

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

UNSTARRED QUESTION NO:3473  
ANSWERED ON:13.03.2003  
PROBLEMS FACED BY OIL PIPELINES INDUSTRY  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether oil pipeline industry is facing a number of problems in the country at present;
- (b) if so, the details thereof;
- (c) whether due to absence of clear cut policy of gas tariff and absence of regulator in the petroleum sector this industry is suffering more;
- (d) if so, whether the Government propose to grant oil pipeline industry a infrastructure status;
- (e) if so, the details thereof and if not, the reasons therefor; and;
- (f) the steps taken or being taken by Government to mitigate the problems faced by oil pipeline industry?

**Answer**

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

(a) to (f): During the Administered Pricing Mechanism (APM) period, with a view to have a consortium approach for putting up petroleum product pipelines, Petronet India Limited (PIL) was set up as a joint venture company with equity participation from public sector oil companies, private sector companies, financial institutions etc. PIL has been facing problems in raising funds for the pipeline projects.

With a view to attract investments in the petroleum product pipelines in the deregulated scenario post APM, the Government have notified guidelines on 20th November 2002 for laying of petroleum product pipelines in the country.

As regards gas pipelines, more than 50% of the total available gas of around 65 MMSCMD is transported through the HBJ pipeline for which the transportation charges have been fixed by the Government. The transportation charges for other pipeline systems are fixed at by negotiation with the respective consumers.