

(b) if so, the details thereof; and

(c) what route will be used for the export?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Indian Oil Corporation Ltd. has initiated preliminary contacts with oil companies in Pakistan for the export of diesel to them.

(b) and (c) The details have not been worked out yet.

Price Hike of crude oil in International market

†51. **SHRI RAVI SHANKAR PRASAD:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have made an assessment of the loss suffered by the oil companies due to increase in prices of crude oil in the international market;

(b) if so, the assessment of the amount of loss upto the end of May, 2004; and

(c) The burden passed on by Government on itself, consumers as well as the oil companies in order to recover the loss?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) The profit or loss of oil companies is reflected in the Quarterly/Yearly financial results of the companies.

(c) Taking into consideration the prevalent high international oil prices, the oil marketing companies (OMCs) sought to increase the consumer prices of petrol, diesel and domestic LPG and PDS kerosene. However, if the full impact of high international oil prices was passed entirely on to the consumers, it would have meant too much of burden on them. Therefore, the Government decided to share the burden by reducing excise duties on petrol, diesel and LPG. The following reduction was effected in the *ad valorem* excise duty rates on petrol, diesel and LPG effective 16.6.2004:

Product	Reduction in <i>ad valorem</i> excise duty rates effective 16.6.04
Petrol	26%, down from 30%
Diesel	11%, down from 14%
LPG	8%, down from 16%

†Original notice of the question was received in Hindi.

The burden of high international oil prices was also shared by OMCs by not passing the full impact of international oil prices in the increase of the domestic consumer prices of aforesaid products effective 16.6.2004. Further, OMCs did not increase the selling prices of PDS kerosene.

Prices of petroleum products

52. SHRI RAJKUMAR DHOOT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether prices of petroleum products have been increased;

(b) if so, the reasons therefor;

(c) whether Government have carried out or proposed to carry out any study to reduce the production cost to recover a percentage of subsidy inherent in the selling of petroleum products;

(d) If so, the details thereof; and

(e) If not, what steps are being taken to bring down the prices of petroleum products?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR) (a) and (b) Taking into consideration the prevalent high international oil prices, the consumer prices of petrol, diesel and domestic LPG were increased effective 16.6.04.

(c) to (e) In a decontrolled scenario, the Oil companies have the incentive to cut their costs to remain competitive.

Effective 16.6.04, the Government reduced the excise duty rates on petrol, diesel and LPG to contain the impact of high international prices on domestic consumer prices of these products. The burden of high international oil prices was also shared by OMCs by not passing the full impact of international oil prices in the increase of the domestic consumer prices of aforesaid products effective 16.6.2004. Further, OMCs did not increase the selling price of PDS kerosene.

Pipeline between India and Nepal

53. SHRI K. RAMA MOHANA RAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that IOC is laying a pipeline from India to Nepal to move petroleum products;