LOK SABHA
UNSTARRED QUESTION NO.751
TO BE ANSWERED ON 23RD JULY, 2018

Demurrage Costs of OMCs

751. SHRI RAMSINH RATHWA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the Oil Marketing Companies (OMCs) are incurring huge expenditure on account of demurrage costs due to lack of requisite infrastructure on domestic ports;

(b) if so, the details thereof and the reasons therefor along with the demurrage cost incurred by OMCs during the last three years and the current year, company-wise;

(c) whether the Government has taken up the issue with Port Trust of India with regard to offloading facilities of oil products at various ports; and

(d) if so, the details thereof along with the steps taken/being taken by the Government to minimize demurrage costs and provide better facilities at ports to OMCs?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री (श्री धर्मेंद्र प्रधान)

**MINISTER PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)**

(a) & (b) Public Sector Oil Marketing Companies are incurring demurrage costs due to lack of infrastructure in domestic ports. The details of expenditure incurred by the Public Sector Oil Marketing Companies (OMCs) during the last three years and current year (upto June, 2018) on account of demurrage (LPG & POL) cost are as under:

(in Rs. Crore)

OMC	2015-16	2016-17	2017-18	2018-19 (upto June'18)
IOCL	880.45	129.2	200.2	16
HPCL	171.11	31.59	32.89	2.48
BPCL	238.79	31.58	52.39	0.61

(c) & (d) The issue of priority berthing of vessels to avoid demurrage cost incurred by Public Sector OMCs has been taken up with Ministry of Road Transport, Highways and Shipping, along with various Port Trusts by this Ministry and Public Sector OMCs. Several steps have been taken to reduce demurrage including (i) entering into Concession Agreement with Ports for construction of captive jetty and augmentation of terminal facility for discharge of LPG and POL products (ii) construction of LPG pipelines (iii) Operation of LPG import terminals at optimum capacity (iv) Setting up of new import terminals etc.

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