

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3947
TO BE ANSWERED ON 28.3.2022

IMPACT OF RISING OIL PRICES

3947. SHRI SUSHIL KUMAR SINGH:

Will the Minister of Finance be pleased to state:

- (a) the steps being taken by the Government to mitigate the impact of oil price rise;
- (b) whether the Government has ascertained the impact of rising oil prices on consumption as well as private investments flowing into the Indian economy;
- (c) if so, the details thereof; and
- (d) the steps being taken by the Government to ensure that private investments continue to flow in India despite the Ukraine-Russia crisis?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): There have been wide fluctuations in global crude oil prices in recent months. The average price of Indian basket of crude oil had fallen to a low of US\$73.30/bbl in December 2021. However, it crossed US\$ 100/bbl on February 24, 2022 consequent to the Russia-Ukraine crisis, thereafter peaking to US\$128.24/bbl on March 9, 2022. It is currently at US\$117.71/bbl as on March 24, 2022. The impact of high global crude oil prices on domestic consumption is dependent on the duration for which crude oil prices would remain elevated due to the existing geo-political crisis. Government is keeping a close watch on the evolving situation. The Russia Ukraine crisis is unlikely to impact the flow of private investments in the country as foreign direct investments (FDI) to India both from Russia and Ukraine taken together are miniscule.
