

Petrol, diesel prices fall for tenth day as crude oil continues to see-saw

ENS ECONOMIC BUREAU
@ New Delhi

AFTER sixteen days of continuous hikes in petrol and diesel prices led to widespread anger among commuters, prices of the fuels have started trending downwards, with cuts coming daily over the last ten days. On Friday, petrol prices were slashed by 21 paise per litre and diesel prices by 15 paise per litre.

As per Friday's rate chart published by Indian Oil Corporation, petrol retailed in Delhi at ₹77.63, Mumbai at ₹85.45, Kolkata at ₹80.28 and in Chennai at ₹80.59, while the diesel price in Delhi was ₹68.73, ₹73.17 in Mumbai, ₹71.28 in Kolkata and ₹72.56 in Chennai.

Despite the prices going down for the tenth consecutive day, petrol has gotten cheaper by only a rupee in Delhi during this period, while diesel has become cheaper only by 82 paise. The declining trend in fuel prices started on May 30th with a one paise cut.

Data released by IOC shows that retail fuel prices are still substantially higher compared to

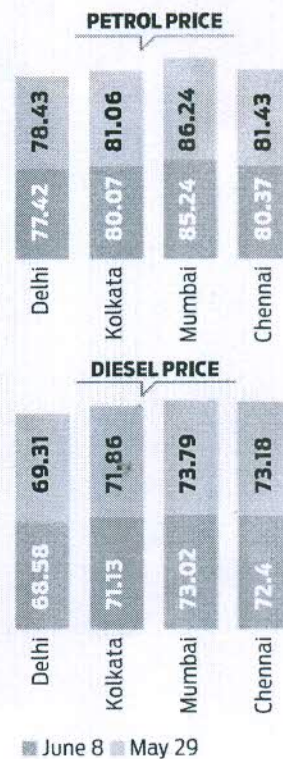
prices at the start of the year. For example, in Delhi, petrol and diesel prices have gone up by ₹7.45 per litre and ₹8.94 per litre respectively so far this year.

The central government has consistently laid the blame for rising fuel costs on international reasons such as the production cut deal by OPEC nations and other geopolitical conditions.

Brent crude oil, which forms a major portion of the Indian crude oil basket, was selling at close to \$77.50 per barrel on Friday.

Friday's cut in retail prices comes a day after Oil minister Dharmendra Pradhan's assurance that the government is keen on bringing petroleum products under the GST purview, which will help in checking volatility in fuel prices. Pradhan had also said that the government will not let the fuel prices go beyond the reach of common people.

Industry body Assocham also noted on Friday that reducing taxes is the best solution to check the spurt in fuel prices, pointing out that such a move would also help India on the exports front.



Cut in oil duties best solution to check fuel price rise: India Inc

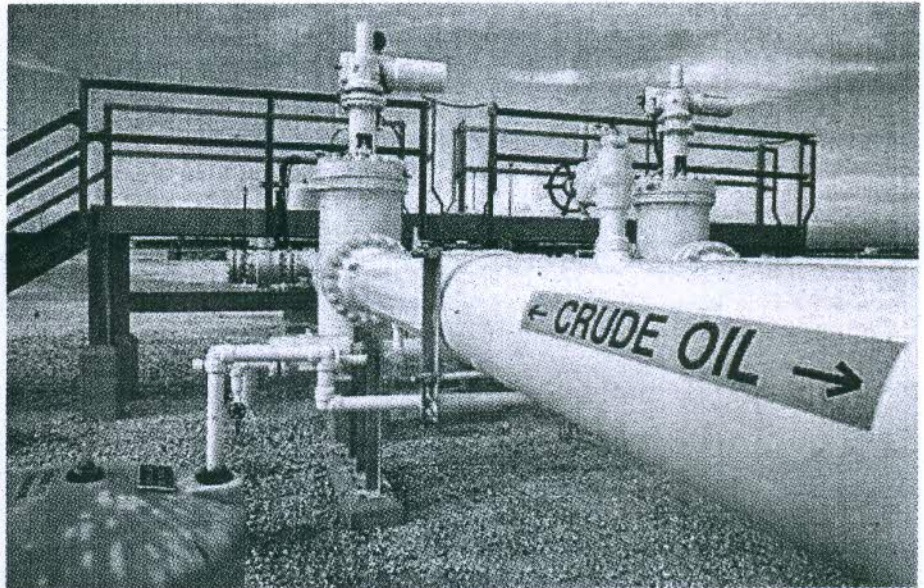
LUCKNOW: Reducing taxes is the best solution to check the spurt in fuel prices which would also tremendously help India on the exports front, industry body Assocham said on Friday. It will make India's exports competitive, bring down current account deficit and we may also no longer see the rupee depreciating, Assocham Secretary General D S Rawat said in a statement released here.

