

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO. 776
ANSWERED ON 29/07/2024

Increase in fuel prices in the country

776 DR. SASMIT PATRA:

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

- (a) the details of increase of fuel prices in the country over the last five years in a year-wise and fuel category-wise format;
- (b) the comparative fuel prices in the country with reference to international crude prices in a year-wise and category-wise format;
- (c) the revenue shared between Centre and States earned from the selling of fuel in the country in the last five years in a year-wise and category wise format; and
- (d) the steps Government is taking to further reduce the fuel prices?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (d): Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

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/bbl (June 2022) and have continued to remain highly volatile.

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.

Central Government reduced Central Excise duty by a total of Rs. 13/litre and Rs. 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 Rs. 2 per

litre each and current RSP of petrol and diesel at Delhi is Rs. 94.72 and Rs. 87.62 per litre respectively

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. 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 Rs. 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 Rs. 503 per 14.2 Kg cylinder (at Delhi) currently.

The details of yearly average of Indian Basket of Crude Oil, Retail Selling Prices of Petrol, Diesel and domestic LPG (Rs/14.2kg cyl) at Delhi since 2019-20 are given at Annexure-I.

The details of contribution of petroleum sector to exchequer since 2019-20 are given at Annexure-II.

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Annexure-I

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 776 asked by Dr. Sasmit Patra to be answered on 29.07.2024 regarding “Increase in fuel prices in the country”.

F.Y.	Indian Basket of Crude Oil (\$/bbl)	RSP of Petrol (Rs./Ltr)	RSP of Diesel (Rs./Ltr)	RSP of domestic LPG (Rs/14.2kg cyl)*
2019-20	60.47	72.69	65.78	688.03
2020-21	44.82	80.84	73.58	650.80
2021-22	79.18	98.05	87.42	866.85
2022-23	93.15	97.90	90.58	1038.70
2023-24	82.58	96.63	89.53	979.23
2024-25 (Till 19.07.2024)	85.40	94.72	87.62	803.00

Source: Petroleum Planning & Analysis Cell (PPAC)

* W.e.f. 21st 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. 5th October, 2023, the targeted subsidy increased to Rs. 300 per 14.2 Kg LPG cylinder for all Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries.

Annexure-II

Annexure referred to in reply to Rajya Sabha Unstarred Question No. 776 asked by Dr. Sasmit Patra to be answered on 29.07.2024 regarding “Increase in fuel prices in the country”.

Contribution of petroleum sector to exchequer

(Rs. in Crore)

F.Y.	Contribution to Central Exchequer	Contribution to State Exchequer	Total Contribution of Petroleum Sector to Exchequer
2019-20	3,34,315	2,21,056	5,55,370
2020-21	4,55,069	2,17,650	6,72,719
2021-22	4,92,303	2,82,122	7,74,425
2022-23	4,28,067	3,20,651	7,48,718
2023-24 (P)	4,32,394	3,18,762	7,51,156

The above is based on data provided to Petroleum Planning and Analysis Cell (PPAC) by 15 major oil & gas companies. The amount reported by the companies to PPAC is the consolidated amount of all taxes/cess/ duties /GST etc. for crude oil and petroleum products.

Figures may vary slightly due to round off.

(P) – Provisional