-4 months. The hon. Minister is aware of the shortage of oil in the Garhwal region which was experienced 2 or 3 times last year also. This shortage is the result of inadequate transport facility which should be reviewed and improved.

[English]

SHRI S. KRISHNA KUMAR : Sir, for Garhwal district of Uttar Pradesh, we have a stock of 27 days of high speed diesel and 22 days of motor spirit as against an ideal average of about 30 days. This is considered adequate. I appreciate the opinion of the hon. Member and admit that, the port handling, transports, pipeline and other infrastructure need expansion, streamlining and upgradation. As I told, there is a strategy for that and it needs investment. It is a continuous process.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI : I am talking about transporting it in the hills.

SHRI GOVINDA CHANDRA MUNDA : Sir, I understand from the hon. Minister's reply that there is acute shortage of petrol and diesel all over the country. I want to know whether the Government is allowing kerosene oil to supplement petrol and diesel. Has the Government given licences of kerosene to the petrol dealers? If so, how many dealers have been given these licences?

SHRI S. KRISHNA KUMAR : Are you talking about kerosene oil?

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI : He says that you have given licences to the same people for petrol, diesel and kerosene and they mix it up.

SHRI S. KRISHNA KUMAR : Sir, the problem of adulteration of petrol with kerosene and sometimes even with other types of oils is a perennial problem. We have vigilance and inspection wing which inspects, prosecutes and takes other actions against such persons. This is a general problem. We cannot support mixing kerosene with petrol and it is not done.

SHRI GOVINDA CHANDRA MUNDA : Why they have been given licences?

[Translation]

Petrol and Kerosene licence should not be allotted to the same party.

[English]

SHRI S. KRISHNA KUMAR : There is no reason why a petrol licence cannot be a kerosene licence. Moreover, that is not the reason for adulteration. They can transport kerosene from one place to another and adulterate it. That does not solve the problem.

SHRI BRAJA KISHORE TRIPATHY : Mr. Speaker, Sir, there is a serious apprehension that there will be a shortage of diesel in the month of October in the country and that it will create much crisis. It has been published in the newspapers also. May I know from the hon. Minister whether it has come to the notice of the Government? If so, what steps it is going to take to arrest this shortage in the month of October?

SHRI S. KRISHNA KUMAR : Sir, the Oil Coordination Committee in conjunction with the public sector oil companies, is reviewing the stock position on a day-to-day basis. We have planned for each of the quarter depending on the demand including contingencies. Our stocks are adequate and we are fully prepared to meet the peak load demands of the last quarter starting from September.

[Translation]

Joint Venture Projects

*302. SHRI N.J. RATHVA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether the Government are contemplating to hand over some blocks of oil fields in the country to joint venture projects;

- (b) if so, the details thereof, State-wise;
- (c) whether foreign capital investment is being invited for this purpose;
- (d) if so, the details thereof; and
- (e) the details of such foreign agencies from which capital has been invited?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES AND MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S. KRISHNA KUMAR) : (a) to (e) A Statement is laid on the Table of the House.

STATEMENT

(a) to (e) Government of India has been inviting offers from Indian and foreign companies for development of discovered oil fields as well as for exploration of oil and gas in various blocks in India.

Against the offer of discovered oil fields made in August, 1992, contracts for development of 5 medium sized fields have been signed as per details given below :—

Name of Company/Consortium	Field	State
Enron, USA-Reliance Industries, India	Mid & South Tapti, Mukta and Panna	Bombay offshore
Command Petroleum, Australia— Videocon India—Marubeni, Japan	Ravva	Krishna, Godavari offshore.
Compagnie Geofinanciere, France— Enpro Services, India	Kharsang	Arunachal Pradesh

In October 1993, Government of India again offered 8 medium sized oil and gas fields for development by private parties. Bids for 7 fields were received. Negotiations with bidders are in progress.

In addition to the above, Government of India has signed production sharing contracts (PSC) for exploration of oil and gas in following blocks under the Fourth round of bidding :—

Name of Block	Name of Company	State/Basin
GN-ON-90/3 in Pranhita-Godavari (Gondwana) onshore basin.	Consortium of Hindustan Oil Exploration Company and Mafatal Industries, both of India.	Andhra Pradesh, Madhya Pradesh, Maharashtra
KG-OS-90/1 in Krishna-Godavari offshore basin	Consortium comprising of M/s Albion International Resources, Inc., USA Complex Resources Limited of Australia, M/s Niko Resources of Canada and Hindustan Oil Exploration Company of India.	Krishna-Godavari offshore
RJ-ON-90/1 in Rajasthan basin	Shell India Production Development B.V., Netherlands.	Rajasthan
CY-OS-90/1 in Cauvery offshore basin	Consortium of HOEC of India, Vaalco Energy Inc. of USA and Tata Petrodyne of India.	Cauvery offshore