

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

UNSTARRED QUESTION NO:4255
ANSWERED ON:26.08.2004
REFINING COST OF OIL PRODUCTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the refining cost of various oil products for per barrel;
- (b) the basis on which the cost of production per litre petrol/diesel is estimated;
- (c) whether the cost of production of various oil products is more in public sector refineries than private sector refineries;
- (d) if so, the details thereof stating the reasons; and
- (e) the steps taken to reduce the production cost of oil products ?

Answer

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

(a) to (e): Oil refining is a continuous process and the cost of refining of individual petroleum products is not worked out separately because all products are produced together. The Oil Marketing Companies pay to the refineries the import parity prices of petrol and diesel. The steps taken by the public sector oil companies to reduce the cost of production inter alia include optimal utilization of utilities, chemicals, catalysts, manpower, etc.; thrust on energy conservation and reduction in hydrocarbon losses; etc.