

LOK SABHA
UNSTARRED QUESTION NO- 2965
TO BE ANSWERED ON 12TH DECEMBER 2024

PRICES OF PETROLEUM PRODUCTS

†2965. SHRI VIRENDRA SINGH:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the total production of petroleum products in the country in comparison to their consumption;
- (b) the total quantity, the prices along with the names of countries from which petroleum products are being imported;
- (c) the reasons for providing diesel and petrol to the consumers of the country at a high price as compared to their purchase prices;
- (d) whether the Government is considering to give relief to consumers from the rising prices of diesel and petrol;
- (e) whether the Government is considering to give subsidy to the farmers of the country to provide diesel at a cheaper prices;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री (श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (g): During the financial year 2023-24, the total production and consumption of petroleum products in the country was 276 Million Metric Tonne (MMT) and 234 MMT respectively. To fill the demand and supply gap of certain petroleum products like LPG, Fuel Oil and Petcoke, etc. country imported 49 MMT of petroleum products costing 22933 Million USD from the countries located at various geographical locations viz. Middle East, Africa, North America, South America etc. The detail of production, consumption and import with the value of petroleum products are as under:

Year	2023-24 (P)
Production (MMT)	276
Consumption (MMT)	234
Quantity of Imports (in MMT)	49
Quantity of Exports (in MMT)	63
Value of Imports (in Million USD)	22933

Source: Petroleum Planning and Analysis Cell P: Provisional MMT: Million Metric Tonne

Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$55/bbl (March 2015) to \$113/bbl (March 2022) and have continued to remain highly volatile.

Domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) as a result of various steps taken by Government and PSU OMCs, including reduction of Central Excise duty by the Central Government 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, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each, across the country.

Government of India also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

Recently PSU OMCs have carried out intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.
