

**SPEECH BY HON'BLE MINISTER (P&NG) ON THE OCCASION OF OIL  
INDUSTRY MEETING "MEET THE PEOPLE" AT GOA ON 28<sup>TH</sup> JUNE, 2009**

Shri Digambar Kamat, Hon'ble Chief Minister, Goa, his Cabinet Colleagues. My colleague in the Ministry, Shri Jitin Prasada, Sh. R.S. Pandey, Secretary, Ministry of Petroleum, Shri Sundereshan, Additional Secretary, Senior officers of the Ministry and the State Government, Chief Executives and other Officers of oil PSUs, Friends from Media, Ladies and Gentlemen,

2. At the outset let me thank the Chief Minister for the warm welcome extended to me and my colleagues. The Ministry of Petroleum and Natural Gas, I want to assure you, is fully committed to meeting the growing energy demands of the country. The importance of clean and green energy can never be underestimated in Goa which has a thriving tourism industry and is blessed with rich natural resources like iron ore,

3 As you are aware, for the oil Industry, the recent times have been both challenging and demanding. The high global crude oil prices over the last two years in particular, have had their impact both on the national economy and at the individual level. The under-recoveries on sale of petroleum products for 2008-09 were Rs. 1,03,292 crores. The financial position of the OMCs continues to be a matter of concern for us.

4. Every effort is made by the Government of India and the Ministry of Petroleum and Natural Gas, in particular to insulate the "aam admi" from the volatility of global crude oil prices. This is ensured by not passing on the increased cost to the customer. As flagship national corporate entities, oil PSUs are committed to both the economic and social progress of the nation. Government too is alive to the need for their sustenance as other wise the future energy needs of the country may not be fully met.

5. India has a large population which is not having access to electricity and gas and is solely dependent on Kerosene oil for its lighting and cooking needs. The Government has ensured that these vulnerable sections of the society are supplied

Kerosene oil at Rs.9 per litre, which is even cheaper than a bottle of mineral water which is sold at Rs.12 per litre. The Government has taken various steps to prevent the diversion of Kerosene meant for PDS. Various studies have indicated that almost 40% of the PDS Kerosene gets diverted for adulteration and other uses denying the intended beneficiaries the benefit of the subsidy. The subsidy on PDS Kerosene and domestic LPG in 2008-09 was over Rs. 48,000 crore. To check the diversion, Government proposes to distribute the domestic LPG and PDS Kerosene through bio-metric smart card so that leakage in the distribution of these products is checked and only the targeted beneficiaries get the benefit of subsidized products.

6. Our oil companies supply LPG to approximately 10.67 crore families covering more than half of the population of the country. A delay of even 4 to 5 days in supply of LPG creates public outcry. We encourage feedback from the public to make our LPG distribution more efficient and public friendly.

7. I would also request the representatives of the Dealers' Federation who are present here to ensure that the supplies of these four essential products are maintained. Also, they should come forward with suggestions to make the supply chain more efficient and public friendly. These dealers are our interface with the public. The image of dealers of petroleum products is a reflection of the image of the parent company. Therefore, we should work in cohesion to meet the desired goals.

8. Globally, gas is fast replacing liquid fuels owing to its economical and ecological advantages, besides its increased availability. Large-scale use of LPG not only replaces firewood on smoky chullahs, but also increases the health standards of the users, eliminating lung and chest infections. To increase the reach of LPG in the Rural areas, Ministry proposes to launch a scheme "Rural LPG Distributorship Scheme". This would increase the availability of domestic LPG to our rural population which will not only be a healthy option but will also reduce the dependability on the traditional fuels like wood leading to conservation of forests.

9. Diesel is the backbone fuel of our economy. Nearly 19% of the diesel consumption is in the agriculture sector upon which depends the country's food security. In addition, it is used by transport sector as well as for industrial use. The

Government on its part has kept the prices of diesel below market price so that the agriculture and transport sectors are insulated from the unprecedented rise of crude oil prices in the international market. It is our bounden duty to use this precious fuel judiciously.

10. IOC is creating new storage tankage of petroleum products at Dabolim with the capacity of 276 KL. When completed in December 2009, it will result in better distribution of petroleum products particularly in the rural areas of Goa.

11. In Goa, presently there are 4.3 lakh LPG customers of which 3.2 nearly lakh customers are already provided with a double bottle connection. During the current year, 3508 LPG connections were released and at present (as on 1-6-2009), there is no waiting list pending with the OMCs for release of new LPG connections in Goa.

12. The production of gas from Eastern Offshore deep water KG Basin has commenced in April 2009. The projected production of 40 mmscmd in 2009 will increase to peak production of 80 mmscmd in next two years which will be half of the production in country. In the Western part of India, Crude Oil production from pre-NELP on land Rajasthan Block is to commence shortly being promoted by consortium of Cairn and ONGC. The crude oil production from this block is likely increase country's overall crude oil production by more than 20%.

13. Ultimately, our endeavor is to balance the needs of the common man with the growth of the oil companies. This is indeed a challenge but we are confident that we will be able to manage this balancing act. On this occasion, let me reiterate the commitment of the Ministry of Petroleum and Natural Gas to serve the common man i.e. 'aam admi' in the country. I would like to assure the people of Goa of our complete support and unstinted dedication in ensuring the growth and prosperity of the State.

**Thank you,**

**Jai Hind.**

