

FUEL SHOCKS

Amid the recent spurts in petrol and diesel prices, it is pertinent to take a closer look at issues such as crude import prices, Central duties and State taxes. **By Ramesh Chakrapani**

Repeated spikes in petrol and diesel prices have been dominating the headlines in recent weeks, bringing into sharp focus issues such as crude import prices and State and Central levies on oil products.

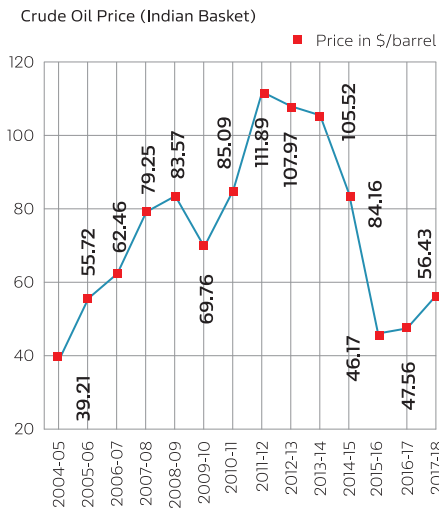
Data from the Petroleum Planning and Analysis Cell, attached to the Ministry of Petroleum and Natural Gas,

show that the average monthly Indian crude basket price rose from \$69.22 a barrel in April to \$75.25 in May, fell a couple of dollars in the following two months and touched \$72.53 in August.

The Indian basket of crude is an average of Oman and Dubai for sour grades and Brent (dated) for sweet grade.

A look at the historical average prices of the Indian crude basket over the past 14 years shows that the price has been on a roller coaster. It rose from \$39.21 in 2004-05 to \$83.57 in 2008-09, and then fell to \$69.76 the next year. After hitting a peak of \$111.89 in 2011-12, it plummeted to \$46.17 in 2015-16. For 2017-18, the average price was \$56.43. Maharashtra levied the highest sales tax on petrol as on September 1, followed by Madhya Pradesh, Andhra Pradesh, Punjab and Telangana.

Historical prices of Indian crude basket (average)*



*Indian basket of crude is an average of Oman and Dubai for sour grades and Brent (dated) for sweet grade. Source: Petroleum Planning & Analysis Cell

Tariffs on oil products (Customs duties)

Product	BCD (in %)	CVD (in ₹)	ACD (in ₹)
Crude Petroleum	NIL + ₹50/MT as NCCD	Nil	-
Petrol	2.50	4.48/ltr. + 7.00/ ltr SAD	8.00/ltr.
Petrol (branded)	2.50	5.66/ltr. + 7.00/ ltr SAD	8.00/ltr.
High speed diesel HSD	2.50	6.33/ltr + 1.00/ ltr	8.00/ltr.
HSD (branded)	2.50	8.69/ltr+ 1.00/ ltr	8.00/ltr.
Aviation turbine fuel	Nil	14%	-
Liquefied natural gas	2.50%	Nil	-

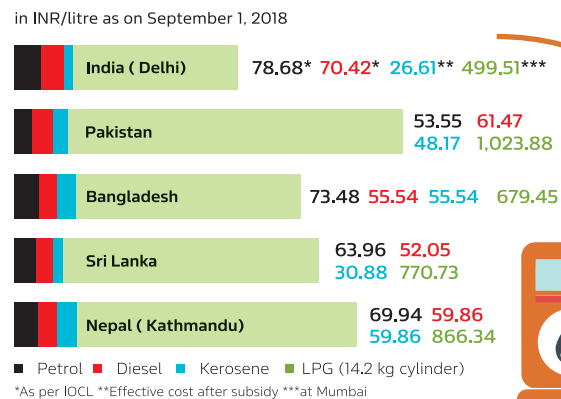
Tariffs on oil products (Excise duties)

BED (in ₹)	Special AED (in ₹)	AED (in ₹)
Nil+ Cess @ 20%	-	-
4.48/ltr	7.00/ltr	8.00/ltr
5.66/lt	7.00/ltr	8.00/ltr
6.33/ltr	1.00/ltr	8.00/ltr
8.69/ltr	1.00/ltr	Rs.8.00/ltr
14%	-	-
Nil	-	-

Average Indian crude basket prices*

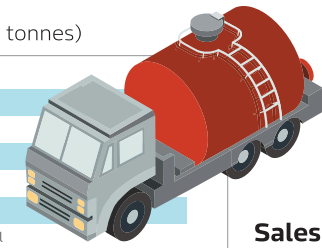
Month	Price in \$/barrel
April	69.22
May	75.25
June	73.83
July	73.47
August	72.53