The chamber further suggested to the Centre to bring oil products within the ambit of the Goods and Services Tax (GST) so that India's fuel prices match international rates. The prices then do not have to be administered by the government and people would treat oil as just another commodity which depends on international prices, Rawat added.

Higher oil prices significantly impact not just India's economy but household budgets as well as it leads to increase in cost of transportation and therefore impacts a lot of other products in the inflation basket, he said.

Highlighting the maths behind the process of determining fuel prices in India, the paper noted that one litre of imported crude oil costs over Rs 26, which is then procured by oil marketing companies which add entry tax, refinery processing, landing cost, and margins and sell it to the dealers at a cost of over Rs 30 per litre.

Thereafter, over Rs 19 per litre is added to the cost on account of excise duty levied by the Centre. Add to this the dealer commission of over Rs 3



'This will ensure that India's exports are competitive, bring down the current account deficit and we may also no longer see the rupee depreciating', Assocham Secretary General D S Rawat said in a statement

and the value added tax (VAT) charged by the state government on fuel and dealer commission and you get selling price of petrol, the statement said.

Therefore, from about Rs 30 that it costs to dealers, price of a litre of petrol goes up to over Rs 77 for consumers, thereby clocking an increase of over 130 per cent on account of state and central taxes, Rawat said in the note.

While the excise duty was Rs 9 per litre in 2013 when global crude oil price was USD 110 per barrel, today it is Rs 19 in case of petrol and Rs 15 for diesel, he said.

While both the central and state governments have enormously benefitted from taxes on auto fuel, it may be noted that the Centre garnered major share of taxes on petrol and diesel by virtue of increase in rates on nine occasions between

November 2014 and January 2016, Rawat said.

As per recent reports, the Centre earned over Rs 660 crore as revenue from excise on oil per day and the states got over Rs 450 crore per day from auto fuel. The Centre had earned a whopping Rs 2.4 lakh crore while the states earned Rs 1.6 lakh crore as excise duty from the petroleum sector in FY17 and the figure is set to increase further this fiscal, he said.

Noting that higher crude prices adversely affect twin deficits -- fiscal and current account deficits of the economy, which will have major impact on monetary policy, consumption and investment behaviour in the economy, Assocham said reduction in oil duties will be of big advantage to the country's exports.

AGENCIES

Reduction in oil duties best solution to check fuel price rise: ASSOCHAM

LUCKNOW, June 1 (PTI)

REPUBLICANS have to check solution to check the system in fuel prices which would also investment-led job creation on the exports front, industry body ASSOCHAM said on Friday.

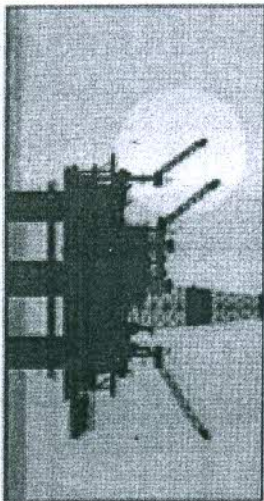
It will make India's exports competitive, bringing down current account deficit and we may also no longer see the rupee depreciating, ASSOCHAM Secretary General D'Sa said in a statement released here.

The chamber further suggested that the Centre should open up more within the ambit of the Central Services Tax (CST) so that India's fuel prices reach international rates.

The prices then to not have to be deflated by the Government and people would bear it as fast as their economy which depends on international prices, D'Sa added.

Higher oil prices significantly impact not just India's economy but also other countries as well as it leads to increase in cost of transportation and therefore impacts other goods, he said.

