

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO.- 774
ANSWERED ON-29/07/2024

Supply of petroleum products by private companies

774# Shri Ramji Lal Suman:

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

- (a) the percentage of petrol, diesel and LPG that is being supplied by private companies in the country at present;
- (b) whether it is a fact that despite the decline in the rate of crude oil in the international market, the prices of petrol, diesel and LPG are not being reduced in the country; and
- (c) the details of the rates at which crude oil and LPG have been purchased from the international market during the last three years?

ANSWER

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

(SHRI SURESH GOPI)

(a): The percentage of petrol, diesel and LPG supplied by the private companies of the total consumption during the FY 2022-23 & FY 2023-24 are as follows:

Year	Petrol	Diesel	LPG*
2022-23	6.7%	5.3%	5.1%
2023-24	8.2%	10.0%	6.5%

*LPG sold by parallel marketeers as reported by PPAC.

Source: Petroleum Planning & Analysis Cell

(b): Prices of petrol and diesel are market determined and deregulated 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 international product prices and other market conditions.

India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$59.35/bbl (August 2019) to \$112.87/bbl (March 2022) and further to \$116.01 (June 2022) and have continued to remain highly volatile.

India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years. Changes in prices of petrol and diesel in some major economies between November 2021 and April 2024 are as under:

Country	%age Change in Prices between Nov-21 and April-24	
	Petrol	Diesel
India (Delhi)	-13.65	-10.97
France	22.19	20.17
Germany	15.28	16.47
Italy	14.82	17.38
Spain	16.58	18.14
UK	5.79	9.56
Canada	22.07	22.24
USA	19.08	20.25

Source: Petroleum Planning and Analysis Cell

Government of India has taken several 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.

Central Government reduced Central Excise duty by a total of ₹ 13/litre and ₹ 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by ₹ 2 per litre each and current RSP of petrol and diesel at Delhi is ₹ 94.72 and ₹ 87.62 per litre respectively.

Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. India imports more than 60% of its domestic LPG consumption. 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.

Under PAHAL Scheme, the domestic LPG cylinders are sold at non-subsidised price and the applicable subsidy to the consumers is transferred directly into their bank accounts. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

W.e.f. 21st May, 2022, Government has been providing a targeted subsidy of Rs. 200 per 14.2 Kg LPG cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year. Government reduced the retail selling price of domestic LPG by Rs. 200 per 14.2 Kg LPG

cylinder with effect from 30th August, 2023. Moreover, w.e.f. 5th October, 2023, Government increased the targeted subsidy to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. Government further reduced the RSP of domestic LPG by Rs. 100 per 14.2 Kg cylinder w.e.f. 9th March, 2024.

The current RSP of domestic LPG at Delhi is ₹ 803 per 14.2 Kg cylinder. With a targeted subsidy of Rs. 300 per cylinder (and proportionately prorated for 5 Kg cylinder), effective cost for PMUY consumers is ₹ 503 per 14.2 Kg cylinder (at Delhi) currently.

Prices of cooking gas in India, after the latest round of reduction, are one of the lowest globally, and even lower than in most LPG producing nations.

(c): The details of yearly average prices of Indian basket crude oil and Saudi CP (international benchmark for LPG pricing) in the international market since April 2021 are given below:

Year	Indian Basket of Crude Oil (\$/Barrel)	LPG Price Based on Saudi Contract Price (\$/MT)
2021-22	79.18	695
2022-23	93.15	710
2023-24	82.58	557
2024-25 (upto 19.07.2024)	85.40	587

Source: Petroleum Planning & Analysis Cell

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