

Text of speech of Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan during inauguration of PETROTECH-2016, Plenary Hall, Vigyan Bhawan, New Delhi

Hon'ble Prime Minister Shri Narendra Modi;
Chairman of Indian Oil & Petrotech Steering Committee Shri B. Ashok;
Ministers for oil and gas from various countries;
Ambassadors, High Commissioners;
CEOs & Experts in the field of oil and gas;
Distinguished guests;
Friends from Media;
Ladies and Gentlemen.

We are indeed honoured to have such a distinguished participation in PETROTECH-2016. It is equally a great honour that Hon'ble Prime Minister has spared his valuable time to inaugurate this flagship oil and gas event of India. Hon'ble Prime Minister always shows his keen interest on issues of energy justice and climate change. He has been a guiding force in evolution of a New Energy Policy which promises for green, reliable and affordable energy for all. He has also called for a saffron revolution which means energy revolution in India.

This edition of PETROTECH is the largest ever in terms of participation of above 6,500 delegates including 20 Minister level representatives, Heads of International Oil Organizations, CEOs and Experts. I welcome the Ministers from Afghanistan, Bangladesh, Bhutan, Brazil, Cyprus, Chad, Colombia, Cameroon, Qatar, Iraq, Mauritius, Nepal, Nigeria, Sri Lanka, Sudan, South Sudan, Uganda along with the Secretary General of OPEC, Secretary General of International Energy Forum and President of the International Gas Union. The Petrotech Exhibition running concurrently has nearly 700 exhibitors from over 50 countries showcasing the latest technology offerings from leading Indian and foreign companies.

In today's world, disruption has become a part of life. Thus, it has become imperative that we take time to reflect on the theme of this conference - "Hydrocarbons to fuel the future - Choices and Challenges". The Conference goes beyond oil and gas and covers the overall landscape of energy sector. We have conceived PETROTECH as a platform where policy makers, experts, CEOs, regulators and academics can exchange knowledge, expertise and experiences. We live in a globalized world. Therefore, synergy in our efforts is very crucial.

Last week the OPEC countries pledged to reduce their production by 1.2 million barrels a day. Non-OPEC countries also agreed to a production cut to the tune of 0.6 Million barrel per day. The proposed cut caused a surge in oil prices to above US\$50 a barrel and speculation is rife that it might go up even further. It is a coincidence that we are meeting immediately after the OPEC decision in India which is a major oil consuming economy.

I want to submit before this august gathering that for the sustainability of the oil markets, we must strike a balance of interest between producers and consumers. In June last year in an OPEC event, I had submitted the view point of India. Consumption of petroleum products is price sensitive as there is a genuine issue of affordability for a sizable population in India and other developing countries. Hence, while deciding the pricing aspect of crude oil, it should be factored in that the security of supply must, in turn, be matched by security of demand.

I take the example of India. We are already the third largest energy consumer in the World behind the US and China. At 4.3 million barrels per day, although we have a less than 5% share in the World consumption, but our annual consumption growth is far more significant. At 300,000 barrels per day growth, our contribution was about 30% of global growth in demand last year.

We understand that energy is the most important catalyst for achieving sustained growth. In the modern world, access to energy should be a fundamental right of each human being. This is particularly true for India with a rapidly growing economy and huge aspirational population. Hon'ble Prime Minister is committed to provide reliable and affordable energy, in a time bound manner, to a large proportion of our population which still does not have access to energy.

I have no hesitation to confess that the fall in oil prices in last two years came as a timely relief for Indian economy and consumers. This has helped us to increase penetration of cleaner fuel replacing polluting biomass among the poorer segments of society. All of you are familiar with international projections about very high growth rate in Indian energy consumption. This is a healthy aspect of India's development since the per capita energy consumption figures in India is one among the lowest in the world. I am sure similar is the story in other developing countries. However, higher oil prices will risk this growth trajectory and deprive the underprivileged sections of society from access to energy.

In India, hydrocarbon is likely to remain an important source of energy while the share of renewables will rise. The new Government in India believes in integrated approach to energy security. We have set a target to generate 1,75,000 Megawatt from renewable energy by 2022. We are also moving ahead on cleaner coal technologies and nuclear energy areas. However, despite increase in renewables, according to the International Energy Agency estimates, India will need investments worth nearly US\$600 billion up to 2030. This provides ample opportunities for companies to invest in India across the hydrocarbon value chain.

In March 2015, the Hon'ble Prime Minister in this same venue set the target of decreasing our oil import dependence by 10% by 2022 when India celebrates its 75th year of independence. After doing the ground work, we are now confident that we can achieve this.

Government of India has taken several initiatives and reforms in Upstream, Midstream and Downstream sectors. Among other measures, we have introduced investor-friendly Hydrocarbon Exploration and Licensing Policy; programmes for tapping unconventional sources like CBM & Gas Hydrates; efforts towards increase of gas share in energy mix from 6% to 15%; building gas pipeline and LNG re-gasification infrastructure; switching to BS-VI norms which are equivalent to EURO-VI emission norms by 2020 for reduction of vehicular emissions; adoption of ethanol blending programme, promotion of 2G ethanol and bio-diesel programme to develop alternate fuels.

We are happy that the results of recently concluded Discovered Small Field bidding round have been very encouraging where 134 bids were received for 34 contract areas from 42 companies including 5 foreign companies. I would like to add that India is one of the very few places where long term viable investment in all streams of the oil & gas sector can be planned.

In light of India's commitments to COP-21 and towards the United Nation's sustainable development goals, the Indian government is multiplying green initiatives and reforms to decrease India's carbon footprint. The launch of the Gas4India campaign in 2016 aims at increasing the usage of gas as a clean fuel in our energy mix. Recently Hon'ble Prime Minister has inaugurated the Pradhan Mantri Urja Ganga project comprising the laying out of 2,540 km long gas pipeline which will ensure supply of clean and eco- friendly fuel to eastern part of India.

A large number of Indian households rely on biomass which leads to health hazards for women. Under Pradhan Mantri Ujjwala Yojana, over US\$ 1.2 billion has been allotted to provide 50 million LPG connections to poor families. Our target is to extend the LPG connection to 75% of all households in the next 3 years. We launched the highly successful Direct Benefit Transfer in LPG in January 2015 which has been recognized by the Guinness Book of World Records as the largest direct cash transfer scheme in the world. This scheme has brought transparency and eliminated multiple or duplicate connections and also reduced leakages in subsidy.

PETROTECH this year will also witness participation of key Indian Cabinet Ministers and Chief Ministers of states who will provide their 360 degree perspective. Every new edition of PETROTECH tells a new story of rising India. It is pertinent that this year the tagline for the event is "Energy is Here". I am sure that PETROTECH will serve as a vibrant opportunity for all stakeholders to connect with this energy called India. I expect PETROTECH-2016 will be an enriching experience for delegates, our distinguished guests, and invitees.

Thank you all.