

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4089

ANSWERED ON:20.03.2015

IMPACT OF PETROLEUM PRICES

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Will the Minister of FINANCE be pleased to state:

- (a) whether the retail price of petroleum products in the country is highest in the world, if so, the details thereof;
- (b) whether this exorbitant retail price is a result of the taxation policy in place for petroleum products, if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government proposes to absorb the hike in excise imposed recently and maintain stability of the petroleum prices, if so, the details thereof;
- (d) if not, the steps taken/being taken by the Government to curb the inflationary tendencies arising out of it; and
- (e) whether the Government proposes to divert the subsidy funds saved on Petroleum products, on account of lowered petroleum prices, to subsidy schemes in other sectors, if so, the details thereof and the other steps taken/being taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): The retail selling price of petrol and diesel in India, as compared to the developed as well as neighbouring countries are as under:

Retail Selling Price (Rs. per litre)		
Country	Petrol	Diesel
India	60.49	49.71
France	93.07	68.34
Germany	94.55	70.17
Italy	105.11	81.02
Spain	83.70	65.31
UK	101.78	90.84
Japan	70.78	60.63
Canada	50.19	56.15
USA	36.36	46.84
Pakistan	41.54	49.66
Bangladesh	76.41	54.01
Sri Lanka	54.57	44.08
Nepal	68.13	54.01

Source: Petroleum Planning and Analysis Cell [PPAC]

Note: The prices of developed countries (France, Germany, Italy, Spain, UK, Japan, Canada and USA) from IEA report for February 2015 converted into Indian Rupees considering average exchange rate for the month of February 2015. Prices for neighbouring countries as on 1.2.2015 from M/s Indian Oil IT statement for February 2015. Price for India as per IOCL effective 01.03.2015.

From the above, it may be seen that the prices of petrol and diesel in India are not the highest in the world.

(b): Does not arise in view of reply to part (a) above.

(c): There was no impact on the retail price of petrol and diesel on account of the increase in excise duty on petrol and diesel since November 2014.

(d): Does not arise in view of reply to part (c) above.

(e): No. Sir.