

Growth, outlook of Indian petrol industry

Growth of Indian petrochemical industry is playing a major part in the growth of the economy and the development of the manufacturing sector. The petrochemicals industry provides more value addition to the Indian economy than most of the other companies.

Petrochemicals are obtained from different chemical compounds which are by-products of crude oil refining. Most of them fall may be categorized into hydrocarbons. With the fractional distillation of the crude oil, chemicals like naphtha, kerosene, petroleum gases, ethane, methane, propane, and butane are the primary stocks used in the petrochemical industry for the production of various other chemical compounds.

Presently, the extent of penetration of the petrochemical products in day-to-day use is

vast. It actually covers most of the domain of existence such as apparels, accessories, household items, furniture, electronics, construction, housing, automobiles, medical appliances, packaging, horticulture, and agriculture.

The India petrochemical industry originated in the 1970s and entered the arena of the industries of India. This sector was subjected to rapid growth in the period between the 1980s and 1990s. Even today, expectations from this sector are sky-high. The Indian petrochemical industry for its part is doing very well and has been contributing significantly to the country's GDP for several years now. The India petrochemical industry primarily consists of synthetic rubber i.e. elastomer, yarn of synthetic fiber, synthetic

detergent intermediates, performance plastics, plastic processing industry, and polymers.

The Bongaigaon refinery was set up as an experimental one with the capacity of a refinery and a petrochemical unit. The success of this integrated petroleum refinery-cum-petrochemicals unit led to a spree of activities in this sector. Many such units were established to boost production capabilities. With the growth of India petrochemical industry, it holds the share of around 20 per cent of the total global produce of petrochemical related products.

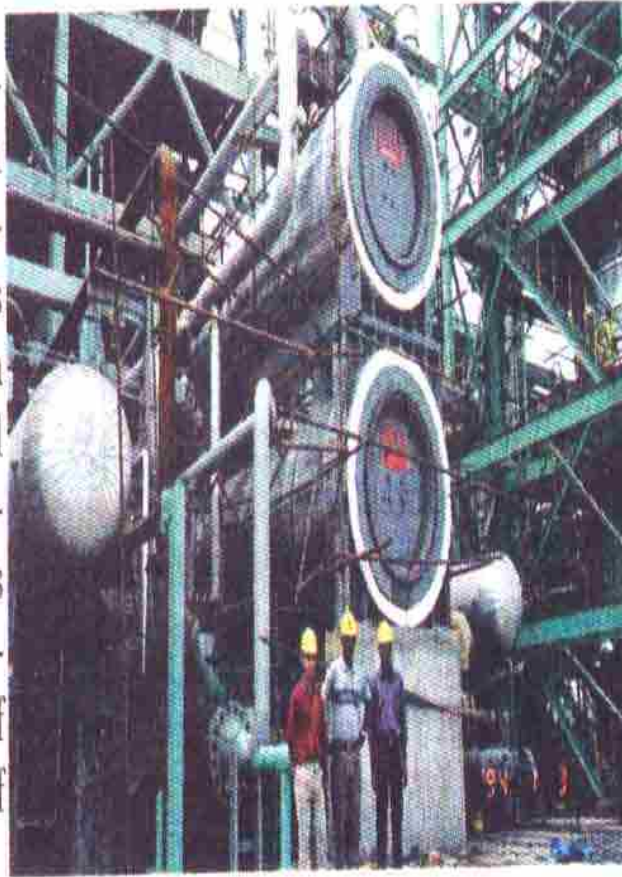
In the present scenario, five naphtha and three gas cracker coordination compounds are in operation with ethane production capability of around 2.6 million tons every year, jointly. Along with this, another 4 aromatic coordination compounds are in operation with a xylene production capability of around 2.1 million tons.

The future of Indian petroleum industry has good potential but it needs developmental activities in this sector to strengthen itself.

The world at present is experiencing a lot of changes of mammoth proportions. The Petroleum Industry in India is one of the harbingers of huge economic growth. The arena for business has now gone global since trade boundaries are fast dissolving. These developments present India with tremendous opportunities in the future to be one of the major players in the export of petrochemical intermediaries.

Today, India imports more than 70 per cent of its oil requirements. The search for more oil led India to sift through the international markets comprising of the emerging energy-trading countries - China, Russia, and Iran. India has made

new partnerships with Venezuela, Burma, Middle East nations, and Pakistan.



The long-term energy strategies of India have to emphasize on the methods of using energy effectively and efficiently, and to enhance energy self-sufficiency. To lift the Indian economy to enhanced economic standards innovation, diplomacy, creativity, and vision are the need of the hour.

India has to compete for conventional energy sources and for that there must be developmental activities for energy efficient buildings and vehicles. The main problems with the Petroleum Industry in India are related to infrastructural developments. The lack of proper storage facilities, enhancements in refining capacities, and fluctuating

import prices plays important role in the development of the sector. The target of improvement for the growth of the economy for India should be in the area of the petrochemical sector. The need for intermediary products for the manufacturing of the end use products is an important sector to tap in. With the per capita consumption for the petrochemical products in India being low and the production of these products being high, India may become one of the leading exporters of such intermediary products.

The future of Indian petroleum industry depends on:

Demand for petroleum is growing in leaps and bounds

Shifting focus to more production of olefin - ethylene, propylene, butadiene,

Price and availability of crude oil and gas as feedstock would still be critical factors

The demand of the end products would affect the demand of the intermediary products

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