

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:7447
ANSWERED ON:15.05.2000
MARKETING NETWORK BY MULTINATIONAL OIL COMPANIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether multinational oil companies are more interested in vast oil marketing networks in India than Oil exploration;
- (b) if so, whether the Government have permitted them for refining of oil as well as marketing of petroleum products;
- (c) if so, whether such a step would not hit the indigenous Public Sector Oil Companies which are quite capable of undertaking on their own; and
- (d) the steps taken by the Government to protect the rights of the Indigenous Oil companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI SANTOSH KUMAR GANGWAR)

- (a) Multinational oil companies have shown interest in both oil exploration and oil marketing;
 - (b) to (d): Government in November 1997 decided to dismantle the Administered Pricing Mechanism in a phased manner. The said decision, inter alia, includes the following:

'Investments in the refining sector will be encouraged by providing reasonable tariff protection and making marketing rights for transportation fuels viz. MS, HSD and ATF conditional on owning and operating refineries with an investment of atleast Rs. 2000 crores or oil exploration and production companies producing atleast three million tonnes of crude oil annually.'
- Further, on 26.05.1998, Government decided that the Marketing of controlled petroleum products would continue to be regulated in accordance with the present regime until Administered Pricing Mechanism is fully dismantled.
- No decision has been taken as yet for granting marketing rights to private and joint sector refineries.