

LOK SABHA
UNSTARRED QUESTION NO. 2609
TO BE ANSWERED ON 22nd DECEMBER, 2022

Petrochemical Corridor in Andhra Pradesh

2609. SHRI P.V. MIDHUN REDDY:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether it is a fact that the Government has agreed to set up a petrochemical corridor in Andhra Pradesh in 2021;
- (b) if so, the quantum of funds allocated and utilised for the project till date;
- (c) the present status and the time by which the project is likely to be completed; and
- (d) whether there is any time and cost overrun and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री

(श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (d) Department of Chemicals & Petrochemicals (DCPC) has informed that setting up of a Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) has been approved in Andhra Pradesh at Vishakhapatnam–Kakinada. The PCPIR is conceptualized in a cluster approach to promote Petroleum, Chemical and Petrochemical sectors in an integrated and environment friendly manner on a large scale.

DCPC has further informed that the assistance/funding under PCPIR policy can't be in the form of a grant as there is no provision of grants in the existing policy. However, Government provides necessary funding to make such projects viable, called Viability Gap Funding (VGF), as well as budget support for creation of these linkages through respective Ministries and Ministry of Finance.

Government of Andhra Pradesh (GoAP), GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL) signed an MoU on 27.01.2017 for the Petrochemical Complex at Kakinada, Andhra Pradesh. After detailed study, it was concluded that VGF would be required to make the project viable. Ministry of Petroleum and Natural Gas has accordingly conveyed to GoAP that Refinery and Petrochemical Projects are capital intensive projects and require huge amount of investment and State Government may take appropriate decision on the issue in overall interest of the State.
