

LOK SABHA
UNSTARRED QUESTION NO. 1974
TO BE ANSWERED ON 9th DECEMBER, 2021

Petrochemical Complex in Kakinada

1974. SHRI RAM MOHAN NAIDU KINJARAPU:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the feasibility study for establishing a petrochemical complex in Kakinada has been completed;
- (b) if so, the details of further action taken by the Government along with the current status of the project; and
- (c) if not, the reasons therefor?

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 (c) : Government of Andhra Pradesh (GoAP), GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL) signed an MoU on 27th January, 2017 for the Petrochemical Complex with an estimated cost of Rs. 32901 crore at Kakinada, Andhra Pradesh. Feasibility study has been carried out for the project. Oil Public Sector Undertakings (PSUs) have indicated to the GoAP that Viability Gap Funding is necessary to make the project viable. GoAP has requested Government of India (GoI) to fund the Viability Gap for this Project. Ministry of Petroleum and Natural Gas has conveyed to GoAP that Refinery and Petrochemical Projects are capital intensive projects and require huge amount of investment. It was also conveyed that the proposed project shall have a direct, indirect and induced impact on the economy of the Andhra Pradesh which shall, besides industrialization, result in substantial increase in income, output, employment and tax earning in the State. Accordingly, State Government may take appropriate decision on the issue in overall interest of the State.