

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

UNSTARRED QUESTION NO:2714

ANSWERED ON:16.12.2004

PRICE RISE OF CRUDE OIL IN INTERNATIONAL MARKET

Jogi Shri Ajit;Paswan Shri Sukdeo;Saradgi Shri Iqbal Ahmed;Singh Baba Saheb Chandra Pratap;Singh Shri Ganesh Prasad;Yadav Shri Ram Kripal

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

- (a) whether the Cabinet Committee on prices has considered the issue of spiralling world crude oil price;
- (b) whether high increase in crude oil prices in international market is the result of artificial scarcity;
- (c) whether extra burden on import of Crude Oil, would affect our growth; and
- (d) if so, the action taken to deal with this situation?

**Answer**

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

- (a) No, Sir. It is the Cabinet Committee on Economic Affairs that is seized of the issue.
- (b) The causes of high international crude oil prices during the past few months include speculation, geo-political tension, growth in demand apprehensions of inadequate spare capacity, mismatch between supply and demand of sweet crude oil, Hurricane Ivan, etc.
- (c) & (d): During the period April-September, 2004, our crude oil import bill has been Rs 61,177 crore as compared to Rs 38,665 crore during the corresponding period of the previous year. However, ample foreign exchange reserves and appropriate procurement arrangements have ensured that our crude requirements are being fully met.