

IOC, Haldia Petro projects worth Rs 2 trillion may trip on land hurdles

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After clearing high-value investment projects worth Rs 2.04 trillion, the Odisha government is likely to stumble on land acquisition hurdles especially for mega projects proposed by Indian Oil Corporation (IOC) and Haldia Petrochemicals Ltd (HPL).

Last month, the HighLevel Clearance Authority (HLCA), the highest body to approve investments in Odisha, inter alia gave the go-ahead to expansion projects proposed by IOC and a refinery cum petrochemicals complex by HPL. Between them, IOC and HPL have pledged investments valued at around Rs 1.8 trillion.

IOC has pledged a massive investment of Rs one trillion to ramp up capacity of its coastal crude oil refinery at Paradip from 15 million tonnes per annum (mtpa) to 25 mtpa. It also intends to put up a petrochemicals complex consisting of a dual feed cracker, naphtha cracker and petcoke gasification plant at Paradip. Besides creating employment for 12,595 people, IOC's facilities will ensure the availability of building block feedstock to ancillary and downstream units in the chemical and petrochemicals sector.

The second investment from IOC was the establishment of PX-PTA (purified terephthalic acid) with an investment of Rs 9,136 crore in the existing crude oil refinery at Paradip. IOC has already invested Rs 35,000 crore on the refinery project. To fulfill the expansion plan and install all the envisaged units, IOC has asked for about 4,000 acres of land.

Likewise, HPL has proposed to install a hydrocarbon processing complex comprising light crude oil refinery, an aromatics complex and ethylene cracker complex at a combined investment of Rs 78,000 crore. HPL's planned facilities are supposed to come up near the port project at Subarnarekha and will spawn job opportunities for 10,000 people. The West Bengal based petrochemicals major has sought a land parcel of 2500 acres. The state government has identified land for this project near Subarnarekha port, a commercial port being developed by Tata Steel off the coast of north Odisha.

“For IOC, we have only 800 acres of land around the site of IOC's Paradip crude oil refinery in our possession. A bulk of the land needs to be taken over from the private landowners. For HPL too, we are likely to confront the same scenario”, said a government official.

Though the state government has a land bank in place aggregating over 150,000 acres, it is mostly added up by fragmented land parcels suitable for allotment to small or mid-sized industries. Due to unavailability of big land parcels, the state owned Odisha Industrial Infrastructure Development Corporation (Idco) still leans on buying privately held land.

Historically, big ticket projects in Odisha have been beset by land acquisition woes. World's largest steel maker ArcelorMittal was forced to mothball its 12 million tonne greenfield steel mill in the state in 2013 primarily due to resistance it faced from the locals in acquiring land.

