

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1252
ANSWERED ON:02.03.2006
OIL PRICES IN WORLD MARKET
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

the current trend in oil prices in world market and its likely impact on the oil prices in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

Since the end of 2003, there has been an unprecedented, sharp and spiraling increase in international oil prices combined with considerable week-to-week and even day-to-day volatility. The current trend in international prices is at Annex. Government, therefore, froze the prices of PDS kerosene and began modulating the prices of petrol and diesel also, in addition to that of domestic LPG. Consequently, the full impact of the international price increase has not been passed on to consumers of these sensitive products. The price revisions effected by the Government were on account of the steep increase in international prices coupled with periodical changes in tax structure based on the Government policy. The Government pricing policy has attempted to strike the right balance between the interests of the stake-holders, namely, the consumers, Oil Marketing Companies and the Government.

ANNEX

Trend in the international oil prices

	Crude oil (Indian Basket) \$/bbl	Petrol \$/bbl	Diesel \$/bbl	Kerosene \$/bbl	LPG \$/bbl
March 2002	23.31	26.43	23.27	23.65	194.00
2002-03	26.66	30.15	28.93	29.33	280.40
2003-04	27.96	35.03	30.48	31.19	278.45
2004-05	39.22	49.01	46.91	49.50	368.52
Feb`05	42.58	53.70	50.09	52.24	369.20
Mar`05	49.27	58.72	59.83	63.74	380.00
Apr`05	49.43	60.23	61.36	69.00	416.80
May`05	47.02	53.37	56.45	61.09	421.80
June`05	52.72	58.38	65.61	66.98	394.80
July`05	55.01	63.43	66.89	67.75	399.80
Aug`05	60.03	72.52	68.09	73.42	403.60
Sept`05	59.74	78.93	71.78	75.70	438.2
Oct`05	56.28	67.91	67.97	71.33	517.0
Nov`05	53.31	59.48	57.69	60.91	547.0
Dec`05	55.05	59.90	60.23	66.99	536.00
Jan`06	60.61	65.42	64.95	72.85	581.00
Feb`06 (upto 23rd)	59.01	63.88	62.87	72.40	625.00
Average (Apr`05 to 23rd Feb`06)	55.29	63.90	63.99	68.95	480.09

Increase in 137.2% 141.8% 174.9% 191.5% 147.5%
international
prices in
April`05
to 23rd
Feb`06

Increase in - 63.8% 83.54% 0.78% 22.58%
current retail
price over Mar`02
(Delhi retail
prices considered)

The current composition of Indian Basket of Crude represents Average of Oman & Dubai for sour grades and Brent (Dated) for sweet grade in the ratio of 58:42.