

concentrated, at least initially, in feed stock uses as domestic fertiliser requirements are large. The Government of India is also planning to allocate gas to combined-cycle power plants and medium scale industrial users. Based on the World Bank preliminary study on the petroleum product consumption pattern in India, it is estimated that gas would substitute, in the long run, for about one fourth of the total petroleum product consumption in India.

The development of India's gas industry is focussed around the 1700 k.m. Hazira-Bijaipur-Jagdishpur (HBJ) trunk pipeline which has been laid to take gas from South Bassein to the interior of the country. The HBJ pipeline is a major step in expanding the gas market from a local to a regional level.

A national gas grid is in the planning stage. Total investment for the pipeline network is projected to be in the area of Canadian \$5000 million.

In addition to the development of a National Grid, areas in the gas sector which will require large investments include the development of smaller fields and pipeline linkages to the National Grid, gas compression and dehydration facilities, gas sweetening and sulphur recovery plants, fractionation facilities, gas receiving terminals, petrochemical complexes etc. The scope for development of gas while being potentially extensive will in fact be limited by India's restricted internal financing capabilities.

India plans to double current production of natural gas by 1991-92. A listing of 10 major projects being developed to meet this goal follows.

Major Gas Projects

(Conversion ° Cdn \$ 1 =Rs. 10)

Sl. No.	Schemes	Capital Cost Cdn \$s Millions	Schedule	Gas Million Cubic Metres
1.	Heera Phase II Development including Heera Uran Gas Pipeline	682.02	15.03.90	1.8
2.	Panna field development	571.43	2.04.90	3.5
3.	Development of mid & South Tapti gas field	627.30	4 years after approval	3.25
4.	Western Offshore Oil Development Project	909.84	June 1990	
5.	Hazira Processing Complex	570.00	end Oct. 89	
6.	Development of South Bassein Phase-II	246.48	Dec. 1989	10.00
7.	Gandhar Development Phase-I (Complete development Phase-II)	—	On going study	1.50
8.	Compression facilities for upgradation of Bassein-Hazira gas line to 27 MCM capacity	100.00	—	—
9.	Gas production Central Region Business Centre (Tripura)	945.46	1992-93	3.00
10.	Gas production South Region Business Centre	469.00	1992-93	3.00
	TOTAL	4998.21		25.00

Source: GAIL