

**LOK SABHA**  
**STARRED QUESTION NO. 18**  
**TO BE ANSWERED ON 4<sup>TH</sup> FEBRUARY, 2019**

**Crude Oil Prices**

**\*18. SHRI ASADUDDIN OWAISI:**

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether there was a sharp rise in crude oil prices during the month of October last year;
- (b) if so, the details thereof and the extent to which this rise was due to low production of OPEC;
- (c) whether after intervention of the US President, some of the OPEC countries and Russia revamped the crude oil production bringing the petrol and diesel prices down and if so, the details thereof;
- (d) whether OPEC are planning to cut crude oil production which is likely to increase the prices of petrol and diesel in the coming month; and
- (e) if so, the details thereof along with the steps taken/ being taken by the Government to arrest the increasing trend of petrol and diesel prices in the country?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

- (a) to (e) A statement is laid on the Table of the House.

**Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 18 asked by Shri Asaduddin Owaisi to be answered on 4<sup>th</sup> February, 2019 regarding “Crude Oil Prices”.**

- (a) & (b) The average price of Indian Basket of crude oil for the month of October, 2018 was \$ 80.08/bbl.

The crude oil price fluctuation is a frequent market phenomenon. Further, the crude oil production and price depends on several factors including demand and supply, geo-political situation and policies of crude oil producing countries.

- (c) to (e) In a recent development, OPEC member countries, indicated their continued focus on fundamentals for a stable and balanced oil market, in the interests of producers, consumers, and health and sustainability of the petroleum industry.

Government has highlighted the issue of high crude oil prices with OPEC and OPEC member countries. Indian refiners import crude oil from diverse sources depending on their technical and commercial considerations and keeping in view the domestic requirement. Government has also taken steps to enhance domestic oil and gas production and to reduce reliance on imports.

With an aim to reduce the prices of petrol and diesel and give relief to the consumers, the Central Government reduced the Central Excise duty on petrol and diesel by ₹ 2 per litre with effect from 4<sup>th</sup> October, 2017. The Central Government further reduced the Central Excise duty on petrol and diesel by ₹ 1.50 per litre with effect from 5<sup>th</sup> October, 2018 and Public Sector OMCs also reduced ₹ 1.00 per litre to reduce the overall price of petrol and diesel. The Central Government also requested the State Governments to make a reduction of ₹ 2.50 per litre in VAT imposed by them on petrol and diesel. Accordingly, 18 State Governments and 1 Union Territory have reduced VAT on petrol and diesel.

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