

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1427
ANSWERED ON:11.12.2003
PRICING POLICY ON TRANSPORTATION OF FUEL
VILAS BABURAO MUTTEMWAR

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

- (a) whether the Government propose to have differential pricing policy based on the cost of transportation of the fuel from the nearest port to the sale point;
- (b) if so, whether the Government has worked out the pricing policy for the different regions both for the coastal and non-coastal areas;
- (c) if so, the details thereof ;
- (d) whether the revised pricing policy has been introduced ; and
- (e) if not, the time by which the same is likely to be introduced ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT.SUMITRA MAHAJAN)

(a) to (d): With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1st April 2002, the prices of petrol and diesel have been decontrolled. While, in free market scenario, the freight costs would be reflected in the consumer prices of these products, with a view to facilitate a smooth transition from the APM era to free market scenario, the public sector oil marketing companies are presently equalizing the inland freight costs to some extent amongst different locations in the country.