

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

UNSTARRED QUESTION NO:6703

ANSWERED ON:17.05.2012

ATF PRICE .

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

- (a) whether the prices of Aviation Turbine Fuel (ATF) are higher in the country due to the coordinated pricing agreement between the Government-owned oil companies;
- (b) if so, the details thereof and the reasons for such agreements;
- (c) whether this has resulted in less price of ATF for international carriers than the domestic carriers;
- (d) if so, the details thereof; and
- (e) the total ATF production and consumption during the last one year?

Answer

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

- (a) & (b): Aviation Turbine Fuel (ATF) is a de-regulated product, price of which is revised on a fortnightly basis, based on its price in the international market and the exchange rate of Rupee vis-à-vis US\$ in the previous fortnight. Price of ATF in the country is higher because state taxes and duties range from 5%-30%. There is no pricing agreement amongst the Government-owned oil companies.
- (c) & (d): The pricing cycle for international carriers is once a month (prices are declared effective 1st of every month) vis-a-vis the pricing cycle for sale to domestic airlines which is on fortnightly basis. Further, international airlines, covered under the Convention on International Civil Aviation, 1944, are not being charged duties and taxes. This results in variation between the prices declared for domestic and international carriers.
- (e): The total ATF production in the country during the year 2011-12 was 10,157 Thousand Metric Tonne (TMT) and the consumption for the same period was 5,536 TMT (provisional).