

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

UNSTARRED QUESTION NO:2498
ANSWERED ON:08.12.2011
REDUCTION IN PRICES OF DIESEL AND LPG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is contemplating to reduce the prices of diesel and LPG cylinder;
- (b) if so, the details thereof;
- (c) whether the prices of diesel and LPG have gone down in the international market recently; and
- (d) if so, the details in this regard?

Answer

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

(a)&(b): At present, there is no such proposal before the Government to reduce the prices of Diesel and Domestic LPG.

(c)to(d): The details of monthly average price of Diesel and LPG in the international markets since last price revision on 25.06.2011 are given below:-

Month	Diesel (\$ per barrel)	LPG (\$ per Metric Tonne)
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June, 2011	123.44	897.00
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July, 2011	125.96	839.00
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August, 2011	120.24	865.00
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September, 2011	120.02	835.00
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October, 2011	118.99	783.00
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November, 2011	125.59	786.00
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Note - Price of Diesel (0.5% sulphur) is for Arab Gulf Market and LPG Price is Saudi Aramco CP based on 60:40 butane / propane ratio.

The Government, in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, continues to modulate the retail selling prices of Diesel and Domestic LPG. Their current prices are below the required market price, resulting in huge under-recovery to the Public Sector Oil Marketing Companies (OMCs) on the sale of these products. Based on the refinery gate price effective 1.12.2011, the OMCs are currently incurring under-recovery of 12.03 per litre on the sale of Diesel and 287.00 per cylinder on Domestic LPG.