

RAJYA SABHA
UNSTARRED QUESTION NO. 1089
TO BE ANSWERED ON 28TH JULY, 2021

Reducing additional duty on petroleum products

1089 **Shri Bikash Ranjan Bhattacharyya:**

Will the Minister of *Petroleum and Natural Gas* be pleased to state:

- (a) whether there is any consideration for reducing the additional duty charged on petroleum products by Central Government;
- (b) the steps taken by Government towards addressing the constant price hike;
- (c) whether any subsidy is given to meet the hiked LPG price; and
- (d) whether Government is considering to promote setting up biogas plants in the rural areas as an alternative to LPG usage?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

- (a) : The excise duty rates on petrol and diesel have been calibrated to generate resources for infrastructure and other developmental items of expenditure keeping in view the present fiscal position.
- (b): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, Public Sector Oil Marketing Companies (OMCs) have been taking appropriate decisions on pricing of petrol and diesel on the basis of international product prices and other market conditions. The OMCs have increased and decreased prices of petrol and diesel according to changes in international prices and rupee dollar exchange rate.
- (c): The prices of petroleum products in the country are linked to the price of respective products in the international market. However, the Government continues to modulate the effective price to consumer for Subsidized Domestic LPG. The subsidy on the product increases/ decreases with the increase/ decrease in the product price in international market and decision of

Government on subsidy. The price of crude, petrol and diesel has increased substantially in the international market in the last 6 months.

(d): Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of the Government has been launched in October, 2018. Under the initiative, Oil and Gas Marketing Companies are inviting expression of interest for procurement of compressed bio gas from plants established by entrepreneurs for use as alternative transportation fuel.

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