

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

UNSTARRED QUESTION NO:262
ANSWERED ON:02.12.2004
RISE IN PRICE OF CRUDE OIL
Singh Shri Prabhunath

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

- (a) whether there has been further rise in the prices of crude oil recently;
- (b) if so, the extent of rise in the oil prices stating the percentage of price rise during the last one year or so;
- (c) the extent of rise in the oil import prices as a consequence of its rising cost during the past one year or so;
- (d) its overall impact on the Indian economy;
- (e) whether any changes are contemplated by the Government in its energy strategy to reduce to level of oil dependency; and
- (f) if so, the details thereof ?

Answer

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

(a) & (b) : The international oil prices have been quite high during 2004-05 so far. The average price of Indian Basket of crude oil during April – November, 2004 was about 35% higher than the 2003-04 average prices.

(c) & (d) : The estimated value of net oil imports during April – September, 2004 was Rs. 54,851 crores as against Rs. 34,794 crores during April – September, 2003. With a view to containing the impact of high international prices on domestic consumer prices of petrol, diesel, PDS kerosene and domestic LPG, Government has reduced excise duties and customs duties on these products. Also, the oil PSUs shared the burden by not passing the full increase in international price on to the domestic consumer prices of these products.

(e) & (f) : Efforts made to reduce the level of oil dependency include inter alia finding new sources of oil or gas as well as improving or enhancing recovery from existing wells; tapping alternative sources of energy such as Coal Bed Methane, underground coal gassification (UCG) and gas hydrates; programmes for part substitution of fossil fuels by bio-fuels like ethanol and bio-diesel, etc.