

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA

UNSTARRED QUESTION NO. 1739

ANSWERED ON 18/12/2023

Rise in fuel and LPG prices

**1739 Dr. Amar Patnaik:**

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that the price for commercial LPG cylinders has risen by ` 21 from December 2023 onward, making a 19kg LPG cylinder cost as high as ` 1796 in certain parts of the country;
- (b) whether Government has data on the prices of fuel and LPG cylinders (commercial and domestic) in December every year;
- (c) if so, the data for the last five years, year-wise and State-wise; and
- (d) the measures taken by Government to keep the fuel and LPG prices low to make them more accessible for low-income groups and marginalized communities?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (d): India imports more than 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market. While prices of commercial LPG are set by LPG marketing companies independently, Government continues to modulate the effective price to consumer for domestic LPG. During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in the international prices was not fully passed on to the customers.

The details of prices of commercial and domestic LPG at Delhi as on 1<sup>st</sup> December every year since 2018 are given below:

Price as on	RSP of commercial LPG at Delhi (Rs./19 Kg Cylinder)	RSP of Domestic LPG at Delhi (Rs./14.2 Kg Cylinder)
01-12-2018	1,404.50	809.50
01-12-2019	1,211.50	695.00
01-12-2020	1,296.00	594.00
01-12-2021	2,101.00	899.50
01-12-2022	1,744.00	1053.00
16-11-2023	1,775.50	903.00
01-12-2023	1,796.50	903.00

Source: IOCL

Government has reduced the effective price of domestic LPG by Rs. 200 per 14.2 Kg LPG cylinder with effect from 30<sup>th</sup> August, 2023. W.e.f. 21<sup>st</sup> May, 2022, Government has been providing a budgetary support for targeted subsidy of Rs. 200 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for years 2022-23 and 2023-24. Moreover, w.e.f. 5<sup>th</sup> October, 2023, the targeted subsidy has been further increased to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. As on 01.12.2023, the effective price of domestic LPG for PMUY consumers is Rs. 603 per 14.2 Kg LPG cylinder (in Delhi).

The effective price of domestic LPG cylinder in neighboring countries as on 01.12.2023 is as below:

(In Indian Rupees)

Country	Domestic LPG (Rs./14.2 kg. cyl.)#
India	603.00*
Pakistan	1059.46
Sri Lanka	1032.35
Nepal	1198.56

#Source: Petroleum Planning and Analysis Cell

\*Effective cost to PMUY beneficiaries in Delhi

Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. OMCs have not increased/revised prices since 6<sup>th</sup> April 2022. In fact, excise duty reductions done in November 2021 and May 2022 of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively were fully passed on to consumers. Some state governments also reduced state VAT to provide relief to citizens.

Government of India also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc. As a result, India is the only major economy where prices of petrol and diesel have actually fallen by 5% and 1% between October 2021 and October 2023.

The details of Retail Selling Prices (RSP) of petrol and diesel at Delhi as on 1<sup>st</sup> December every year since 2018 are given below:

Price as on	RSP of Petrol at Delhi (Rs./Litre)	RSP of Diesel at Delhi (Rs./Litre)
01-12-2018	72.53	67.35
01-12-2019	74.91	65.78
01-12-2020	82.34	72.42
01-12-2021	103.97	86.67
01-12-2022	96.72	89.62
01-12-2023	96.72	89.62

Source: IOCL

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