

**LOK SABHA**  
**STARRED QUESTION NO. 269**  
**TO BE ANSWERED ON 6<sup>TH</sup> AUGUST, 2018**

**Price of Petroleum Products**

**\*269. SHRI MD. BADARUDDOZA KHAN:**  
**SHRI RAMESH CHANDER KAUSHIK:**

पेट्रो लयम और प्राकृतिक गैस मंत्री

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

- (a) whether the price of petroleum products is increasing day-by-day across the country, if so, the details thereof and the reasons therefor along with the steps being taken to stabilise these prices;
- (b) whether decontrol of petroleum products is practised only when the price in international market goes up and the Government controls the prices of petroleum products when their price comes down in international market, if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government proposes to revisit the deregulation of determining fuel prices and if so, the details thereof;
- (d) whether the Organisation of Petroleum Exporting Countries has proposed to increase the production of crude oil which might help/lead to decrease in the prices of petrol and diesel in the country and if so, the details thereof; and
- (e) the fresh measures taken/being taken by the Government to curtail increasing prices of petroleum products including petrol and diesel in view of the sanction imposed on Iran by the United States of America recently and provide relief to citizens of the country along with the time by which the prices are likely to be checked?

**ANSWER**

पेट्रो लयम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

- (a) to (e) A statement is laid on the Table of the House.

**Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No. 269 asked by Shri MD. Badaruddoza Khan and Shri Ramesh Chander Kaushik to be answered on 6<sup>th</sup> August, 2018 regarding “Price of Petroleum Products”.**

(a) to (c) Prices of petrol and diesel have been made market-determined by the Government 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 in line with international product prices and other market conditions. The OMCs have not only increased but also decreased the prices accordingly. Public Sector OMCs have implemented daily revision of retail selling price (RSP) of petrol and diesel in the entire country with effect from 16<sup>th</sup> June, 2017. Daily pricing has been introduced to bring more transparency and efficiency in pricing to benefit consumers.

To reduce the prices of petrol and diesel and give relief to the consumers, the Central Government had reduced the Central excise duty on petrol and diesel by ₹ 2 per litre with effect from 4<sup>th</sup> October, 2017. The Central Government also requested State Governments to reduce VAT imposed by them on petrol and diesel. Five State Governments and one Union Territory have reduced the VAT on petrol and diesel.

The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and RSP of PDS Kerosene.

(d) The crude oil production by major global producers depends on several factors, including demand and supply, price of crude oil in global market and geo-political situations. According to press release issued by OPEC on 22<sup>nd</sup> June, 2018, its member countries have agreed to reduce production cut conformity level from 152% to 100% thereby increasing crude oil output.

(e) Indian refineries import crude oil from diverse sources including Iran, depending on technical and commercial considerations and keeping in view the domestic requirement. The price of crude oil is determined by many factors, including quality and demand and supply in the global market.