GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
STARRED QUESTION NO *294
ANSWERED ON – 23.03.2021

IMPACT OF RISING FUEL EXCISE DUTIES

294 Shri Neeraj Dangi:

Will the Minister of Finance be pleased to state:

(a) whether Government has assessed the impacts of rising fuel excise duties and Liquified Petroleum Gas (LPG) taxes on income inequality;
(b) if so, the details of the impact of the fuel excise duties on varying income groups of the population; and
(c) whether Government has assessed how rising fuel excise duties can increase costs of goods and increase inflation and, if so, the detailed assessment of the impact of current fuel excise duties on inflation?

ANSWER

MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN

(a), (b) and (c): A statement is placed on the Table of the House.

*****

STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED QUESTION NO.294 RAISED BY SHRI NEERAJ DANGI FOR 23RD MARCH, 2021 ON IMPACT OF RISING FUEL EXCISE DUTIES

(a) and (b) No sir. Such assessment has not been made recently.

(c) Yes sir. CPI inflation has decreased from 7.6 per cent in October 2020 to 4.1 per cent in January 2021. It however increased to 5.0 per cent in February 2021. Fuel and light inflation increased from 1.6 per cent in November 2020 to 3.9 per cent in January 2021, however decreased to 3.5 per cent in February 2021. CPI-C and Fuel and light inflation since April 2020 are given in Table 1.

Table 1: Inflation based on CPI and Fuel and light from April 2020 to February 2021 (in per cent)

	Apr-20 @	May-20 @	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21 (P)
CPI-C	7.2	6.3	6.2	6.7	6.7	7.3	7.6	6.9	4.6	4.1	5.0
Fuel and light	2.9	1.6	0.5	2.7	3.2	2.8	2.1	1.6	2.9	3.9	3.5

@ Inflation for April and May 2020 are imputed, which are based on limited set of observations due to COVID-19 pandemic.(P) Provisional

Source: NSO, Ministry of Statistics and Programme Implementation

*****