

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

STARRED QUESTION NO:55

ANSWERED ON:01.03.2007

REDUCTION IN RETAIL PRICES OF PETROLEUM PRODUCTS

Scindia Shri Jyotiraditya Madhavrao;Singh Shri Mohan

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

- (a) whether there has been decline in prices of crude oil in the international market;
- (b) if so, the quantum of decrease in the prices as compared to the first half of the year 2006;
- (c) whether the Government proposes to further reduce the retail prices of petroleum products in view of the decline in prices in the international market ; and
- (d) if so, the details thereof?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No.55 by Shri Jyotiraditya M. Scindia and Shri Mohan Singh to be answered on 1st March, 2007 regarding reduction in retail prices of petroleum products.

(a)&(b): Yes, Sir. The average price of the Indian Basket, based on international crude oil prices, was \$64.57/bbl during January-July 2006 and \$61.44/bbl during August-December 2006. Thus, crude oil price has declined by \$3.13/bbl (4.85%).

(c)&(d): On the basis of decline in international prices, the prices of petrol and diesel were reduced on 30.11.2006. It was again reduced on 16.2.2007. The reduction was Rs. 2/- per litre and Re. 1/- per litre for petrol and diesel respectively on each occasion (Delhi Price). It may be noted that the prices of domestic LPG were last revised on 5/11/04. However, the basic price of PDS Kerosene has not been changed since 1/4/2002. The international oil prices continue to fluctuate. The Government is keeping a close watch on the volatile prices.