

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

UNSTARRED QUESTION NO:4280
ANSWERED ON:06.09.2012
AVAILABILITY OF PETROLEUM PRODUCTS
Vishwanath Shri katti Ramesh

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

- (a) whether the petroleum products are made available to the Oil Marketing Companies (OMCs) on the basis of international sale prices;
- (b) if so, the details thereof;
- (c) whether the sale prices of these products are higher than the prices of such products produced in the country;
- (d) if so, the reaction of the Government in this regard; and
- (e) the difference between the above mentioned prices during the last two years and the current year?

Answer

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

- (a) & (b): The Public Sector Oil Marketing Companies (OMCs) pay Trade Parity Price (TPP) for purchase of Petrol and Diesel and Import Parity Price (IPP) for purchase of PDS Kerosene and Domestic LPG to the refineries. The IPP/ TPP are determined based on prices prevailing in the international market. TPP is weighted average of import parity and export parity in the ratio of 80:20.
- (c) to (e): Refining of crude oil is a process industry, where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units. Each of these units produces intermediate product streams, which require extensive reprocessing and blending. This results in difficulty in apportioning the total cost to individual refined products with reasonable accuracy. Therefore, individual product-wise costs are not identified separately.