

**Action plan for stabilising oil prices**

†744. SHRI KAPTAN SINGH SOLANKI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government has formulated any action plan to keep the oil prices in the country stable in view of growing crude oil prices in the world;
- (b) if so, the details thereof;
- (c) whether Government is formulating any policy to utilise alternative gas sources too as an alternative to oil; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) In order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government has been modulating the retail selling prices of Diesel, PDS Kerosene and Domestic LPG. In view of the alarming situation arising out of projected massive under-recoveries of the Oil Marketing Companies of Rs. 1,71,140 crore on the sale of sensitive petroleum products during 2011-12 (assuming the average price of Indian Basket of \$ 110 per barrel) and to reduce the burden of the rise in international oil prices on the consumers, Government took the following decisions on 24th June, 2011:-

- (i) Elimination of 5% Customs Duty on Crude Oil and reduction in Customs Duty on petroleum products by 5%;
- (ii) Reduction of Excise Duty on Diesel by Rs. 2.60 per litre. The remaining Excise Duty of Rs. 2.06 per litre on Diesel could not be reduced as it is earmarked towards Road and Education cess;
- (iii) Minimal price increase of Rs. 3/- per litre on Diesel, Rs. 2/- per litre on PDS Kerosene and Rs. 50/- per 14.2 kg. Domestic LPG cylinder excluding State levies.

(c) and (d) Considering the importance and potential of alternate source of oil and gas, Government has initiated steps for identification of prospective areas and assessment of Shale Gas resources in the country as well as to formulate a policy on Shale Gas.

**Share of Natural Gas in Energy Basket**

745. SHRI HUSAIN DALWAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the share of natural gas in the energy basket is quite low compared to global average;

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†Original notice of the question was received in Hindi.