

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

UNSTARRED QUESTION NO:2785
ANSWERED ON:23.07.2009
DEMAND AND PRODUCTION OF NATURAL GAS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the demand and production of natural gas during each of the last three years and the prospective scenario with the beginning of gas production from Krishna-Godavari basin and other blocks;
- (b) the nature of problems faced and issues involved related to investment, production, marketing and pricing of the gas for different sectors of the economy;
- (c) whether the Government proposes to formulate new policy to strengthen the hands of regulator to ensure investor confidence, consistency in policies, commitment to contractual obligation, evolution of mature market, gas pricing strategies and also to create fair and transparent norms for companies working in exploration of hydrocarbons; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a): The estimated demand and production of natural gas in the last three years is as below:-

(in mmscmd)

	2006-07	2007-08	2008-09
Demand	130	179.17	196.64
Production		61	62 75

Production from KG D6 has commenced in April 2009. Presently about 30 mmscmd is being produced from KG D6. In the next few months, the production is likely to go up to 80 mmscmd.

(b): The problems and issues related to investment, production, marketing and pricing of the gas for different sectors of the economy are, inter alia, gap between demand and availability of natural gas, competing demand of various sectors/industries, declining production from nominated fields, requirement of upgradation of gas pipeline infrastructure, uncertainty of price of spot RLNG, and contractual issues / litigation among parties.

(c) & (d): The goals of ensuring investor confidence, consistency in policies, commitment to contractual obligation, evolution of mature market, gas pricing strategies and creation of fair & transparent norms for Companies working in exploration of hydrocarbons are met through implementation of the provisions of Production Sharing Contract (PSC) signed between Government of India and the respective Contractor. Directorate General of Hydrocarbons (DGH) supervises and provides necessary technical inputs regarding the same.