

Sixteenth Loksabha

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Title: Regarding Petro-Chemical Complex at Kakinada, Andhra Pradesh.

SHRI THOTA NARASIMHAM (KAKINADA): Madam, thank you for giving me the opportunity. I would like to draw the attention to the proposed petrochemical complex project in Kakinada, Andhra Pradesh which got shelved due to the political reasons. What a pity! The capital cost of Kakinada petrochemical complex is Rs. 32,500 crore. GAIL and HPCL have evaluated the techno commercial feasibility and suggested a viable gas funding of Rs. 5,000 crore. The Central Government expects the new State Government of Andhra Pradesh, which is already reeling under the burden of revenue deficit of Rs. 20,000 crore every year to bear the full amount of viable gas funding. However, petroleum being a Central Subject, the Central Government should support the newly formed State of Andhra Pradesh in bearing the viable gas funding amount. Is it not true that the Central Government forced ONGC to buy 80 per cent holding in Gujarat State Petroleum Corporation, a sick unit, amounting to Rs. 25,000 crore in 2017?

Madam, the KG Basin is hub of future oil and gas of the country. Recently gas hydrates were found in KG Basin which can feed the country for 60 years in future without relying on imports. Almost Rs. 1,00,000 crore is being invested in this area by ONGC, GSPC and Reliance. With such a huge investment with heavy oil and gas flow, is it not a blunder to ignore the Kakinada Petrochemical complex, which is a promise made in the Andhra Pradesh Reorganization Act?