

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**STARRED QUESTION No. 113**  
TO BE ANSWERED ON 25 JULY 2022

**IMPACT OF RISING PRICES OF CRUDE OIL ON BUDGET**

113. DR. A. CHELLAKUMAR:  
DR. AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Budget 2022-23 was prepared using calculations that estimated crude oil prices to be between USD 75 to USD 80 starting from April 2022 onwards;
- (b) if so, the manner in which the current surge in crude oil prices will affect the budget;
- (c) whether the Government intends to amend any part of the budget in response to the current surge in crude oil prices and if so, the details thereof;
- (d) whether the Government believes that India's Current Account Deficit (CAD) will grow with the rising crude oil prices; and
- (e) if so, whether the Government has taken any measures to reduce CAD and if so, the details thereof?

**ANSWER**

MINISTER OF FINANCE  
(SMT. NIRMALA SITHARAMAN)

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

**STATEMENT REFERRED TO IN THE REPLY TO THE  
LOK SABHA STARRED QUESTION NO. 113 DUE FOR REPLY ON 25.07.2022  
RAISED BY DR. A. CHELLAKUMAR AND DR. AMAR SINGH  
ON "IMPACT OF RISING PRICES OF CRUDE OIL ON BUDGET"**

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(a) to (c): No, Sir. The Budget Estimates of Expenditure for FY 2022-23 do not presume any particular price level of crude oil. The Budget does not provide subsidy for petroleum products except LPG.

Economic Survey for 2021-22 assumes crude oil prices to be in the range of USD 70 to USD 75 per barrel while projecting the GDP growth rate during the financial year 2022-23 to be 8% to 8.5% in real terms.

(d) & (e): The size of India's Current Account Deficit (CAD) depends on several factors including exports, imports, price of crude oil, among others. Government is carefully monitoring the CAD and has recently increased customs duty on gold from 10.75% to 15% to restrain gold imports that is likely to reduce CAD. Further, RBI has recently announced a series of measures to increase foreign exchange inflows to finance Current Account Deficit.

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