

SHOULD DIESEL PRICES BE INCREASED

The increase in prices will impact prices of food and other essential commodities, but it is important the oil marketing companies are to progress so that the country can meet its ever-growing energy needs

DEBATE

The United government has become intransigent towards deregulating petrol and transport corridors in the country and the people will feel it a failure when the next general elections come around.

The country is facing huge losses in account of the price of which 30 spectrum was sold to private operators and three questionable contracts for the Commonwealth Games, but the government seems to be more concerned about in-transit prices of petrol and other commodities. After the government decided to raise the price of petrol by 10a litre, the price of diesel is certain to be increased any moment.

There have been several multi-measures since the United Progressive Alliance government came to power. The recent price rise would also have a cascading effect on the common people because increasing the prices of petrol and diesel would impact the prices of food and other essential commodities. In the past six months, the price of petrol has gone up by 70.41.

Interestingly, a substantial part of the losses imposed by the government on petrol and diesel goes to the government. Unsubsidised because why the United coalition governments can't even bear share of taxes on these products. The Left parties have been raising these issues, both inside and outside Parliament, and we will continue to urge the government on this question.

If anyone comments on it

country pay for minerals? Latest reports show that 70 per cent of the people earn barely \$50 or less per day. How will they buy food items if prices continue to rise? Poverty is a big problem in India and half the population eat less than half a dollar a day. To make things worse for them, the governments are even considering raising minimum wages. I want to know how people will buy vegetables and other essential food items with the same income. The government must explain this.

On the issue of oil price decontrol, ever since the United government gave oil companies the autonomy to determine product prices, the price of petrol and diesel have only increased. I don't remember a day when the oil companies actually reduced the prices of petrol and diesel. It means the autonomy was given only to the oil companies to raise prices and not for the people. The government is not clear about what it is trying to do by creating these prices.

Oil problems might argue that the price rise is a function of oil demand and supply. But it is obvious that the government has not made any attempt at diversifying the production of oil and natural gas in the country to address the



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The government has not made any sincere attempt at accelerating the exploration of oil and natural gas in the country to augment domestic supply to control the price rise

struggle with our Shashikant Singh and Krishna Kumar to find new reserves of oil and natural gas within the country to address the

issue. I want to know how the government is using these national assets for the welfare of the common people. The government has to come out with clear lines and long-term perspectives for energy security.

Earlier the government was talking about free Petroleum India (PI) pipeline and now it has suddenly started discussing a Petroleum India (PI) gas pipeline. If the PI pipeline is not feasible how can the government even consider PIPI status? The government does not consider discussing these issues either inside or outside Parliament.

The government has to be realistic that not people can afford to pay higher prices for petrol. I want to know when will the government be taking to improve the public transport system in different cities. Will the government increase bus services in any way? The only process of increasing petrol and diesel prices creates a cycle of profiteering.

It has become the tradition of this government to generate revenues by increasing prices of petrol and diesel. The government should generate revenue by imposing and to respect consumers but it should not be done at the cost of the

It is a commonly accepted that regulation is beneficial and the only prudent approach to a market as complex as it is post-hoc than quality that benefits the underprivileged. But some regulations or other methods of underwriting to discourage it in the business. And most, the realities of the market are impacting on even the best of good intentions. Diesel fueling has been seen as a sensitive fuel along with kerosene and LPG. It was thought that kerosene and LPG impacted the poor and the price of diesel was linked to inflation. It is correct that diesel prices have an implication for the economy with the "trickle down" effect on the freight and goods sector.

The flip side is that over a period of time with the cost of diesel kept artificially low in comparison to alternative passenger transport modes to get "cheaper". The only harm to look at the number of diesel passenger cars and sports cars in vehicles (SUV) being sold, especially in the luxury car segment. The question is why is subsidising an SUV "cheaper" than the relatively low cost economy car-whether you are paying the free market price which means subsidised by



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The deregulation of diesel has the potential to unlock the value of the oil firms. Today subsidies affect both oil marketing companies and upstream companies

oil infrastructure policy under which the transportation of people and goods should not depend on roads alone. The pr-

ed in big ticket mass portable systems that a people off the public diesel-based transport.

The central government already subsidised a massive volume of transport of various types. The state government chooses to keep the oil at high levels in its economies during periods. This opens, private companies should not suffer despite making a lot of investment in it more that has meant a sales to public sector. It being government, which has resulted in an oil deficit. Government subsidies seem to be the big price-rise, especially network, from the diesel sector.

Deregulating diesel prices is to unlock the oil companies. It will make affect both oil companies and upstream prices. Subsidies being spent by the government could actually go into infrastructure. Today we have different examples of cost that have been incurred by states who are even not a problem. (The central government is the cost