

Oil & Gas Conference Hotel Marriot, Islamabad

Welcome address by Mr. A.Shahbaz

2004

Honorable Minister for Petroleum & Natural Resources

Distinguished foreign and local guests

Ladies and gentlemen

On behalf of the Petroleum Institute of Pakistan, it is a singular privilege to extend a warm welcome to all of you attending the “Pakistan Oil & Gas Conference 2004”. I am especially grateful to the Minister of Petroleum & Natural Resources for having found time to be with us today and to address the participants of this Conference.

The Petroleum Institute of Pakistan (PIP), which represents all segments of the Petroleum Industry i.e. Exploration & Production, Refining, Marketing, and Natural Gas was established in July 1963 for the purpose of promoting and coordinating the activities of the Oil and Gas Industry in Pakistan.

Currently the Institute consists of 19 Industrial Collective members consisting of companies operating in Pakistan in the field of Oil & Gas Exploration, Production, Refining, Distribution and Marketing and more than 700 Individual members all connected with the Oil & Gas Industry at one time or the other having vast experience in their fields.

PIP is administered by a 14 member Board of Directors consisting of Chief Executives of their respective Companies and a representative of the Individual members elected from amongst its members by the General Body under the Companies Ordinance 1984.

The Institute has had long standing links with international petroleum bodies. It became a member of the International Gas Union (IGU) in 1965 establishing links with 64 member countries of the IGU. The Institute is represented on the IGU Council (main ruling body), Executive Committee and its various other committees.

PIP also became a member of the World Petroleum Congresses (WPC) in 1983 thus establishing links with 69 member countries of WPC. Four Directors nominated by the Institute are on the permanent council of WPC.

In mid 2003 the Institute has been re-organized by inducing fresh blood from amongst the member companies on secondment basis so as to enable the Institute to meet the ever growing demands of this rapidly developing and expanding Industry.

With this development the Institute has been mandated, by its member companies to develop an Integrated Energy Plan for the country. To develop the proposed plan a team of highly dedicated and experienced personnel has been nominated by the member companies from a cross section of their experienced staff who have started work on this project.

The Institute has also undertaken active participation in the development of Standards for the down stream industry which is going through different phases of deregulation, which would eventually cover all segments of the industry very soon and in the process permanent links are being established with renowned international standards bodies such as the International Standards Organisation (ISO), American Petroleum Institute (API), National Fire Protection Agency of America (NFPA) and the Energy Institute of UK with plans to regularly monitor and upgrade the Standards so as to enable the industry to keep pace with the developments internationally.

The scope of activities in the field of monitoring and upgrading Standards would further be enhanced by monitoring of standards by the Institute as an independent monitoring body of the Industry under the self governance scheme.

In addition the Institute is also actively engaged in holding seminars and lectures on related subjects, which have become a permanent feature of its activities. It also organizes inter company visits to promote closer personal contacts and exchange of information between persons and organizations engaged in the various phases of Oil and Gas Industry in Pakistan in addition to representing the Industry in international conferences, seminars and meetings.

The Institute also has the distinction of being the proud organizer of the Pakistan Oil & Gas Conference on a regular basis.

The Government is taking aggressive policy initiatives for achieving its objectives of deregulation, liberalization and privatization in both the upstream and downstream sectors by introducing investment friendly policies.

The policy shift should create these enormous investment opportunities for both local and foreign investors. In order to decontrol the petroleum industry the Oil & Gas Regulatory Authority has already been set up. A Holding Company to control all the shares of Government in the oil and gas sector has been formed. The furnace oil, LPG and HSD businesses have already been deregulated and deregulation of other products is in the pipeline.

During the course of the Conference eminent speakers from the Government and from both the public and private sectors will make presentations and hold discussions on a wide range of issues facing the Oil & Gas industry. As a result of these deliberations it is expected that a number of major recommendations will be made to the Government which will be presented to the Prime Minister of Pakistan in the concluding session. Implementation of these recommendations should help considerably to further attract foreign and local private investments in the upstream and downstream sectors of the oil and gas business in Pakistan. Moreover, it should also facilitate the Minister for Petroleum and Natural Resources in developing future strategies which will secure additional energy availability for Pakistan in the quest for greater sufficiency in this vital sector of the economy.

It is important that both existing and potential investors perceive that the Government means business and is prepared to be both consistent and persistent in the execution of its policies.

Another factor which will determine the success of the Government policies is the investor's perception of the overall investment climate in the country. The present Government is introducing and supporting a very conducive atmosphere with attractive incentives for investment. All of us need to support these initiatives of the Government in order to create an environment of confidence and stability. Such a development would enable the country to realize more quickly its inherent potential for economic growth.

I once again take this opportunity to welcome the Minister for Petroleum & Natural Resources, the Government officials, all the participants of this Conference and the guests and thank them for their participation today.

I now request the Minister for Petroleum & Natural Resources to deliver his keynote address.