

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

UNSTARRED QUESTION NO:5859
ANSWERED ON:08.09.2011
PRICE OF CRUDE OIL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the price of crude oil in international market for the last three years and the current year;
- (b) the retail selling price of petrol in the country during the said period;
- (c) whether the Government proposes to reduce retail price of petrol and diesel, in view of softening of crude price in the international market;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Oil Marketing Companies (OMCs) are earning huge profits on petrol since lifting of the Government control; and
- (f) if so, the details of the profit presently earned by the OMCs on petrol?

Answer

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

(a): The annual average price of Indian basket of crude oil for the last three years and current year are given below:

(\$ per barrel)

Year Annual average price of Indian Basket Crude Oil

2008-09 83.57

2009-10 69.76

2010-11 85.09

2011-12 111.62
(up to 31.8.2011)

(b): The details of retail selling price (RSP) of Petrol from 1.4.2008 to 1.7.2011 (at Delhi) are given in the Annexure.

(c) and (d): In the light of the recommendations made by the Expert Group set up to advise on a viable and sustainable system of pricing of petroleum products under the Chairmanship of Dr. Kirit S. Parikh, the price of Petrol has been made market-determined with effect from 26.6.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decisions on the pricing of Petrol in line with the international oil prices and market conditions.

However, the Government continues to modulate the RSP of Diesel and its current price is below the required market price. As a result, based on the refinery gate prices as on 1.9.2011, the OMCs are currently incurring under-recovery of ` 4.57 per litre on the sale of Diesel.

(e) to (f): No, Madam. Does not arise.