

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 935**

TO BE ANSWERED ON 25 July, 2022

Fuel price hikes impact on public

935 Dr. L. Hanumanthaiah:

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

- (a) whether Government has assessed the impact of the recent fuel price hikes which had crossed Rs.100 on increasing the inflation;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the total amount of taxes, cesses and excise collected by the Centre on petrol and diesel from January 2022 till date, including the State-wise monthly collection?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) & (b): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements.

The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022. 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.

The impact of increase in prices of petrol and diesel can be assessed through their impact on inflation measured by Wholesale Price Index (WPI). The weightage of petrol, diesel and LPG in the WPI index is 1.60%, 3.10% and 0.64% respectively.

(c): The total contribution to central exchequer from petroleum sector during the year 2021-22 is Rs. 4,92,303 crore.