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India sends fuel shipment to Sri Lanka

Following Sri Lanka's request for emergency shipment of fuel, Prime Minister Narendra Modi on Wednesday assured President Maithripala Sirisena of "all possible assistance."

The two leaders spoke over telephone and a 21,000 kilolitre-shipment left Paradip Refinery in Odisha on Wednesday, according to a press statement issued by the Indian High Commission in Colombo.

Retail distribution

Lanka IOC, the Indian Oil Corporation subsidiary in Sri Lanka, has made 3,500 kilolitres from its stock available to the state-owned Ceylon Petroleum Corporation (CPC), with which it controls retail distribution of fuel in Sri Lanka.

On Friday, a sudden fuel shortage gripped the country after CPC rejected a recent 35,000 metric tonne-shipment procured by LIOC, on grounds of contamination. Reports of the shortage sparked panic-buying across the island, intensifying the problem over the last few days. Motorists formed long queues outside gas stations, waiting several hours for fuel.

While the Petroleum Ministry and CPC unions accused the LIOC of forcing them to accept the rejected shipment after filtration, LIOC denied the allegations which, it said, were "factually incorrect."

In an official statement, LIOC said that while it catered to 16% of the market, CPC had a majority 84% share, and was hence responsible for the shortage.

Some parliamentarians, including those from former President Mahinda Rajapaksa's faction of the Sri Lanka Freedom Party, blamed the LIOC, and by extension, India, for the crisis. Responding to lawmakers who criticised LIOC's presence in Sri Lanka, Prime Minister Ranil Wickremesinghe said the causes would be probed, but that he disagreed with the allegation. "Fuel supply was maintained to some extent during the recent strike action launched by petroleum workers, thanks to the LIOC," he said.

Meanwhile, a 40,000-metric tonne shipment of petrol, for CPC's supply, is expected to reach Colombo late Wednesday. India has assured Sri Lanka of additional petrol from the Kochi Refinery, should a need arise, officials said.

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