Motihari-Amalekhgunj Petroleum Pipeline

Why in News?

Prime Minister Narendra Modi and his Nepalese counterpart K P Sharma Oli will inaugurate the Motihari-Amalekhgunj petroleum pipeline.

Where does the pipeline begin and end?

- The pipeline will transport fuel from Barauni refinery in Bihar's Begusarai district to Amalekhgunj in South-eastern Nepal, situated across the border from Raxaul in East Champaran district.
- According to the spokesperson of Nepal Oil Corporation (NOC), the 69-km pipeline will drastically reduce the cost of transporting fuel to landlocked Nepal from India.
- The Amalekhgunj fuel depot will have the capacity to store up to 16,000 kilolitres of petroleum products.

When it all did begin?

- The Motihari-Amalekhgunj pipeline project was first proposed in 1996, but progress was slow.
- Things began to move after Prime Minister Narendra Modi visited Kathmandu in 2014.
- The following year, the two governments signed an agreement to execute the project.
- However, political tensions, including India's alleged economic blockade of Nepal, acted as roadblocks in the implementation.
- In 2017, state-owned Indian Oil Corporation (IOC) signed a petroleum trade agreement to supply about 1.3 million tonnes of fuel annually to Nepal with a promise to double the volume by 2020.
- In July 2019, the two countries successfully concluded a testing transfer through the oil pipeline.

What are the costs and benefits?

- The project was initially estimated to cost Rs 275 crore, of which India was to bear Rs 200 crore.
- Subsequently, the NOC said the total project cost had escalated to almost Rs 325 crore.

- Commercial operation of the cross-border fuel project will bring down fuel price by at least one rupee per litre said the NOC Deputy Executive Director.
- The pipeline will help in tackling the oil storage problem in Nepal and doing away with transportation of petroleum products through tankers.
- It will ensure smooth, cost-effective and environment-friendly supply of petroleum products to Nepal.

Source: The Indian Express

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