

Thrust Areas of Indigenization:

Based on the inherent strength of Indian industry, thrust areas identified for indigenization are:

- Developing adequate capacity for all sizes of casing pipes.
- Developing adequate capacity for services like mud logging, well simulation & equipment inspection.
- Supporting existing manufacturing and technical capabilities in the areas of
 - * Well heads
 - * Christmas tree valves
 - * Oil well Cement
 - * Offshore platforms
 - * Jack-up rigs
 - * Drill ships
 - * Offshore support vessels
 - * Chemicals like : Corrosion inhibitor
Chrome lignite
Modified guar gum
Oil well Class G cement
 - * Helicopter services
 - * Diving services
 - * Offshore surveys
 - * Hiring of rigs
 - * Mud logging and engineering services

Facility Given For Indigenization

The Government of India gives a price preference to Indian manufacturers for a limited period of five years.

In addition, a number of supportive steps for indigenization have been taken:

- Indian supplies to oil sector at international prices are deemed as exports.
- Longer delivery schedules.
- Expeditious field trial testing.
- Feedback on performance.
- Suggestions for improvement.
- Entering into annual rate contracts so that the Indian manufacturer is assured of sufficient and confirmed orders.

In addition, research and development establishments have developed new items such as mud chemicals, know-how for which is being offered to indigenous suppliers.

Foreign Participation in Exploration

So as not to throttle the growth of the oil and gas sector, the government has taken steps to involve foreign participation in high investment areas. This implies using foreign parties to supplement indigenous operators (e.g. 17 blocks in the offshore area, 8 in East and 9 in the West have been offered to Chevron, Texaco and Amoco of US, IPC of Canada and BHP of Australia.)