

PM to launch mega petrochemical project in Assam

Prime Minister Manmohan Singh will lay the foundation stone of a Rs.54-billion integrated petrochemical project in Assam Monday.

The project, planned in Lepetkata in eastern Assam's Dibrugarh district, 520 km from Guwahati, is likely to provide employment opportunities to 100,000 people.

'The much awaited project is going to turn around Assam's economy with the state all set to enter India's industrial map,' Chief Minister Tarun Gogoi told IANS.

The project, popularly referred to as the Assam gas cracker project but christened the Brahmaputra Cracker and Polymer Ltd, is to be implemented by the Gas Authority of India Limited (GAIL) with 70 percent equity participation in five years' time.

The remaining 30 percent equity would be shared equally among the Oil India Ltd (OIL), the Numaligarh Refinery Ltd (NRL) and the state government.

'Some 8,500 people would get direct employment, while some 100,000 people would get employment opportunities as a result of investments in downstream plastic processing industries and allied activities,' the chief minister said.

According to preliminary estimates, at least 500 plastic processing industries are likely to come up in the region when this project becomes operational.

'Plastic parks will be set up in the area as a part of the project and would surely benefit the people of Assam in a big way,' added Gogoi.

The petrochemical complex would comprise a cracker unit, downstream polymer and integrated off-site utilities plants.

The products from the proposed project would be 2,20,000 tonnes of polythene, 60,000 tonnes of polypropylene, 55,000 tonnes of raw pyrolysis gasoline and 12,500 tonnes of fuel oil per year.

As part of the government's aggressive policy to give a fillip to industrial activities, the state has agreed to grant exemption from entry tax on capital goods, works contract tax during the construction period, sales tax and VAT (value-added tax) on feedstock for 15 years from the date of commencement of production.

The gas cracker project was proposed as a part of the implementation of the historic Assam accord signed in 1985. The project was gathering dust since 1991 when the central government issued a letter of intent (LoI) to the Assam Industrial Development Corporation (AIDC), an Assam government undertaking.

In February 1997, the LoI was transferred to the Reliance Assam Petrochemicals Limited (RAPL) - a joint venture company of AIDC and Reliance Industries Limited.

RAPL was granted various concessions by the government for implementation of the project. But

the deal with RAPL was shelved in 2005 with Reliance virtually backing out of the project, citing technical reasons like non-availability of sufficient feedstock.

(© IANS / India eNews)