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Title: Need to allocate 50 per cent gas from KG Basin to Andhra Pradesh.

SHRI JAYADEV GALLA (GUNTUR): As per the existing scheme of things, natural resources, including natural gas belong entirely to the Union and it pays royalty to States. There is no doubt that States which have those natural resources are demanding an increase in royalty or give them some share in natural resources so that they can use them for the development of their State.

KG Basin has one of the largest gas reserves and this Basin falls within the territory of Andhra Pradesh (AP). AP is fortunate enough that it has on-shore and off-shore gas reserves and it wishes to have a share in these reserves so that the same can be given to industries in State for industrialization and economic development which, in turn, will help in generating employment opportunities.

In 2015, Cabinet of Government of Andhra Pradesh resolved that 50% of on-shore and off-shore gas so generated from KG Basin should be allotted to AP to give the same to new and existing industries to reduce transportation cost which otherwise have to pay huge price. Secondly, new industries are also demanding for allocation of gas before setting up of their units in AP. In pursuance of this, CM of AP had also written letters to Government of India in July, 2016, for allocating 50% gas and also payment of royalty on natural gas exploited from KG Basin. But, so far, no action has been taken by GOI.

Hence, I request the Government of India to allocate 50% gas from KG Basin to AP and also give share in royalty being collected by Government of India from KG Basin to Andhra Pradesh.