

Government steps to ensure energy security

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Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

Domestically, Petrol and Diesel prices have come down to Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) as a result of various steps taken by Government and PSU OMCs, Central Excise duty was reduced by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each.

India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years. Changes in prices of petrol and diesel in some major economies between November 2021 and January 2025 are as under:

	% age Change in Prices between Nov-21 and Jan-25	
Country	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
France	14.21%	15.08%
Germany	7.87%	12.43%
Italy	8.65%	11.39%
Spain	8.67%	12.93%
UK	0.08%	2.61%
Canada	10.52%	23.05%
USA	4.83%	12.86%

Changes in prices of petrol and diesel in some neighboring economies between November 2021 and January 2025

	% age Change in Prices between Nov-21 and Jan-25	
Country	Petrol	Diesel
India (Delhi)	-13.60%	-10.92%
Pakistan	29.76%	34.97%
Bangladesh	13.94%	30.82%
Sri Lanka	53.98%	101.59%
Nepal	22.02%	31.32%

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 63% (from US\$ 385/MT in July 2023 to US\$ 629/MT in February 2025), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 44% (from Rs. 903 in August 2023 to Rs. 503 in February 2025).

The retail selling price of a 14.2 Kg domestic LPG cylinder is currently Rs. 803 in Delhi. After a targeted

subsidy of Rs. 300/cylinder to PMUY consumers, Government of India is providing 14.2 Kg LPG cylinders at an effective price of Rs.503 per cylinder (in Delhi). This is available to more than 10.33 crore Ujjwala beneficiaries, across the country.

Globally, PMUY is the biggest program of its kind that provides Domestic LPG to more than 100 million poor households at an effective price of just about Rs. 35/Kg. Further, the effective price of domestic LPG cylinder in neighbouring countries as on 01.01.2025 is as below.

Country	Domestic LPG (Rs./14.2 kg.cyl.)
India	503.00*
Pakistan	1094.83
Sri Lanka	1231.53
Nepal	1206.65

Government of India is closely monitoring global energy markets as well as potential energy supply disruptions as a fall-out of the evolving geopolitical situation. To ensure security of crude supplies and to mitigate the risk of dependence on crude oil from single region, Public Sector Undertakings (PSUs) have diversified their petroleum import basket and are procuring crude from countries located at various geographical locations.

Government has adopted a multi-pronged strategy to reduce the dependency on crude oil which, inter alia, include demand substitution by promoting usage of natural gas as fuel/feedstock across the country towards increasing the share of natural gas in economy and moving towards gas based economy, promotion of renewable and alternate fuels like ethanol, second generation ethanol, compressed bio gas and biodiesel, refinery process improvements, promoting energy efficiency and conservation, efforts for increasing production of oil and natural gas through various policies initiatives, etc. For promoting the use of Compressed Bio Gas (CBG) as automotive fuel, Sustainable Alternative Towards Affordable Transportation (SATAT) initiative has also been launched.

The government has been taking various steps to boost domestic oil and gas production which, inter-alia, include:

- i. Policy under PSC regime for early monetization of hydrocarbon discoveries, 2014.
- ii. Discovered Small Field Policy, 2015.
- iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016.
- iv. Policy for Extension of PSCs, 2016 and 2017.
- v. Policy for early monetization of Coal Bed Methane, 2017.
- vi. Setting up of National Data Repository, 2017.
- vii. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017.
- viii. Policy framework for extension of PSCs for Discovered Fields and Exploration Blocks under Pre-New Exploration Licensing Policy (Pre-NELP), 2016 and 2017.
- ix. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
 - x. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs), Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
- xi. Natural Gas Marketing Reforms, 2020.
 - xii. Lower Royalty Rates, Zero Revenue Share (till Windfall Gain) and no drilling commitment in Phase-I in OALP Blocks under Category II and III basins to attract bidders.

xiii. Release of about 1 million Sq. Km. (SKM) 'No-Go' area in offshore which were blocked for exploration for decades.

xiv. Government is also spending about Rs.7500 Cr. for acquisition of seismic data in onland and offshore areas and drilling of stratigraphic wells to make quality data of Indian Sedimentary Basins available to bidders. Government has approved acquisition of additional 2D Seismic data of 20,000 LKM in onland and 30,000 LKM in offshore beyond Exclusive Economic Zone (EEZ) of India.

This information was given by THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS SHRI SURESH GOPI, in a written reply in Rajya Sabha today.

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