GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1444
ANSWERED ON:13.12.2013
LANKA OIC COOPERATION WITH CEYLON PETROLEUM CORPORATION
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Yadav Shri Dharmendra

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

(a) whether Indian Oil Corporation's (IOCs) Lankan arm, Lanka OIC, signed a Memorandum of Understanding (MoU) with Ceylon Petroleum Corporation to grant a long-term lease to the Indian firm for operating the 99 storage tanks at Trincomalee;

(b) if so, the details thereof;

(c) whether Lanka OIC was given storage tanks and ancillary facilities;

(d) if so, the details thereof and if not, the reasons therefor; and

(e) whether the Union Government has taken up the matter with the Government of Sri Lanka at the diplomatic level in this regard and if so, the details and the present status thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAKA LAKSHMI)

(a) to (d) . Yes, Madam. An agreement between Lanka IOC (LIOC) and Ceylon Petroleum Corporation (CPC) on behalf of Government of Sri Lanka (GoSL) was signed on 07.02.2003 which inter-alia entitled LIOC to take possession of 99 storage tanks and ancillary facilities in Trincomalee for a period of 35 years. A formal agreement for leasing of the tanks was to be executed within six months from the date of agreement (07.02.2003) which could not be formalized despite rigorous follow ups at all levels including the diplomatic level.

(e). An inter-governmental meeting between both countries was held on 5.4.2013 in New Delhi wherein inter-alia it was decided to develop and utilize the Upper Tank Facilities (UTF) at Trincomalee through a Joint Venture (JV) involving CPC. A proposal was submitted on 2.5.2013 by LIOC to the Sri Lankan side.

Secretary, Ministry of Finance & Planning, GoSL in a meeting with Indian High Commissioner on 23.09.2013 has informed that concerned authorities in Sri Lanka are working on a conceptual model which would be shared after seeking necessary approval.