

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

UNSTARRED QUESTION NO:1856
ANSWERED ON:08.03.2013
IMPACT OF INCREASED DIESEL PRICES
Owaisi Shri Asaduddin

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

- (a) whether the Government has assessed the impact of increased diesel prices on the transportation sector;
- (b) if so, the details thereof;
- (c) whether the Government has identified the areas where usage of diesel could be minimised;
- (d) if so, the details thereof and the estimated diesel likely to be saved therefrom;and
- (e) the steps taken or being taken by the Government in this regard?

Answer

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

(a) & (b) In order to reduce under recovery of the Public Sector Oil Marketing Companies (OMCs), the Government has authorized the OMCs to (a) increase the retail selling price of Diesel in the range of 40 paisa to 50 paisa per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders; and (b) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price effective 18th January, 2013.

The Government has received representations from various State Governments highlighting the difficulties being faced by the STUs on purchase of Diesel at non-subsidized market determined price. It is within the domain of the State Governments to provide appropriate relief to the STUs.

The primary objective behind the pricing reforms undertaken by the Government is the growing imperative for fiscal consolidation, the need for reducing the subsidy burden on petroleum products so as to allocate more funds to social sector schemes for the common man and for ensuring country's energy security in the long term.

(c) & (d) Yes, Madam. As per Petroleum Conservation and Research Association (PCRA), the Working Group constituted by the Government in 1998 identified that in transport and agriculture sector, the usage of Diesel could be reduced upto 15% by adopting driving and maintenance practices especially for trucks and tractors.

(e) Media campaigns (Television, Print and Radio) are being run by the Government through PCRA to generate awareness about good driving and maintenance practices among the drivers and owners of trucks and tractors.