

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

UNSTARRED QUESTION NO:1354
ANSWERED ON:15.07.2004
INCREASE IN PRICES OF PETROLEUM PRODUCTS
Meghwal Shri Kailash

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

- (a) Whether Public Sector refineries and marketing companies have urged the Government for increase in the price of petroleum products;
- (b) if so, the details thereof including their reasons therefor;
- (c) the steps taken by the Government in this regards; and
- (d) the impact on people as a result of increase in prices of petroleum products ?

Answer

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

(a) to (d) : Taking into consideration the prevalent high international oil prices, the oil marketing companies (OMCs) sought to increase the consumer prices of petrol, diesel and domestic LPG and PDS kerosene. However, if the full impact of high international oil prices was passed entirely on to the consumers, it would have meant too much of a burden on them. Therefore, the Government decided to share the burden by reducing excise duties on petrol, diesel and LPG effective 16.6.2004. The burden of high international oil prices was also shared by OMCs by not passing on the full impact of international oil prices in the increase of the domestic consumer prices of petrol, diesel and domestic LPG effective 16.6.2004. Further, OMCs did not increase the selling prices of PDS kerosene.