

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:3450  
ANSWERED ON:13.03.2003  
LNG IMPORT BY PETRONET  
SULTAN SALAHUDDIN OWASI

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

- (a) whether IOCL and GAIL who were deputed to make the regassified LNG import by Petronet have refused to sign the Gas Sole Project Agreement (GSPA) with Petronet;
- (b) if so, the reasons and details thereof;
- (c) whether Qatar has agreed to bring down the prices at which Petronet sell LNG on the reciprocal basis;
- (d) if so, the details thereof and to what extent this step is likely to affect the LNG project
- (e) whether all the users of LNG are demanding lower prices of LNG in the country; and
- (f) if so, the details thereof and steps taken or being taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) No, Sir. GAIL (India) Limited, Indian Oil Corporation Limited and Bharat Petroleum Corporation Limited have signed Heads of Agreement for Gas Sale & Purchase Agreement (GSPA) with Petronet LNG Limited (PLL). The draft GSPA has also been finalized and initialed.

(c) & (d) No, Sir.

(e) & (f) Yes, Sir. The major consumers of LNG will be Power and Fertilizer Sectors who have represented that the delivered price of LNG should be affordable to these sectors. It may be mentioned that Government does not regulate LNG prices which will be sold at market determined prices by the companies concerned. However, in order to make the prices of LNG affordable, various fiscal concessions have been proposed in the Integrated LNG Policy for consideration of the Government. No decision has been taken in this regard.