

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

UNSTARRED QUESTION NO:2120
ANSWERED ON:22.07.2004
GAS CRACKER PROJECT IN DIBRUGARH, ASSAM
Sonowal Shri Sarbananda

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

- (a) the policy adopted and concrete steps taken by the Government so far for the establishment of Gas Cracker Project in Dibrugarh, Assam;
- (b) the appropriate technical and scientific measures being taken by the Union Government for preventing further useless burning of natural gas in Assam involving several thousands crores of rupees; and
- (c) the reason for not establishing Gas Cracker Project in Dibrugarh for the last one and a half decade?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a)&(c) The Assam Industrial Development Corporation (AIDC), a State Government Undertaking, was issued a Letter of Intent (LoI) for setting up 3 lakh Tons Per Annum (TPA) ethylene gas cracker project. LoI was subsequently transferred to Reliance Assam Petrochemicals Limited (RAPL), a joint venture between AIDC and Reliance Industries Limited (RIL). The capacity of the project was brought down to 2 lakhs Tons. The Central Government in 1994 and 1997 have approved various incentives/concessions for the project which includes supply of feed stock at concessional and fixed rate of Rs.600/thousand cubic meters of gas. RAPL signed agreement with OIL for supply of 5 Million Standard Cubic Meters Per Day (MMSCMD) of gas. ONGC has agreed to make available 1.35 MMSCMD of gas. Liquefied Petroleum Gas (LPG) would be supplied by Indian Oil Corporation to make up for the shortfall in the supply of gas. Substantial funds would be required for giving subsidy to the oil companies. Funding of subsidy required is to be sorted out.

(b) The Gas flaring in Assam is mainly due to technical reasons and from small isolated fields which are not economical to integrate with main gas grid for utilization. However, various steps have been taken to reduce gas flaring in Assam such as:

- (i) installation of low pressure booster compressors.
- (ii) getting new fields connected to gas network,
- (iii) looking for small customers near the isolated fields etc.