

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

UNSTARRED QUESTION NO:1601  
ANSWERED ON:06.03.2000  
INVENTORY PROBLEM FACED BY REFINERIES  
SANJAY PASWAN

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

- (a) whether the Government are aware that some refineries are facing inventory problem due to inability to market their products;
- (b) if so, whether some private refineries having surplus stock of furnace oil and diesel want to export them but could not do so due to the port congestion problem;
- (c) if so, whether public sector petroleum companies are importing these products because of their being cheaper;
- (d) if so, the likely impact on our economy due to non-exporting of these items on one side and importing of these items by public sector petroleum companies on the other side; and
- (e) the steps taken by the Government to deal with the situation specially to save the valuable foreign exchange?

**Answer**

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

- (a) Some of the refineries are facing containment problem for de-regulated products like naphtha and LSHS etc. which are primarily on account of full/partial shut down of some of the customer's plants from time to time. Such a situation occasionally results in inventory hold up.
- (b) Private Sector refineries are free to export furnace oil, which is a de-controlled product. They can also export diesel subject to the export contracts being registered with the OCC.
- (c) Import of controlled products are made by Indian Oil Corporation as canalising agency keeping the demand and supply position as also the economics of import in view. Import and export of decontrolled products is made on market considerations by public sector and private companies.
- (d) and (e) The process of review and monitoring of the demand and supply position is a continuous one. This is done by the Oil Coordination Committee and the Government in consultations with the concerned organisations. This exercise is constantly done so as to save valuable foreign exchange as also to protect our economy from any adverse impact.