

LOK SABHA
UNSTARRED QUESTION NO. 3554
TO BE ANSWERED ON 24 MARCH, 2022

Upsurge in Price of Petrol

3554. DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:
SHRI D.M. KATHIR ANAND:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has foreseen any upsurge in the prices of petrol, diesel and domestic cooking gas due to prevailing international oil prices and also due to the fallout of Russia-Ukraine war;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to ensure that the prices of petrol, diesel and domestic cooking gas is under control?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री

(श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) & (b): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements. For Domestic LPG, the Government continues to modulate the effective prices to consumer.

The geopolitical situation between Russia and Ukraine has resulted in steep increase in global crude oil and gas prices. Government of India is closely monitoring global energy markets as well as potential energy supply disruptions as a fall-out of the evolving geopolitical situation. In November 2021, in a bid to control inflationary pressures, Government of India, in consultation and parallelly with major energy consumers, had agreed to release 5 million barrels from its Strategic Petroleum Reserves.

Government of India is ready to take all appropriate action, as deemed fit, for mitigating market volatility and calming the rise in crude oil prices.

Further, to ensure security of crude supplies and to mitigate the risk of dependence on crude oil from single region, Oil Public Sector Undertakings (PSUs) have diversified its petroleum basket and are procuring crude from countries located at various geographical locations viz. Middle East, Africa, North America, South America etc.

(c): The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre respectively effective from 4 November, 2021. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Following this reduction in Central Excise duty, many States/UTs have also reduced the VAT on petrol and diesel subsequently.

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