

PRESS RELEASE

Jan. 05, 2015

Randeep Singh Surjewala, MLA, Spokesperson, All India Congress Committee has issued the following statement to the press today:-

“Modi government’s ‘Dharma’ of profiteering at the cost of *AamAdmi* has eclipsed ‘ACCHHE DIN’. Refusal to reduce the prices of petrol and diesel by Government of India is a betrayal of 125 Crore Indians that BJP and ShriNarendraModi promised to serve. To hide its complete failure in reviving the economy, boost industrial production, bridge government’s deficit and increase growth rate; BJP government is pre-occupied with filling its empty coffers by burning a hole in the pocket of common man and farmers through sustained imposition of excise and customs duty on petro-products.

BJP, which once debunked the Congress Party for inflation and rise in fuel prices, is shamelessly refusing to pass on the benefit of historical and unprecedented reduction in International Crude Oil prices to the common men and farming community in India.

ShriNarendraModi and BJP government must answer the following 5 questions to people of India:-

- (1) Since formation of BJP government on 26th May, 2014; International Crude Oil prices have fallen from \$110.55 per barrel to \$56 per barrel today i.e. a reduction of \$54.55 per barrel or 50% of the May prices.**

As against this, petrol and diesel prices have been reduced by a pittance only as follows:-

(Prices as in Delhi)

| | Prices in May, 2014 (Rupees per Litre) | Current Prices (Rupees per Litre) | Reduction (in Rupees) | Reduction (in percentage) |
|--------|---|--------------------------------------|--------------------------|------------------------------|
| Petrol | 72/- | 61.33 | 11.33 | 15.73% |
| Diesel | 57/- | 50.51 | 06.49 | 11.38% |

Even when converted from dollar to rupee, this contrast of non-reduction of prices and shameless profiteering is even starker, as demonstrated below:-

Price of Crude Oil per barrel converted from dollar to rupee

\$110.55 per barrel X Rs. 58.63 (price of dollar on 26/05/2014) = Rs. 6481.54

\$56 per barrel X Rs. 63.38 (price of dollar today) = Rs. 3549.28

Reduction in price between May 2014 and Today = Rs. 2932.26 (i.e. 45.23%)

As against this, price of petrol and diesel decreased by only 15.73% & 11.38%.

Why are Shri Narendra Modi and BJP government betraying the farmer and the common man by refusing to pass on the benefit of historical reduction in International Crude Oil prices?

- (2) Most shocking, anti-poor and anti-farmer, is the fact that the price of Aviation Turbine Fuel (ATF) has been reduced twice, by Modi Government

(November 2nd, 2014 and January 1st 2015) from Rs. 76241 per KiloLiter (Rs. 76.24 per Liter) to Rs. 52422 per KiloLiter (Rs. 52.42 per Liter) today, i.e. a reduction of Rs. 23818.08 or 31.24%.

Irony of the matter is that aviation fuel has been reduced by Modi Government by 31.24% as against a mere reduction of 15.73% and 11.38% in prices of petrol and diesel respectively.

What is even more painful today is the fact that price of petrol paid by the common man of India is Rs. 61.33 per Liter as against price of aviation fuel, which is Rs. 52.42 per Liter.

Will the BJP and Shri Narendra Modi answer the fundamental reason of this grave injustice to the people of India, where they pay more for fuel in an ordinary scooter/motorcycle/car/tractor as compared to fuel used by airplanes?

(3) In little over 6 months, Modi Government has increased Excise Duty on petro-products three times as follows:

- a) 12th November 2014 = Rs. 1.50 per Liter on petrol and diesel.
- b) 2nd December 2014 = Rs. 2.25 per Liter on petrol
and Rs. 1 per liter on diesel.
- c) 1st January 2015 = Rs. 2 per Liter on petrol and diesel.

In addition thereto, Government has hiked Customs Duty on Crude Oil from 2.5% to 7.5 %.

Additional revenue from excise duty alone in the current year is estimated at Rs. 20,000 Crores. Added will be the revenue from increase in customs duty. Why is the Modi Government profiteering at the cost of the common man and the farming community?

- (4) Why is the Modi Government not truly reforming the oil companies by introducing transparency and proper price discovery methods in order to truly benchmark the fuel prices instead of relying upon the ‘under-recovery’ mechanism? Why is the final market price not being decided on the basis of cost of Crude Oil plus refining costs and margins of oil companies?**
- (5) Why is the Modi Government not following the true policy of decontrol of petrol and diesel? As per the current policy, benefit of decontrolled prices shall not apply when the price of these products fall with the reduction in international prices. But when the prices rise, cost shall be passed on to the consumer to pay. Why is this dichotomy being heaped upon the common man of India?**