Highlighting the multi-bet behind the process of determining fuel prices in India, the paper noted that over a litre of imported crude oil cost over Rs 26, which when procured by oil marketing companies which add their own operating, handling, cost, and



margin and sell it to the dealers at a cost of over Rs 30 per litre. Thereafter, over the 19 per cent is added to the cost on account of excise duty levied by the Centre. Add to this the dealer commission of over Rs 3 and the value

of petrol goes up to over Rs 77 for consumers, thereby checking an increase of over 130 per cent on account of state and excise taxes, D'Sa said in the case. While the excise duty was Rs 9 per litre in 2013, it has gone up to Rs 19 in case of petrol and Rs 13 for diesel, he said.

While both the Central and state governments have not only benefited from taxes on crude oil, it may be noted that the Centre gathered major share of tax revenue from the oil and gas sector, he said. The Centre had earned a whopping Rs 2.4 lakh crore while the states got over Rs 52 crore per day from auto fuel.

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शुल्क कटौती सस्ते तेल का मुफीद उपाय : एसोचैम

लखनऊ। तेल की कीमत में बढ़ोतरी रोकने का सबसे बेहतरीन उपाय करो में कटौती है, जिससे भारत को निर्यात के मोर्चे पर भी शानदार मदद मिलेगी। उद्योग संगठन एसोचैम ने शुक्रवार को यह बात कही। एसोचैम के महासचिव डीएस रावत ने यहां जारी बयान में बताया कि इससे भारत का निर्यात प्रतिस्पर्धी बनेगा, चालू खाता घाटा नीचे आएगा। एजेंसी

टैक्स में कटौती से घटाए जाएं तेल के दाम

▶ जीएसटी के दायरे में लाए जाएं पेट्रोल व डीजल ▶ उद्योग मंडल एसोचैम ने दिया सरकार को सुझाव

■ नई दिल्ली (भाषा)।

पेट्रोल और डीजल के दाम आसमान छूने के बीच उद्योग मंडल एसोचैम का कहना है कि इस समस्या से निपटने के लिए तेल पर लागू करों में कटौती करना ही सबसे अच्छा उपाय है। इस पहल के जरिए आम आदमी को राहत दी जा सकती है।

एसोचैम के राष्ट्रीय महासचिव डीएस रावत ने शुक्रवार को यहां जारी एक बयान

में कहा कि देश में तेल के दामों में हालिया समय में बेतहाशा बढ़ोतरी हुई है। इससे आम जनता को खासी दिक्कतों का सामना करना पड़ रहा है। हालात को संभालने के लिए पेट्रोल और डीजल पर लागू करों में कटौती करना सर्वश्रेष्ठ उपाय है।

रावत ने जोर देकर कहा कि इसके अलावा पेट्रोल और डीजल को जीएसटी के तहत



लाया जाना चाहिए। उन्होंने कहा कि करों में कटौती करने से हमारा निर्यात भी अधिक प्रतिस्पर्धी बनेगा, चालू खाते का घाटा भी कम होगा। साथ ही इससे देश की

करेंसी की गिरावट को भी संभालने में मदद मिलेगी।

रावत ने भारत में तेल के दाम तय किए जाने का गणित का खुलासा करते हुए बताया कि एक लीटर कच्चा तेल आयात करने की कुल लागत करीब 26 रुपए होती है। उस कच्चे तेल को पेट्रोलियम कंपनियां खरीदती हैं। वे उसमें प्रवेश कर, शोधन का खर्च, माल उतारने की लागत और मुनाफा जोड़कर उसे

डीलर को 30 रुपए प्रति लीटर के हिसाब से बेचती हैं।

उन्होंने बताया कि उसके बाद तेल पर केन्द्र सरकार 19 रुपए प्रति लीटर के हिसाब से उत्पाद कर वसूलती है। उसके बाद इसमें तीन रुपये प्रति लीटर के हिसाब से डीलर का कमीशन जुड़ता है और फिर संबंधित राज्य सरकार उस पर वैट लगाती है। उसके बाद ढाई गुना से ज्यादा कीमत के साथ तेल ग्राहक तक पहुंचता है।

