

Chapter 8

Project Benefits

8.1 Demand of Crude Oil

India has been witnessing rapid urban and industrial growth in the past two decades, and with the country's current liberalization policy this growth is expected to accelerate. CEIL proposes to start production of oil / gas from Mangala field, Barmer, Rajasthan in 2009 with associated facilities, to transport crude oil from Mangala terminal Barmer, Rajasthan to Salaya terminal in Gujarat.

Securing energy sufficiency is the biggest challenge to the country. The unprecedented economic growth has ushered in a period of intense industrial and consumer growth due to the increased buying power of the urban and rural communities. This has led to ever increasing energy demand, including petroleum products for transportation India presently imports around 65 % of its crude demand and the volatility of the international crude price has a serious inflationary effect on the country's economic performance. With internal demands increasing it is imperative that hydrocarbon exploration and production will become matters of great national importance and urgency for the Government and the people.

The hydrocarbon discoveries made till date by CEIL in Barmer and Jalore district is estimated to be over 3.6 billion barrels of oil in place and the estimated recoverable oil is 1.0 million barrels. CEIL is setting up a facility to produce over 150,000 barrels of oil per day, which is approximately 20 % of India's

current daily production. The nature of the crude from the CEIL oil fields is that it has a wax and resin content with a tendency to congeal if not maintained over 65°C. Thus, the crude needs to be evacuate to the refineries capable of processing this crude.

The proposed pipeline project will provide the means to transport the crude to the Gujarat coast, from where it can be handed over to the Government nominated buyers. Transportation of crude by buried pipeline is the most energy efficient with minimal environmental impacts method of long distance transport of large volumes of crude. The pipeline infrastructure provides a means for future flexibility for the use of the pipeline for importing crude or other petroleum products to the arid under-developed regions of northern Gujarat and south-western Rajasthan.

During socio-economic survey, it was observed that the proposed crude oil terminal and pipeline project would create certain improvement on the socio-economic environment.

Proposed crude oil terminal and pipeline developmental project will result in considerable growth of service sector and will also generate new industrial and business opportunities in the area. Small and medium scale industries may be developed as consequence.

The major benefits of the proposed commercial developments of Mangla, Salaya and Viramgam terminal project will reduced the oil import bill of the nation as well as helps in reducing the imbalances in oil production and consumption.

The proposed crude oil and terminals development project will also lead to investment in Rajasthan and Gujarat bringing oil and gas revenues both to the state and to the Central Government. The presence of Cairn in the region will substantially improves the socio-economic conditions in the region.

8.2 Improvement in the Physical Infrastructure

- ♦ The beneficial impact of proposed crude oil and terminal developmental on the civic amenities will be substantial after the commencement of project activities

- ◆ The community development interventions based on the community needs will be contribute to the improvement in health care, educational facilities to the community
- ◆ Improvement in medical facilities around the terminals organized by project authority in partnership with the local government for workers as well as local people
- ◆ The construction of new roads in the project area will enhance the transportation facilities. With improved transportation facilities there is always a scope for development
- ◆ The pipeline project activity would generate additional employment for activities such as transportations, raw material supply, auxiliary ancillary work etc.

8.3 Improvement in the Social Infrastructure

- ◆ The Project will create opportunities for Direct and indirect employment.
- ◆ The proposed project will categories local economic growth and thereby the potential to enhance quality of life of the communities along the pipeline corridor
- ◆ Overall Growth of the neighboring Area viz.;
 - Agriculture and animal husbandry
 - Health and family welfare
 - Watershed development
 - Sustainable livelihood and strengthening of village Self help groups
 - Infrastructure development
- ◆ Local population may get benefited due to increased business activated. viz. market, trade and commerce

- ◆ Positive impact to local economy during the project construction phase
- ◆ The proposed crude oil terminal and pipeline project activity will increased further development in the arid backward regions of northern Gujarat and south western Rajasthan

8.4 Employment Potential

The project period for construction phase is expected to about one and half year. About 1500 - 2000 labours of different categories on an average basis will be engaged. The pipeline project activities will provide employment to persons of different skills and trades. The local population will be given preference to employment of different categories.

During construction of the project will provide temporary employment to unskilled and semi-skilled laborers.

During operational phase, plans to develop and train local community members for providing services such as security, house-keeping, maintenance, etc will be implemented.

8.5 Other Tangible Benefits

The proposed crude oil terminals and pipeline project shall create tangible benefits as described below.

- ◆ The project will provide a vital infrastructure link from the Gujarat coast to the oil fields in the Barmer-Jalore districts of Rajasthan. This will add impacts to the economic growth of this drought prone region of India
- ◆ The proposed project shall enhance the prospects of local economic growth and direct and indirect employment of the local communities
- ◆ The project construction and operation phase will influence in a positive manner the improvement in the basic amenities viz. roads, transportation, electricity, proper sanitation, educational institutions, medical facilities, etc.