

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

STARRED QUESTION NO:569
ANSWERED ON:05.05.2005
CHARTERING OF SHIPS FOR CRUDE OIL IMPORTS
Singh Shri Rajiv Ranjan (Lalan);Yadav Shri Ram Kripal

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

- (a) whether the Government has allowed Indian Oil Corporation to go ahead to directly charter ships for crude oil imports;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether similar permission has also been given to other importers
- (d) if so, the details thereof;
- (e) whether the Ministry of Shipping and Road Transport has been taken into confidence before allowing IOC to directly charter ships for crude oil imports;
- (f) if so, the details thereof and the reaction of the Ministry of Shipping and Road Transport thereto; and
- (g) the extent to which this decision is helpful to maintain the stability of oil prices?

Answer

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

(a) to (g): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NUMBER 569 TO BE ANSWERED ON 5TH MAY, 2005 REGARDING CHARTERING OF SHIPS FOR CRUDE OIL IMPORTS

(a) to (b) Yes, Sir. The world over, major oil companies have their in-house shipping arrangements. Private sector oil companies in India are also free to have their own shipping arrangements. In a deregulated scenario, public sector oil companies have to compete in a free market and, therefore, a level playing field between private and public sector oil companies has to be ensured to bring about utmost economy and efficiency in operations. In view of this, Indian Oil Corporation Limited (IOC) have been permitted to charter their own tankers for importing crude.

(c) to (d) Among Oil Sector Public Sector Undertakings, only IOC have been permitted to make their own shipping arrangements as they alone have developed the skill and resources for taking over this responsibility.

(e) to (f) While considering the proposal, the Government had taken into consideration the views of all Ministries concerned, including that of Ministry of Shipping.

(g) This arrangement is for chartering ships for oil transportation from foreign loadports to discharge ports in India. It is expected to bring further economy and efficiency in operations.