

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

UNSTARRED QUESTION NO:888
ANSWERED ON:09.07.2009
EXIM POLICY OF KEROSENE
Owaisi Shri Asaduddin

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

- (a) whether the Union Government has changed the EXIM policy to import Superior Kerosene Oil (SKO) by parallel markets;
- (b) if so, whether the change of policy has affected the needy customers who are facing difficulty in getting free sale SKO while it is easily available in the open market; and
- (c) if so, the remedial measures proposed in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c) Parallel Marketing System (PMS) for Kerosene had been introduced vide Notification dated 2.9.1993, allowing private agencies to import and market Kerosene at market price in the country. Subsequently, on the recommendation of the Ministry of Petroleum and Natural Gas, Department of Commerce vide their Notification dated 25.11.2003 allowed. Superior Kerosene Oil (SKO) to be imported by State Trading Enterprises. Such import is subject to stipulation in Para 2.11 of the Foreign Trade Policy and is allowed through State Trading Enterprises (STEs) i.e. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), and Hindustan Petroleum Corporation Limited (HPCL). The State Trading Corporation (STC) has also been nominated as a State Trading Enterprise (STE) for supplying it to Advance Licence holders. The SKO Control Order, 1993 has been amended on 06.07.2006, allowing parallel marketeers to source their requirements from indigenous sources also.

IOCL, BPCL & HPCL are marketing non-PDS Kerosene in the open market. As per the existing system of marketing of non-PDS Kerosene followed by the Public Sector Oil Marketing Companies (OMCs), the genuine industrial and non-domestic customers having requirement of more than 1 Tank Lorry load at a time are being supplied directly and the requirement of small customers having requirement of less than full Tank Lorry load is being met through the existing SKO-LDO Dealership network at the non-subsidized rate. Under the provisions of Kerosene (Restriction on Use and Fixation of Ceiling Price) Order 1993, Government has also permitted Oil and Natural Gas Corporation (ONGC), Mangalore Refinery and Petrochemical Limited (MRPL) and Reliance Industries Ltd (RIL) to market their indigenously produced Kerosene, after meeting the demand of PDS Kerosene in full, to non-PDS customers. These Companies can make free sale of Kerosene at market prices as per requirement.

There is no report of any bulk customer/customers facing difficulty in getting non-PDS SKO.