

**GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 627
TO BE ANSWERED ON 7TH FEBRUARY, 2022**

Rise in prices of petroleum products

627 Shri Sanjay Raut:

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

- (a) whether petroleum product prices are at record high and reaching nearly \$ 90 per barrel;
- (b) if so, the details thereof and Government's response thereto;
- (c) whether Government has raised issue of high crude oil prices with Organisation of Petroleum Exporting Countries (OPEC) and requested to increase their production of crude oil;
- (d) if so, the details thereof and OPEC's response thereto; and
- (e) the details of steps taken or proposed to be taken by Government to control oil prices in the country?

ANSWER

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

(a) to (e): There have been major fluctuations in international prices of Crude Oil and petroleum products in recent few months due to various global events including lower than expected restorations of production by OPEC nations, increase in demand as the world economy recovers from disruption caused due to Covid-19 and its variants, geopolitical tensions, lower than usual inventory levels in major consuming nations, effects of reduced investments in Crude Oil production facilities over past few years, etc.

The Freight on Board (FOB) prices of Indian Basket of crude oil, petrol and diesel in the international market as on 31 January 2022 are given below:

\$/bbl			
Date	Indian Basket of Crude Oil	Petrol	Diesel
31.01.2022	89.41	102.40	104.62

FOB Price for Petrol is at Singapore and Diesel is at Arab Gulf

The Government has been taking up the issue, bilaterally with crude oil producing countries with the Organization of Petroleum Exporting Countries (OPEC) and with heads of other international fora to convey India's serious concerns over crude oil price volatility, and India's strong preference for responsible and reasonable pricing for consumer countries.

The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre respectively effective from 4 November, 2021. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Following this reduction in Central Excise duty, many States/UTs have also reduced the VAT on petrol and diesel.

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