

**LOK SABHA**  
**STARRED QUESTION NO. 334**  
**TO BE ANSWERED ON 23 MARCH, 2023**

**Crude Oil Price**

†\*334. SHRI DINESH CHANDRA YADAV:  
SHRI SANTOSH KUMAR:

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) whether the price of crude oil in the international market has been stable for about 8-9 months and decreasing;
- (b) if so, the reasons for not providing Petrol, Diesel and Gas to public at low prices; and
- (c) the steps being taken by the Government to provide relief to the consumers?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

( श्री हरदीप सिंह पुरी )

**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) of Lok Sabha Starred Question No. 334 asked by Shri Dinesh Chandra Yadav and Shri Santosh Kumar to be answered on 23 March 2023 regarding “Crude Oil Price”.**

(a) to (c): 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. Prices of petrol and diesel have not been increased by public sector Oil Marketing Companies (OMCs) since 6<sup>th</sup> April 2022.

Due to high volatility and elevated prices of crude oil, most of the developed countries have been reeling under high Petrol and Diesel prices. As per data compiled by PPAC, in developed countries like US, the prices of Petrol and Diesel increased by about 10.8% and 35.2% respectively over the period January 2022 to January 2023, whereas during this period, prices in India (Delhi) increased only by 1.37% and 3.40 % for Petrol and Diesel respectively. Similarly, during the same period significant increase in the prices of Petrol and Diesel has been seen in our neighbouring countries such as Pakistan (28% in Petrol and 40% in Diesel), Bangladesh (32% in Petrol and 24% in Diesel), Sri Lanka (29% in Petrol and 106% in Diesel) and in Nepal (31% in Petrol and 48% in Diesel).

The price of crude oil and petroleum products in the international markets fluctuate depending on various factors viz. demand-supply, geopolitical factors and other market conditions. The monthly average price of Indian Basket of Crude Oil for the last nine months are as under:

<b>Month</b>	<b>Indian Basket of Crude Oil (\$/bbl)</b>
June 2022	116.01
July 2022	105.49
August 2022	97.40
September 2022	90.71
October 2022	91.70
November 2022	87.55
December 2022	78.10
January 2023	80.92
February 2023	82.28

Source: Petroleum Planning and Analysis Cell (PPAC)

Note: The crude oil price in USD/Barrel terms does not reflect the depreciation of INR/USD exchange rate.

The Central Government has 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. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes.

India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price of domestic LPG. While the Saudi Contract Prices (CP), on which domestic LPG prices are based, rose by 235 % from 236 \$/MT in April 2020 to 790 \$/MT in February 2023, retail selling price of domestic LPG has increased only by 89.7 % from Rs. 581.5 in May 2020 to Rs.1103 in March 2023 and effective cost for PMUY rose only by 55.2 % during the same period. Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently paid a one-time compensation of Rs. 22000 crore to OMCs. W.e.f. 21.05.2022, Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills for year 2022-23. The Retail Selling Price (RSP) of domestic LPG at Delhi on 21.05.2022 was Rs. 1003 per 14.2 Kg cylinder. As on 01.03.2023, RSP of domestic LPG at Delhi is Rs. 1103 per 14.2 Kg cylinder and effective price for PMUY consumers is Rs. 903 per cylinder.