

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

UNSTARRED QUESTION NO:4247
ANSWERED ON:26.08.2004
SUBSIDY ON PETROLEUM, DIESEL AND NATURAL GAS
Singh Shri Mohan

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

- (a) the subsidy being given by the Government on petroleum, diesel, kerosene and natural gas alongwith the amount spent on it;
- (b) the subsidy being given on per litre kerosene/per LPG cylinder and whether the Government propose to reduce this subsidy;
- (c) whether the withdrawal of subsidy on petroleum products would affect the trade of these products; and
- (d) if so, the extent to which it is likely to be affected ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): As per Government policy, PDS Kerosene and domestic LPG are subsidized products, with the subsidy to be phased out over a period of five years effective 1.4.2002. During 2004-05, the Government subsidy on PDS Kerosene and domestic LPG is at present Rs.1.47 per litre and Rs.40.65 per cylinder respectively. In addition, the Oil PSUs are sharing the burden of subsidizing these products. The effect of withdrawal of subsidy on the demand of these products would be known after the subsidy is phased out.