

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO. 628
ANSWERED ON 12 DECEMBER, 2022

Fluctuations in prices of petroleum products

628 # Shri Ram Nath Thakur:

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

(a) the mechanism for adjusting global crude oil price fluctuations for retail pricing of petroleum products; and

(b) whether it is a fact that Government does not give the benefit of the international fluctuations of petroleum products to the consumers of the country due to which consumers have to buy petrol and diesel at exorbitant rates?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) and (b): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. Effective 16 June, 2017, daily pricing of petrol and diesel has been implemented in the entire country. The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 8 and Rs. 6 per litre effective from 22 May, 2022. Following this reduction in Central Excise duty, many States/UTs have also reduced the VAT on petrol and diesel.

The prices of petroleum products in the country are linked to the price of respective products in the international market. However, for domestic LPG the Government continues to modulate the effective price to consumer to insulate the common man from rise in international prices. In addition, w.e.f. 21st May, 2022, the Government has announced a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for year 2022-23.

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