

LOK SABHA
UNSTARRED QUESTION NO.2679
TO BE ANSWERED ON 14th March, 2016
New Policy of Petroleum Products

**2679: SHRI PREM SINGH
CHANDUMAJRA:
DR. VIRENDRA KUMAR:
SHRI RAJESH KUMAR
DIWAKER:
SHRI V. PANNEERSELVAM:**

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

- a) whether the Government proposes to hold consultation with the industry/ investors before formulating any new Policy regarding development of oil/gas and other petroleum products and if so, the details thereof along with salient features of the new oil/petroleum policy;
- (b) whether the Government has worked out any mechanism to ensure representation of the end consumers at such consultations and check formation of cartels/monopolies and if so, the details thereof;
- (c) whether the Government proposes to deregulate the prices of natural gas and if so, the details thereof;
- (d) whether the Government proposes to change the revenue sharing formula for oil and gas sector and if so, the salient features of the same; and
- (e) the steps proposed to be taken by the Government to reduce the import expenditure and growth of petroleum industry while protecting the rights of the consumers as well?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(धर्मेन्द्र प्रधान)

**MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):**

(a)The consultations are carried out with the industry and its representatives at various stages of policy formulation wherever considered necessary.

(b)Government, takes due care at each stage of consultation and policy formulation to check manipulations.

(c)The mechanism for pricing of domestically produced natural gas has been brought out in New Domestic Gas Pricing Guidelines 2014. For High Pressure-High Temperature, Deepwater and Ultra Deepwater areas, a proposal to grant marketing freedom with a cap has been approved by the Government.

(d)The present production of hydrocarbons is under Production Sharing Contract/Nomination regime, while the future bidding and allotment of acreages will be on revenue sharing regime.

(e)The government has taken several steps to enhance domestic production and reduce import dependency through several policy initiatives such as:

- (i)Policy to grant relaxation, extension, and clarifications at development and production stage for early monetization of hydrocarbon discoveries
- (ii)Marginal Field Policy- Discovered Small Field Policy
- (iii) Uniform Licensing Policy-Hydrocarbon Exploration and Licensing Policy
- (iv)Policy for Grant of Extension to small and medium sized discovered fields
- (v)Policy for Marketing Freedom for Gas Produced from Deepwater and Ultra Deepwater areas etc.

The implementation of these policy initiatives and other reform initiatives is expected to enhance domestic production from the fields and reduce imports.
