

LOK SABHA

**UNSTARRED QUESTION NO. 1004
TO BE ANSWERED ON 08 February, 2024**

Reduction in Prices of Crude Oil

1004. SHRI THIRUNAVUKKARASAR SU:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the prices of crude oil have dropped recently in the global market and if so, the details thereof;
- (b) the extent to which the petroleum companies have made their losses good in the wake of reduced crude oil prices in the international market;
- (c) whether the Government proposes to reduce the prices of petroleum products in the country and to pass on the benefits to the consumers and if so, the details thereof; and
- (d) the steps taken by the Government to safeguard the domestic market from the effect of fluctuating prices of crude oil in the international market?

ANSWER

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)**

- (a): Crude oil prices in the international market are highly volatile. In the past month i.e. January 2024, Indian basket of crude oil in the international market has fluctuated from \$75.79/Barrel on 03.01.2024 to \$83.47/Barrel on 29.01.2024.
- (b): Oil Marketing Companies report financial results on an annual basis and profits/losses booked for a year pertain to the financial year only.
- (c) & (d): Government has taken several steps to control fuel prices. Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022. Some State governments also reduced state VAT to provide relief to citizens.

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 due to which the Oil Marketing Companies (OMCs) suffered under recoveries on sale of domestic LPG. To compensate this, the Government paid a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23.

Further, Government reduced the effective price of domestic LPG by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30th August, 2023. Government is also providing a targeted subsidy of Rs. 300 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year. As on 01.12.2023, the effective price of domestic LPG for PMUY consumers is Rs. 603 per 14.2 Kg LPG cylinder (in Delhi).

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