

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

UNSTARRED QUESTION NO:1289
ANSWERED ON:15.07.2004
REFINERY MARGIN OF CRUDE OIL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether refinery margin of crude oil in India is very high as compared to the other countries of the world;
- (b) if so, the facts in this regard; and
- (c) the justification of the price hike inspite of high margin of refinery of crude oil ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c) : The analysis of refining margins is carried out by various agencies from time to time. As per analysis done by M/s Merrill Lynch on the Singapore complex refining margins using Dubai crude as feedstock, for the calendar year 2003, the refining margin was \$ 4.23 per barrel and for the 1st quarter of 2004, the refining margin was \$6.81 per barrel.

As against this, the PSU refining margins during 2003-04 were about \$4.56 per barrel.

Taking into consideration the prevalent high international oil prices, the oil marketing companies (OMCs) increased the consumer prices of petrol, diesel and domestic LPG effective 16.6.2004. However, the burden of high international oil prices was shared by OMCs by not passing on the full impact of international oil prices in the increase of the domestic consumer prices of these products. Further, OMCs did not increase the selling prices of PDS kerosene.