

Shri Dharmendra Pradhan chairs Ministerial Session and Plenary Session at 22nd World Petroleum Congress, Istanbul

Flags importance of “Responsible Price” for crude oil;
Highlights importance of producers to understand
perspective of consumers and demand centres;

Shri Pradhan held bilateral talks with Turkish Energy Minister;
discussed issues of bilateral energy cooperation including in
renewable energy

Minister also launches event on Hydrocarbon Exploration
& Licensing Policy (HELP) as a part of process of promoting
the upcoming oil & gas bidding rounds in India

Government of India has brought in a modern, progressive,
investor friendly and world class policy for the next bidding
round - HELP

Encourages all to take the first mover advantage and join
hands with India to become partners in next round of global
growth

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Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan chaired a Ministerial Session on the subject “Current Economic Strategies in Indian Oil & Gas Sector”. He also chaired a Plenary Session on ‘Supply and Demand Challenges for Oil, Gas and Products’ at the 22nd World Petroleum Congress at Istanbul, Turkey.

Addressing the plenary session, Shri Pradhan said that rising middle class of emerging Asian countries like India will drive the demand for energy both in terms of electricity and cooking and transportation fuel. As incomes rise, demand for petrochemicals the raw materials for several of the lifestyle products will also increase. Giving example of India he said that the energy consumption is expected to grow to almost double by 2035. India is the only country where the demand will continue to rise for more than a decade.

He flagged the importance of “Responsible Price” for crude oil for countries like India which would allow it to provide energy to the common people. He underlined that in today’s oversupplied market, it is important for producers to understand the perspective of consumers and demand centres and the changes that have taken place in these demand centres. As the security of supplies is an important factor for consumers, security of demand is equally important for producers.



Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan met his counterpart, the Turkish Energy Minister Mr Berat Albayrak at the 22nd World Petroleum Congress at Istanbul, Turkey

Shri Pradhan held bilateral talks with Turkish Energy Minister Mr Berat Albayrak during which issues of bilateral energy cooperation including in renewable energy were discussed. The two Ministers agreed that they need to work together on few concrete projects in coming period in areas like E&P and downstream sectors. They also agreed to work together in third countries.

Later, the Minister launched an event on Hydrocarbon Exploration & Licensing Policy (HELP) as a part of process of promoting the upcoming oil & gas bidding rounds in India. The event was attended by Mr Bob Dudley, Group CEO, BP; Mr Daniel Yergin Vice President IHS Markit; Mr Fatih Birol, Executive Director of IEA; Dr Sun Xianseng, Secretary General, IEF and other Officials.

Full text of Speech of Minister of State (I/C) for Petroleum and Natural Gas, Shri Dharmendra Pradhan at ‘India Session - A new E&P paradigm’

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“Mr Bob Dudley, Group CEO, BP

Mr Daniel Yergin, Vice President IHS Markit

Mr Fatih Birol, Executive Director of IEA

Dr Sun Xianseng , Secretary General, IEF

Mr KD Tripathy, Secretary Petroleum of Government of India

Mr Rahul Kulshreshth, Indian Ambassador to Turkey

Mr Atanu Chakravarty, Director General,DGH, the Indian Upstream Regulator

Captains of the Industry;

Members of Print & Electronic Media;

Ladies and gentlemen;

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At the onset, I deeply thank you all for your presence here. It is a privilege to address this esteemed gathering in this beautiful, historic city of Istanbul.

I would also like to express my appreciation for the warm welcome extended to me and to my delegation by Government of Turkey and also by the World Petroleum Congress (WPC).

Friends, this is the first time I am visiting Istanbul. And this is the second time I am attending the World Petroleum Congress. Today morning I was recalling, that in June 2014 when we met at WPC in Moscow the oil price was hovering at US\$ 90 per barrel and ISIS was acquiring territories in Iraq. In contrast, today oil price is nearly half at around US\$ 45 and ISIS has been thrown out of Mosul in Iraq.

