

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

UNSTARRED QUESTION NO:1838

ANSWERED ON:16.08.2013

INCREASE IN PRICES OF PETROL AND OTHER PETROLEUM PRODUCTS .

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

- (a) the details of increase in the prices of petrol, diesel, kerosene, Compressed Natural Gas and Liquefied Petroleum Gas since January, 2013 so far, item-wise;
- (b) the reasons for increasing prices of petrol and other petroleum products during the said period, item-wise;
- (c) whether the increase in prices of petrol and other petroleum products are likely to aggravate inflation, increase in transportation costs and increase in the prices of essential commodities;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to check the rising prices of petrol and other petroleum products?

Answer

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

(a) & (b): The price of Petrol has been made market determined since 26th June 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. As per information furnished by Indian Oil Corporation Limited (IOCL), the revision in Retail Selling Price (RSP) of Petrol at Delhi since 1.1.2013 are given in Annexure-I. The details of revision in RSP of Diesel (to retail consumers), PDS Kerosene and Subsidized Domestic LPG since 1.1.2013 are given in Annexure-II. As regards the retail price of CNG in any city, it is fixed by the City Gas Distributor (CGD) entity operating in the city. The price of CNG is not decided or approved by the Government. The CGD entity uses a varying mix of domestic gas, Long-term RLNG and spot RLNG. The price of CNG is a function of the weighted average of the price of gas (domestic gas/RLNG/Spot LNG), operating expenses, various Central, State and Local taxes and levies.

(c) to (e): While Petrol is largely an item of final consumption, its price, therefore, has a very small impact on inflation. Diesel has a weightage of 4.67 in the Whole Sale Price Index (WPI). For each Rupee increase in diesel price, the WPI index is estimated to increase by around 0.12%. However, in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government continues to modulate the RSP of Diesel

(to retail consumers), PDS Kerosene and Domestic LPG. There has been no increase in the basic prices of PDS Kerosene and Domestic LPG since 25th June 2011. A cap of 6 cylinders per annum to each consumer was applied on Subsidized Domestic LPG w.e.f. 14th September 2012. This has, however, been raised to 9 cylinders per annum as per decision taken in CCPA meeting on 17th January 2013. As per the Refinery Gate Price (RGP) effective 1.8.2013, the OMCs are incurring under-recovery of

9.29/litre on sale of Diesel (to retail consumers), ` 33.54/ litre on PDS Kerosene and ` 412.00 per 14.2 kg cylinder on Subsidized Domestic LPG.