

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 784**  
ANSWERED ON 29/07/2024

**Fluctuation in the price of crude oil in international market**

784 SHRI PARIMAL NATHWANI:

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

- (a) the details of fluctuation in the price of crude oil in international market during last five years;
- (b) whether Government has adopted any measures to pass on the benefits of reduction in crude oil prices to the consumers, year-wise data since 2019; and
- (c) the measures taken by Government to control production, import, export of various petroleum products in order to check their prices in the country?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI SURESH GOPI)

(a) to (c): Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

India imports more than 85% of its crude oil requirements. The international prices of crude oil vary depending on various factors viz. demand-supply, geopolitical factors and other market conditions. Prices of crude oil relevant to India are monitored through Indian Basket of Crude oil. Crude oil (Indian Basket) prices increased from \$59.35/bbl (August 2019) to \$112.87/bbl (March 2022) and further to \$116.01/bbl (June 2022) and have continued to remain highly volatile during current year. In current year, it fluctuated from \$84.49/bbl in March 2024 to \$89.46/bbl in April 2024 and to \$85.89/bbl in July 2024 (upto 19.07.2024). India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years. The average retail selling prices of petrol and diesel have actually come down from Rs. 97.90 & Rs. 90.58 per litre in FY 2022-23 to Rs. 94.72 & Rs. 87.62 per litre respectively in FY 2023-24 (upto 19.07.2024) in Delhi.

Government of India also took several other steps to insulate common citizens from high international prices, which included 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.

Central Government reduced Central Excise duty by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each and current RSP of petrol and diesel at Delhi is Rs. 94.72 and Rs. 87.62 per litre respectively

India imports more than 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG. During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in the international prices was not fully passed on to the customers.

Under PAHAL Scheme, the domestic LPG cylinders are sold at non-subsidised price and the applicable subsidy to the consumers is transferred directly into their bank accounts. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

W.e.f. 21<sup>st</sup> May, 2022, Government has been providing a targeted subsidy of Rs. 200 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year. Government reduced the retail selling price of domestic LPG by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30<sup>th</sup> August, 2023. Moreover, w.e.f. 5<sup>th</sup> October, 2023, Government increased the targeted subsidy to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. Government further reduced the RSP of domestic LPG by Rs. 100 per 14.2 Kg cylinder w.e.f. 9<sup>th</sup> March, 2024.

The current RSP of domestic LPG at Delhi is Rs. 803 per 14.2 Kg cylinder. With a targeted subsidy of Rs. 300 per cylinder (and proportionately prorated for 5 Kg cylinder), effective cost for PMUY consumers is Rs. 503 per 14.2 Kg cylinder (at Delhi) currently.

Various steps have been taken to reduce import of crude oil. These inter alia include demand substitution by promoting usage of natural gas as fuel/feedstock across the country towards increasing the share of natural gas in economy and moving towards gas based economy, promotion of renewable and alternate fuels like ethanol, second generation ethanol, compressed bio gas and biodiesel, refinery process improvements, promoting energy efficiency and conservation, efforts for increasing production of oil and natural gas through various policies initiatives, etc. To give a major thrust to Ethanol Blending Programme, Government of India through Oil Marketing Companies (OMCs) is establishing 2G Ethanol plants across the country. Also, for promoting the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has been launched.

The government has been taking various steps to increase hydrocarbon production which *inter-alia* include:

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract(PSC) regime for early monetization of hydrocarbon discoveries, 2014.
- ii. Discovered Small Field Policy, 2015.
- iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016.
- iv. Policy for Extension of Production Sharing Contracts, 2016 and 2017.
- v. Policy for early monetization of Coal Bed Methane 2017
- vi. Setting up of National Data Repository, 2017. Further, the National Data Repository (NDR) is now being further upgraded to a cloud-based system for seamless dissemination of Exploration& Production data to global investors.
- vii. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017;
- viii. Re-assessment of Hydrocarbon Resources, 2017.
- ix. Policy framework to streamline the working of Production Sharing Contracts in Pre- NELP and NELP Blocks, 2018.
- x. Policy framework for extension of Production Sharing Contracts for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.
- xi. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
- xii. Policy framework for exploration and exploitation of Coal Bed Methane (CBM) from areas under Coal Mining Lease allotted to Coal India Limited (CIL) and its subsidiaries, 2018.
- xiii. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
- xiv. Reforms in Hydrocarbon Exploration and Licensing Policy for enhancing domestic exploration and production of oil and gas, 2019.
- xv. Natural Gas Marketing Reforms, 2020.
- xvi. Reforms in Model Revenue Sharing Contracts (RSCs) for Blocks under Open Acreage Licensing Programme (OALP), 2023.
- xvii. Lower Royalty Rates, Zero Revenue Share (till Windfall Gain) and no drilling commitment in Phase-I in OALP Blocks under Category II and III to attract bidders.
- xviii. Release of about 1 Million Sq. Km. 'No-Go' area in offshore which were blocked for exploration for decades. In these erstwhile 'No-Go' area, after the release now, so far bids/ expression of interests received for 1,52,325 Sq. Km. area.Two gas discoveries have also been made by ONGC in Mahanadi offshore recently in a block having 94% area in 'No-Go' area. Andaman offshore area has also been opened for exploration and production activities after a long time post removal of restrictions imposed by defence and space agencies in 2022.
- xix. Till now, 12 hydrocarbon discoveries have been made in blocks awarded under OALP, one already producing gas (0.44 MMSCMD) and condensate (819 BBL/Day) in Gujarat while other discoveries are under appraisal.

- xx. Government is spending about Rs.7500 Cr. for acquisition of seismic data in onland and offshore areas and drilling of stratigraphic wells to make quality data of Indian Sedimentary Basins available to bidders.
- xxi. Government has also approved acquisition of additional 2D Seismic data of 20,000 LKM in onland and 30, 000 LKM in offshore beyond Exclusive Economic Zone (EEZ) of India.
- xxii. Production of Coal Bed Methane (CBM) has reached 2 Million Standard Cubic Meters per day and will increase further in coming years. More blocks are being identified for offer in future bid rounds.
- xxiii. Cumulative production from Discovered Small Fields (DSF) till FY 2023-24 are ~5,56,000 bbl Oil and ~139 MMSCM Gas. More fields are being planned for offer in future rounds.

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