GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 690
ANSWERED ON FEBRUARY 08, 2022

INCREASING INFLATION AND FUEL PRICES

690. Smt. Phulo Devi Netam:
Shri Shamsher Singh Dullo:

Will the Minister of ***Finance*** be pleased to state:

(a) whether Government has or intends to implement policies to address the rise in inflation and cost of living in India, given that the wholesale and retail inflation rate for the month of December, 2021 stood at 13.56% and 5.59% respectively;
(b) if so, the details thereof and, if not, the reasons therefor;
(c) whether Government intends to reduce fuel and oil prices, given the sharp spike in inflation rate over the last two years and the economic slump the country is suffering as a long-term impact of the COVID-19 pandemic; and
(d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Government has undertaken several measures to keep inflation under control. Some of the measures taken by the Government include the following:

Foodgrains: Public Distribution System under National Food Security Act, 2013 is providing subsidised food grains at Rs.3/kg for rice and Rs.2/kg for wheat to the bottom 67 per cent of the population (as per 2011 census) to keep the cost of living under control.

Pulses: (i) To ensure effective intervention during price rise through utilisation of buffer stocks, the Government has procured pulses in 2020-21 and 2021-22 from farmers/farmers' producers organisations (FPOs). The target for pulses buffer in 2021-22 is at 23 LMT. (ii) To augment domestic availability of pulses, Tur and Urad are kept under 'free' import category till 31st March, 2022. (iii) Basic import duty and Agriculture Infrastructure and Development Cess on Masur have been brought down to zero and 10 per cent respectively. (iv) 5-year Memorandum of Understanding (MoUs) have been signed with Myanmar for annual import of 2.5 LMT of Urad and 1 LMT of Tur, and with Malawi for annual import of 0.50 LMT of Tur. The MoU with Mozambique has been extended for another 5 years for annual import of 2 LMT Tur.

Edible Oils: (i) To soften the prices of edible oils, the duty on edibles oil has been reduced with effect from 14th October 2021. The basic duty on Refined palm oil/Palmolein, Refined Soyabean oil and Refined Sunflower oil has been reduced to 17.5 per cent from 32.5 per cent with effect from 14th October 2021. (ii) Futures trading in mustard oil on National Commodity & Derivatives Exchange Ltd.

(NCDEX) has been suspended and stock limits have been imposed. (iii) The Department of Food and Public Distribution has imposed stock limits on Edible Oils and Oilseeds for a period up to 31st March, 2022. The Removal of Licensing Requirements, Stock Limits and Movement Restrictions on Specified Foodstuffs (Amendment) Order, 2021 has been issued w.e.f. 8th October, 2021. It has also been directed to ensure that Edible Oils and Edible Oilseeds stock is regularly declared and updated on the portal of the Department of Food & Public Distribution. (iv) The government is taking steps to improve the production of secondary edible oils, especially rice bran oil to reduce the import dependence. (v) In a bid to cool down the domestic prices of Soya Meal, Government has notified an Order under the Essential Commodities Act to declare 'Soya Meal' as an Essential Commodities up to 30th June, 2022 by amending the Schedule of the Essential Commodities Act, 1955. Stock limit on Soya Meal has been imposed for a period from 23rd December, 2021 up to 30th June, 2022.

Crude Oil/Petroleum Products: (i) To check the petrol and diesel prices, Central Government has reduced Central Excise Duty on Petrol & Diesel by Rs. 5 and Rs. 10 respectively with effect from 04.11.2021. In response many states governments have also reduced Value Added Tax on petrol and diesel. Retail prices of petrol and diesel have sobered down across the country.

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