

**Opening Remarks to be made by Minister (P&NG) at the Oil Sector PSU - CEOs' Conclave, Goa at 4 PM on 26<sup>th</sup> June, 2009**

Shri Jitin Prasada, Minister of State in the Ministry of Petroleum & Natural Gas, Sh. R.S. Pandey, Secretary, Petroleum, Sh. Sundareshan, Additional Secretary, CEOs of Oil PSUs and other Officers.

2. I welcome you all to this important CEO conclave which has been convened to pave way for our future course of action.

3. When the Indian basket of crude oil touched US \$ 142 per barrel in July 2008, the retail selling prices were increased by only Rs.5 per litre for Petrol, Rs.3 per litre for Diesel and Rs.50 per cylinder for Domestic LPG to protect the interest of the consumers. To manage this price modulation, Government took the burden of the Public Sector Oil Marketing Companies' (OMCs) under-recoveries and issued Oil Bonds of Rs.71,292 crore during 2008-09 while the Upstream Oil PSUs contributed Rs.32,000 crore in price discounts. Thus, price modulation of essential fuels not only protected the interest of the common man, it also helped in keeping inflation under check and ensured the country's progress on the high growth path. Uninterrupted supplies of subsidized Domestic LPG have been maintained to more than 11 crore consumers, covering about 50% of the country's population. For this creditable feat, I would like to compliment all the officials gathered here.

4. On the pricing of the sensitive petroleum products, I can assure you that the financial health of the public sector Oil Companies will be protected by the Government.

5. The confidence reposed by the people in our Government has also brought with it greater responsibility. We have to meet the people's growing expectations for more efficient services. In the coming days, we have to rise to this challenge collectively. I would

like to remind you that the manifesto of the Indian National Congress had made the following commitments relating to the oil and gas sector :

- (a) The pace of oil and gas exploration will be intensified;
- (b) India's oil diplomacy will be pursued aggressively;
- (c) A scheme will be implemented to supply energy to poor families at affordable prices.

6. These priorities found reflection in the Hon'ble President's Address to Parliament on June 4, 2009. The President also spoke of "the need to push the frontiers and to question outdated practices, to bring a critical edge to governance". The 'Decade of Innovation', to which the President referred, should inspire us to promote creativity and innovation in our respective areas of work. The Prime Minister has been emphasizing that equity, innovation and public accountability should be the watch words of our Government.

7. Looking ahead, the Government has identified some priority areas for the next 5 years, on which we have to show demonstrable progress in the first 100 days of the Government. These are :

- (a) Implementation of the Rural LPG Distributor Scheme, which would enhance LPG coverage in the rural areas;
- (b) Road map for extending city gas services for cooking and transportation;
- (c) Acquisition of oil and gas assets abroad;
- (d) Intensifying the pace of oil and gas exploration through NELP VIII and CBM IV.
- (e) Develop a blueprint for long-distance inter-state highways leading up to a National Gas Grid. The expansion of the gas pipeline network will promote rapid economic development across the country through industrialization and employment generation.
- (f) A suitable pricing policy for sensitive petroleum products.

8. Apart from the above, I would like to share with you some issues that have recently been brought into focus by the Hon'ble Prime Minister. These are :

- (a) We have to ensure that our services and programmes confer appropriate benefits on the disadvantaged groups particularly the Scheduled Castes, Scheduled Tribes, minorities, women and children. I would urge all of you to address the task of plugging leakages in our service delivery with single minded devotion so that our pro-poor schemes reach the intended beneficiaries.
- (b) Work related to Parliament and its Committees should receive our undivided attention so that the people's aspirations are brought to bear through their elected representatives. We must ensure that requests of Members of Parliament for appointment are attended to on priority basis and their letters replied to promptly.
- (c) We have to ensure that our economy continues to grow rapidly inspite of the global slowdown. We must create an environment conducive to rapid growth and also ensure that the growth process benefits all our people especially the disadvantaged section of our population.
- (d) We have to respect the spirit of functional autonomy which we have conferred on our public sector undertakings and autonomous institutions.

9. To achieve our ambitious goals, we need to equip the Boards of all our PSUs with the requisite vision and operational powers. The Boards of PSUs should play a leadership role in guiding the management. I would urge the Board members of all PSUs to consciously strive towards the achievement of the objectives and priority areas discussed today. I would also ask the management of our PSUs to maintain a close interface with the Ministry, to ensure synergy between the Ministry and the PSUs.

10. Through this meeting, I would like to urge the Oil PSUs to focus on the Government's thrust areas for the first 100 days as well as the next 5 years. We are keen to listen to your plans for achieving the targets. I would encourage you to highlight the areas in which the Ministry's intervention or assistance is required. For India to earn its rightful place in the galaxy of nations, we have to energize the 'energy' sector, with the right policy, action and initiative. I am sure today's deliberations will set the tone for our future course of action to achieve our goals.

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