

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

UNSTARRED QUESTION NO:435

ANSWERED ON:23.11.2012

HIKE IN PETROLEUM PRICES

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

- (a) the details of hike in prices of petroleum and petroleum products during the last two years till date, item-wise along with the reasons for such hike;
- (b) the steps being taken by the Government to control the prices of petroleum products or to roll back the prices of diesel and LPG to reverse the adverse impact of hike on poor people;
- (c) whether the Government is considering to further revise the prices of petroleum products in tune with the international rates on daily basis and has constituted an expert committee to monitor the prices of petroleum products in the international market and recommend price hike in the Indian market accordingly;
- (d) if so, the details thereof alongwith the names of the members of the Committee; and
- (e) the current price of petrol and diesel in the country as compared to other neighbouring countries along with the reasons for such difference?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAKA LAKSHMI)

(a): The details of revision in the Retail selling price (RSP) of Petrol, Diesel, PDS Kerosene and Domestic LPG at Delhi, since 1.4.2010 are given at Annexure 1.

(b): The Government has made the price of Petrol market-determined with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on the pricing of Petrol in line with the international oil prices and market conditions. Even after implementation of the market determined pricing, the OMCs have been making price revisions of Petrol in a guarded manner, at times, absorbing a part of under-recovery themselves. However, the Government continues to modulate the Retail Selling Price (RSP) of Diesel, PDS Kerosene and Domestic LPG in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions. Even after the recent increase in the price of Diesel effective 14.9.2012, the OMCs are currently incurring under-recovery of ` 9.06 per litre on Diesel, as per the refinery gate price effective 16.11.2012.

Further, there is no increase in the prices of PDS Kerosene and Domestic subsidized LPG since 25.06.2011 and only a cap of 6 cylinders per annum for each consumer has been introduced effective 14.9.2012. Based on the RGP effective 1.11.2012 the OMCs are incurring under-recovery of ` 31.30 per litre on PDS Kerosene and ` 478.50 per 14.2 kg cylinder of subsidised Domestic LPG.

(c)&(d): There is no such proposal before the Government, at present.

(e): The comparison of retail selling price of Petrol and Diesel in India vis-à-vis the neighbouring countries are given below:

(Indian `/Litre)

India	
Pakistan	Bangladesh
Sri Lanka	
Nepal	

Petrol	
67.24	59.61

60.21
61.09 77.87

Diesel
47.15
64.91
40.57
48.14 60.58

Note - Prices for neighboring countries as on 1.09.2012 from M/s Indian Oil IT Statement for September 2012. Price of Petrol in India is as per Indian Oil Corporation Limited (IOCL).
Information on pricing mechanism of petroleum products of other countries is not available with the Government.