P R E F A C E

The Oil Refining Industry, though young in India, occupies a very important role in economic Geography. It supplies essential oil products for use in industry, transport, power generation and mechanised agriculture besides domestic consumption for cooking, lighting, heating etc. Hence no country can afford to do without this 'liquid gold'. In the fifties and early sixties the main theme of development efforts in India was the transfer of Western Type technology. In the mid sixties, the interest switched to agriculture as the main area, and mainly due to technological break through, agriculture became energy intensive. Basic and key industries were accorded top priority during the first two Plan periods and was characterised by energy intensity. In the seventies much importance was given to the oil based chemical and fertilizer industries. Thus commercial energy for oil increased rapidly.

Today the utilisation of oil is multidimensional in our modern life and oil imports cost us the highest amount of foreign exchange. Oil is needed by a steel plant as well as a common man and hence a slight change in the oil supply affects energy aspect of the country.

Oil industry includes operations ranging from exploration to marketing. Being conscious of the magnitude of the work, I have taken oil refining industry of India, as
my subject matter. The subject was chosen for systematic study to diagnose the problem, spot out the weaknesses, so that corrective measures may be applied. The present study aims at critically examining the varied aspect of the Indian Oil Refinery Industry - its growth, location, production, consumption and movement of end products.

Oil is extracted in crude form, which is found in the sedimentary rocks but requires to be refined before being suitable for utilisation. Hence the availability of crude oil is of prime importance in the refining industry. In the first chapter I have dealt with the occurrence of crude oil in India. Oil occurs in the sedimentary basins which have been grouped according to their productivity and prospects. All the basins of the country cannot be identified as commercial producers but there are enormous future prospect for the availability of oil and gas in these basins.

The second chapter analyses the crude oil production in India. The indigenous crude production of the country has lowered the dependence on import. At the present crucial stage of oil crisis, the country's crude oil and natural gas exploration and production plays a very important role in formulating the economic growth. I have discussed the growth in production and exploration activities by the two oil producing companies of the country.
A discussion has also been done on the various problems faced by these state-owned companies.

In the third chapter I have discussed the location of the refineries, specially the factors responsible for the development of the oil refineries.

To understand the trend of development of the oil refining industry in a country, a study of the processes of conversion becomes necessary. I have devoted the fourth chapter on the study of processing crude oil and its relation to productivity of a refinery.

In the fifth chapter I have discussed the development of different refineries, which occurred in the post-independence period under different plan periods. A study has also been done in this chapter regarding the crude oil supply to the refineries and its changing trend with the international oil market.

The sixth chapter deals with the production, consumption and transportation of oil products in the country. Growth and development of oil refining industry is intimately related to the production trend which again is mainly guided by the consumption pattern of different products. In this connection I have traced also the inter-regional flow of oil products which has an impact on production pattern of a refinery.
The seventh chapter deals with a critical study of a single refinery namely the Vishakaptnam Refinery. Each refinery in India has its special advantage for development and hence provides interesting Economic Geographic study. I have, therefore, taken this refinery as a case study to show the growth, development and future prospect of the Indian refineries in relation to the demand pattern and production trend of the region concerned.

In the eighth chapter I have dealt with the problems of the industry under present economic condition and the future line of development regarding the production, market management, substitution and conservation. Energy supply management is an important element in long term planning. Resources being scarce, an equal emphasis also needs to be laid on both energy demand management and energy conservation.

In the ninth chapter a discussion has been made about the findings of the study and the prospect of the industry in comparison with the world scenario.
I have taken 1985-90 as the base years of my study and the industrial growth has been discussed mainly within the period of the Sixth and Seventh Plan. I have collected information from field study and from reports published by the Government of India, memoirs and publications of the relevant authorities.