Retail selling prices in India's neighbourhood

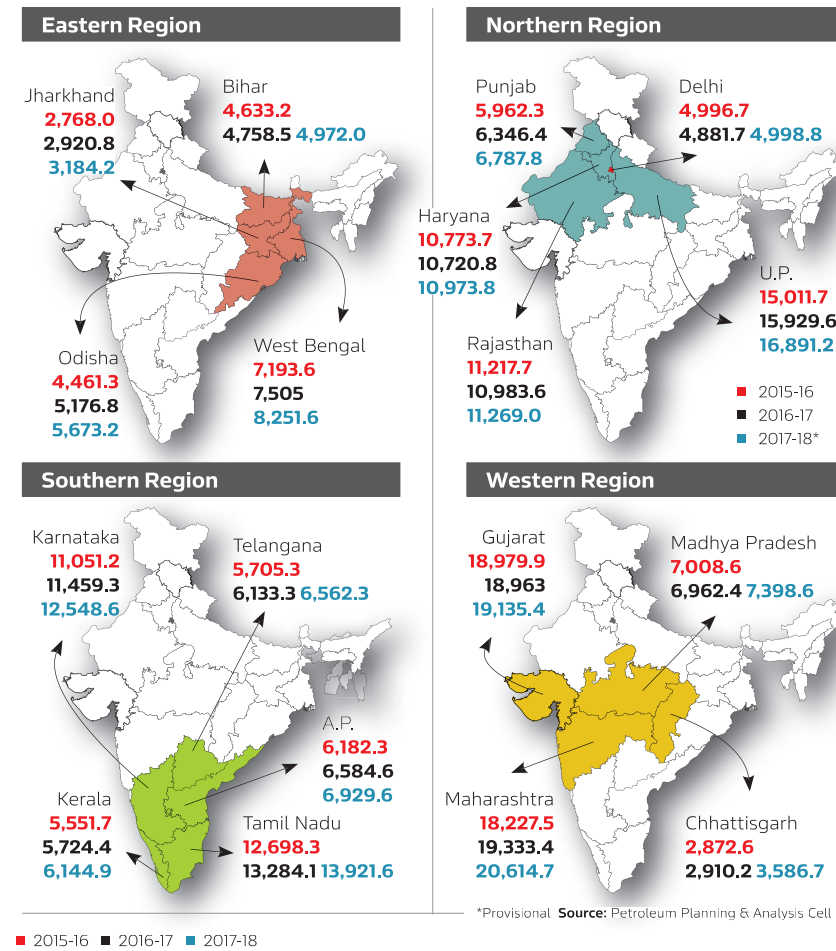


Consumption of all oil products by region (thousand tonnes)

Region	2014-15	2015-16	2016-17	2017-18*
Northern region	49,200.2	52,812.6	53,702.4	55,895.2
Western region	44,754.1	48,410.4	49,606.6	52,151.4
Southern region	38,738.3	41,724.5	43,742.0	46,675.6
Eastern region	17,280.6	19,235.7	20,547.1	22,282.7
All India	1,53,163.0	1,65,653.3	1,71,225.4	1,81,070.6



Top consumers of all oil products (thousand tonnes)



*Provisional Source: Petroleum Planning & Analysis Cell

Sales taxes on petrol Top States

State	as on September 1, 2018 (in %)
Maharashtra (Mumbai, Thane & Navi Mumbai)	39.12
Rest of Maharashtra	38.11
Madhya Pradesh	35.78
Andhra Pradesh	35.77
Punjab	35.12
Telangana	33.31
Tamil Nadu	32.16
Assam	30.90
Rajasthan	30.80
Karnataka	30.28
Kerala	30.37

Sales taxes on diesel Top States

State	as on September 1, 2018 (in %)
Andhra Pradesh	28.08
Telangana	26.01
Chhattisgarh	25.74
Gujarat	25.55
Odisha	25.04
Maharashtra (Mumbai, Thane & Navi Mumbai)	24.78
Rajasthan	24.09
Tamil Nadu	24.08
Kerala	23.81
Madhya Pradesh	23.22

Retail selling price of petrol in main metros

Date	Delhi	Mumbai	Chennai	Kolkata
Sep 16, 2017	70.48	79.59	73.06	73.22
Oct 16, 2017	68.29	75.41	70.76	71.07
Nov 16, 2017	69.65	76.75	72.19	72.40
Dec 16, 2017	69.13	76.88	71.64	71.89
Jan 16, 2018	71.27	79.15	73.89	74.00
Feb 16, 2018	72.52	80.39	75.21	75.22
Mar 16, 2018	72.37	80.24	75.05	75.10
Apr 16, 2018	74.02	81.87	76.79	76.73
May 16, 2018	75.10	82.94	77.93	77.79
Jun 16, 2018	76.35	84.18	79.24	79.02
Jul 16, 2018	76.84	84.22	79.76	79.51
Aug 16, 2018	77.20	84.63	80.19	80.14
Sep 16, 2018	81.91	89.29	85.15	83.76

