

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

UNSTARRED QUESTION NO:606
ANSWERED ON:23.02.2006
EXECUTIVE PETROLEUM ECONOMIC ZONE
Verma Shri Ravi Prakash

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

- (a) whether the Government is considering to set up an executive petroleum economic zone for service providers in the oil and gas industry;
- (b) if so, the details thereof;
- (c) the benefits likely to be gained therefrom; and
- (d) the other steps taken by the Government to become a global sourcing hub in the petroleum sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a) to (d): In view of India's export earnings of over Rs.28,000 crore from petroleum products in 2004-05, Indian Oil Corporation Limited was asked to prepare a detailed feasibility study on making India as an investment destination for refineries, in particular export-oriented refineries, aimed at promoting India as the refining hub of South Asia / South-East Asia. The study was carried out by IOC along with M/s. Shell Global Solutions International B.V. IOC has submitted the feasibility report.

As per the study, an economically feasible Super Site Concept has been developed based on a Paradip type as nucleus. The concept derives competitive strength from world-class scale, integration, specialisation and long term national and site planning.

In view of the delicensing of the refinery sector since June, 1998, it is now for the Boards of Oil PSUs to take a decision on setting up of more Petroleum infrastructure, based on economic considerations.