

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

UNSTARRED QUESTION NO:792

ANSWERED ON:09.07.2009

DE- CONTROLLING PRICES OF PETROLEUM PRODUCTS

Sukur Shri Jadhav Baliram

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

(a) whether the Government proposes to de-control the administered prices of petroleum products and encourage private sector to enter the retails business of these products at market driven prices;

(b) if so, the details thereof;

(c) whether the Government is considering any alternative proposal for benefitting poor and middle income families against subsidy on petroleum products; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): The Government abolished the Administered Pricing Mechanism (APM) with effect from 1st April 2002, and decided that pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. In order to provide PDS Kerosene and Domestic LPG at affordable prices, the Government formulated subsidy schemes, which are in operation since April 2002.

To protect the consumer and the economy from the volatility and uncertainty of the international oil prices, Government is, however, modulating the retail selling prices of the four sensitive petroleum products; namely Petrol, Diesel, Domestic LPG and PDS Kerosene. Private oil companies are free to take their pricing decisions on commercial considerations.

(c) & (d): At present, there is no further proposal under consideration of the Government.