

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3104
ANSWERED ON:12.08.2005
CUSTOMS DUTY ON PETROLEUM PRODUCTS
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is contemplating to reduce the customs duty on petroleum products in view of the heavy consumption and increase in their prices in the country vis-a-vis other countries of the world;
- (b) if so, the details thereof; and
- (c) the extent to which the Government will have to bear the burden of revenue losses following reduction in the customs duty on petroleum products?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S.PALANIMANICKAM)

- (a) the government had constituted an Advisory Group, to review the customs and central excise tariff structure on crude petroleum and petroleum products, and to suggest changes in duty structure. Ministry of petroleum and Natural Gas was also represented in said Advisory Group. On the basis of the recommendations of the Advisory Group, customs and excise duty structures on crude petroleum and petroleum products were revised in this year's budget, in consultation with Ministry of Petroleum & Natural gas so as to ensure their revenue neutrality. At present, there is no proposal under consideration of the Government to review the customs duty structure on petroleum products.
- (b)and(c) Does not arise in view of (a) above.