

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

UNSTARRED QUESTION NO:2528

ANSWERED ON:10.03.2011

HIGH PRICE OF LPG

Singh Shri Ijyaraj ;Yadav Shri M. Anjan Kumar

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

- (a) whether the price of LPG in the country is more than its price in international market;
- (b) if so, the details and reasons therefor;
- (c) the current price of LPG in international market; and
- (d) the price at which LPG was purchased from other countries during each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH)

(a)&(b): No, Madam. The retail selling price of Domestic LPG in the domestic market is modulated by the Government and is lower than its price in the international market. The current retail selling price of Domestic LPG is Rs. 345.35/cylinder at Delhi. Currently, the Government has been providing a subsidy of Rs. 22.58 per cylinder on Domestic LPG and the Public Sector Oil Marketing Companies (OMCs) are incurring an under-recovery of Rs. 297.80 per cylinder on the sale of Domestic LPG.

(c): As per methodology given in the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002", the price of Domestic LPG is worked out as weighted average of Propane and Butane prices with weightage of 40% and 60% respectively. The Saudi Aramco contract price for Propane and Butane for the month of March 2011 is as under:

(US \$/ Metric Tonne)

Propane 820
Butane 860

(d): The prices of Propane and Butane keep changing every month in international market. The annual average price of LPG (Propane and Butane) imported by Indian Oil Corporation Limited during the last three years is given below:

(US \$/ Metric Tonne)

Year	Import Cost
2007-08	763.86
2008-09	712.66
2009-10	661.81