

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO. 153
ANSWERED ON 18/12/2023

High prices of petrol and diesel in the country

153 Shri Sanjay Raut:

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether it is a fact that petrol and diesel prices are still high despite of global crude oil prices down below \$80 per barrel;
- (b) if so, the details thereof and response of Government thereto; and
- (c) whether petroleum companies and Government are making huge profits from the selling of petrol and diesel to the consumers, if so, the details thereof?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) in respect of Rajya Sabha Starred Question No. 153 for reply on 18.12.2023 regarding High prices of petrol and diesel in the country asked by Shri Sanjay Raut

(a) to (c): India has been the only major economy in the world where the prices of petrol and diesel have come down in the last 2 years. Changes in prices of petrol and diesel in some major economies between October 2021 and October 2023 are as under:

	%age Change in Prices between Oct-21 and Oct-23	
Country	Petrol	Diesel
India (Delhi)	-5%	-1%
France	15%	24%
Germany	11%	21%
Italy	13%	22%
Spain	16%	25%
UK	10%	13%
Canada	8%	31%
USA	22%	39%

Source: Petroleum Planning and Analysis Cell as per latest available IEA report

Changes in prices of petrol and diesel in some neighbouring economies between October 2021 and October 2023 are as below:

	%age Change in Prices between Oct-21 and Oct-23	
Country	Petrol	Diesel
India (Delhi)	-5%	-1%
Pakistan	70%	73%
Bangladesh	26%	45%
Sri Lanka	60%	118%
Nepal	41%	53%

Source: Petroleum Planning and Analysis Cell as per latest available IEA report

Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. While crude oil prices (Indian basket) increased from \$73.30/bbl (December 2021) to \$112.87/bbl (March 2022) and further to \$116.01 (June 2022) and continue to remain highly volatile, OMCs have not increased/revised prices since 6th April 2022. Excise duty reductions were done in November 2021 and May 2022 of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively and these were fully passed on to consumers. Some state governments also reduced state VAT to provide relief to citizens.

Government of India also took several other steps to insulate common citizens from high international prices, which include diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

While during 2022-23, one out of three Public Sector OMCs booked losses, during current financial year 2023-24, the three Public Sector OMCs have reported profits during first half of the year.