I also sincerely thank Mr Bob Dudley, Dr Yergin, Mr Fatih Birol and Dr Sun Xianseng for their words of appreciation. They are friends of India and we benefit from their presence and advice.

Friends, the main reason of today's event is to promote the next round of bidding in India. Few days back on 28 June 2017, we launched the oil and gas bidding round of India under a new Open Acreage Licensing Policy. My colleague Mr Chakravarty has already elaborated the features of the new regime under which the bidding is being held. I would only add that, we have opened up 2.8 million sq. km of area for your investment, and I extend the commitment of the Government of Prime Minister Modi that you will receive a red carpet welcome if you decide to invest in it.

Under the inspiring leadership of Prime Minister Mr. Narendra Modi, several initiatives such as 'Make in India', 'Digital India', 'Ease of Doing Business in India', 'Startup India' have created a strong global business environment. These targeted and innovative campaigns by the Government have successfully made the giant leap from an emerging economy to a developed market.

While slowdown seems to have become the new norm in Global economy, India, on the contrary, has managed to maintain its GDP growth rate, with over 7% in last 2 years. India is marching steadily towards emerging as a leading global economy, aided by several transformational reforms and innovative campaigns by the Government.

The Government of India is aiming at double digit GDP growth in coming years. India has also emerged as one of the most attractive investment destinations. FDI in India was at the highest level in 2015-16 at a time when the global FDI has fallen. The total FDI India received during April 2016-March 2017 is US\$ 60 billion, indicating that government's effort to improve 'Ease of Doing Business' is yielding positive results. The introduction of the Goods and Services Tax, or the GST, from the 1st of July this year is a path breaking step towards more friendly business and investment environment in India.

As India grows and aspires to become a world leader, you must all take note that India represents a robust consumption and a market with ready market access. Global primary energy consumption increased by just 1% in 2016. The growth in energy consumption in 2016 in India has been 5.4% and the total primary energy consumption was 723.9 million ton of energy equivalent. As per estimates, India is poised to account for one fourth of the incremental global energy demand between 2013 and 2040.

Coming to oil and gas consumption, India is the third largest consumer of oil and petroleum products in the world. At present, India imports about 80% of its total oil and gas requirement. We need to cut down this number by increasing our production substantially. Prime Minister has given a target of reducing import dependence by 10% by 2022 and we are working towards that.

The oil and gas sector is among the six core industries in India and plays a major role in influencing the decision making for all the other important sections of the economy. Talking about the history of oil and gas sector in India, in 1997-98, the New Exploration Licensing Policy (NELP) was envisaged to fill the gap between India's oil

demand and supply through a liberalized regime. However, the NELP rounds had several deficiencies. The total production of oil and gas from NELP blocks awarded in 9 rounds is equivalent to only 3 days of India's oil consumption.

With the experience of several litigations and not very encouraging production output from NELP rounds we decided to not go for incremental policy change but to have a completely new policy. As a result of this, the Government of India has brought in a modern, progressive, investor friendly and world class policy for the next bidding round. We call it Hydrocarbon Exploration Licensing Policy or HELP.

Before coming up with HELP we have introduced a series of reforms in exploration and production sector in India in last 3 years. They range from gas price reform; higher prices for gas produced from high temperature high pressure fields & difficult fields; reform in Production sharing contract for ongoing contracts; marketing and pricing freedom for Coal Bed Methane; extension for Pre-NELP blocks; launching National Seismic program to complete 2D seismic survey of 52% of remaining sedimentary basins, etc.

We are in the process of reforming the gas market in India where you can sell your gas through a gas trading hub. We are also completing a 30,000 KM national gas grid in coming years. We can proudly claim that we have not only brought in policy reforms, but we have also implemented them.

With the world eyeing India's growth closely, I encourage you all to take the first mover advantage, and join hands with us to become partners in the next round of global growth.

Your credentials combined with India's resources and good governance practices will lead to a fruitful partnership, and we look forward to high level collaborations with you.

Thank you."

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