

Statement of ShriRandeep Singh Surjewala, In-charge, Communications, AICC

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The BJP government at the centre claims to be a “SoojhBoojhkiSarkar”- a wise government, which takes decisions for the welfare of the public. However, last night the government in collusion with the state fuel retailers raised prices of petrol by Rs 3.31 per litre and that of diesel by Rs 2.71 per litre.

Two unprecedented petrol/diesel price hikes within 15 days have dealt a body blow to the common man and farmers, who are already reeling under high inflationary pressure. The Congress party wonders whether the 'fortunate PM' is hell-bent upon heaping misfortune of repeated price hikes to profiteer from misery of ordinary Indians. The hikes are unfathomable on all accounts- especially owing to the fact that the Government and Oil Marketing Companies will be making a windfall gain amounting to more than Rs 2,30,000 Crores even as the common man is made to pay.

The government has claimed that the sudden jump in the crude prices and the drop in the value of rupee vis- a-vis dollar had forced this step.

But this is not true at all.

The truth is that the price of Indian Crude Basket was Rs 6318.76 per barrel on May 26, 2014. (<http://pib.nic/newsite/>), which has today reduced now to a mere Rs 4141.94 per barrel (<http://pib.nic.in/newsite/>). This means that there has been a drop in the crude prices by as much as 34 per cent. When the prices reduce, the benefits should accrue to the common man, but the government reduced the prices of petrol by just 7 per cent and that of diesel by only 7.8 per cent.

Diesel was being sold at Rs 56.71 /ltr when the BJP assumed office last year. Similarly petrol was being sold at Rs 71.41 per litre when the BJP formed the government last year.

If the wise BJP government had truly implemented the UPA government's formula in fixing oil prices, the prices of petrol should have been Rs 46.80 per litre now and the diesel should have been priced at Rs 37.17 per litre. But the BJP government at present is charging Rs 66.29 per litre for petrol and Rs 52.28 for diesel. This means that even today, the middle class families are being charged Rs 19.49 per litre extra for petrol and Rs 15.11 per litre extra for diesel.

The hapless public is now left at the mercy of the government. When the prices of crude oil go down, the government very conveniently runs away with all the profits by imposing excise duty, but when the prices go up, the burden is very conveniently passed on to the public. Excise duty has been increased four times since November and cumulatively customers have been denied the benefit of Rs 7.75 per litre reduction in petrol and Rs 6.50 a litre cut in diesel rates that was warranted due to the slump. The government may fill its coffers by a drop in the international crude oil prices,

but is it not unfair to not allow the benefits of the fall in the prices to accrue to the people?

While the benefits accrued by the way of falling prices of international crude were not being transferred to the consumer, the Government has taken this opportunity to make windfall gains out of this opportunity. It increased excise duty on petrol and diesel by as much as four times since November last, in the process mopping up as much as about Rs 90,000Crores. Similarly, the Oil Marketing companies made a fortune amounting to about Rs 80,000 Cr by denying benefits to the consumer. The UPA government had abolished custom duty on petroleum products in 2011, but this government reintroduced it and is expected to garner approximately 14,000 crore over the next year, the burden of which will definitely be felt by the consumer. The excise structure of the Government is so skewed that it has led to Diesel becoming costlier than Aviation Fuel. Is this a Government for the people?

The Congress Party demands that the hike in fuel prices be rolled back with immediate effect and also, that the hike in Excise duty effected since November last as well as the customs duty on petroleum products is withdrawn.
