

Increase in prices of petroleum products

†1395. SHRI RAM JETHMALANI:

SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that increase in the prices of petrol, diesel and other petroleum products time and again in the country will make impact on the economy of the country;

(b) if so, what's Government reaction in this regard; and

(c) what action Government will take to save the country from its adverse effect?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) With the dismantling of the Administered Price Mechanism (APM) for petroleum products from April 1, 2002, international price movements of crude oil would have a bearing on the domestic prices of petroleum products. However, volatility in this group would manifest itself only if there is a sharp and sudden increase in international prices of crude oil even after the dismantling of the APM, the Wholesale Price Index for fuel products has increased by only 1.6% since March end 2002.

(b) and (c) Government is closely monitoring the movement in the international oil prices, particularly their volatility and its likely impact on the domestic market. Appropriate measures would be taken as and when Government intervention is considered necessary. With a view to containing the impact of the increase in international oil prices on the consumer prices of petrol and diesel, Government reduced the excise duty on these items by 2% from the midnight of June 3/4, 2002.

Downgrading of India by Merrill Lynch

1396. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Global Fund Manager Merrill Lynch have recently

†Original notice of the question was received in Hindi.