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Petrol hits ₹100 a litre in Bengaluru; third metro after Mum, Hyd

Bengaluru on Friday became the third metro city in the country to see petrol price cross ₹100 per litre mark after fuel prices were raised yet again. Petrol price was hiked by 27 paise per litre and diesel by 28 paise, according to a price notification of fuel retailers. The hike – 26th in less than seven weeks – pushed fuel prices across the country to new historic highs.

PTI

Higher Subsidy for Electric Performance

In a welcome move, the Centre has increased the incentive for electric two-wheelers by 50% to ₹15,000 per kWh, so as to make, say, e-scooters price-competitive with petrol-fuelled bikes. The policy objective along the way is to gainfully cut down on oil imports, switch to domestic energy sources including renewables for transport, and purposefully reduce carbon emissions in the bargain.

India is the largest manufacturer of two-wheelers, with an estimated 175 million on the road, 79% of all vehicles. This vehicular segment is also the largest consumer of petrol here. And, by further incentivising the smaller electric vehicles (EVs), so as to rev up incremental demand, we can well be on



the way to proactively reducing petrol usage and crude oil imports. A forward-looking policy on EVs actually makes fiscal and macroeconomic sense. With global-scale EV manufacturing, exports would also be an attractive proposition. In tandem, we do need to step up resource allocation for public transport of course, to

reap scale economies, remove rigidities and raise efficiency levels. But two-wheelers boost last-mile connectivity and can well complement public-transport policy and mass mobility.

A Crisil report has stated that about 95% of the e-scooters in India are not eligible for the incentive scheme, as they fail to meet the minimum criteria stipulated: a range of 80 km on a single charge, and a top speed of 40 km per hour. Mandating higher efficiency standards would enable an EV to travel a given distance on a smaller, more cost-effective battery pack. In parallel, we need to explore new battery chemistries such as metal-oxide combinations and hydrogen fuel cells, to better leverage domestic resource endowments to rev up electric mobility.

Petrol hiked by 27p, diesel 28p

New Delhi: Petrol price was hiked by 27 paise per litre and diesel by 28 paise, as per a price notification of state-owned fuel retailers.

'Want oil firms to synergise imports for better prices'

Rajeev Jayaswal

letters@hindustantimes.com

NEW DELHI: The Union government is holding parleys with state-run energy firms and private refiners to synergise imports of crude worth over \$100 billion annually so that they can collectively bargain better prices from global oil producers at a time when auto fuel rates have soared over ₹100 per litre in several Indian cities.

Although refiners are free to source crude oil from across the globe, the government is making efforts to have a common mechanism for collective bargaining that would reduce the average cost of crude imports and benefit all stakeholders, petroleum secretary Tarun Kapoor said.

"We have already held couple of meetings with petroleum companies, both in public and private sectors," Kapoor said, adding that this was a work in progress. Currently, refiners have individual crude sourcing strategy.

The initiative is significant in the light of northward rise in petrol and diesel rates since May 4. India is world's third largest crude oil importer after the US and China, and purchases more than 80% of the crude oil it processes. It imported 227 million

metric tonnes (MMT) of crude worth \$101.4 billion in 2019-20, the year preceding the Covid-19 pandemic. Imports, however, fell to 198.1 MMT in 2020-21 because of the pandemic.

Kapoor said the oil producers' cartel has been artificially raising international oil prices by resorting to output cuts, which is against long term interests of oil producers. Benchmark Brent crude, which fell to \$19.33 a barrel on April 21, 2020, gradually rose to over \$50 per barrel in early 2021 mainly because of supply squeeze by the Organisation of the Petroleum Exporting Countries and its allies, including Russia (together known as OPEC+). With rising demand and supply constraints, oil prices hit \$74.39 a barrel on Wednesday (June 16, 2020), the highest since April 2019. That day WTI (West Texas Intermediate) settled at \$72.15 a barrel, the highest since October 2018.

India has been vocal about the unfair trade practice by OPEC. Speaking at an OPEC Symposium this year, petroleum minister Dharmendra Pradhan said that India supported oil producers' decisions to cut output to check free fall of oil prices in April last year, but when the demand has normalised, the supply should be restored.

Mineral production rises 37% in April

NEW DELHI: India's mineral production rose by 37.1 per cent in April 2021 over the same month a year ago, according to the mines ministry.

The index of mineral production of mining and quarrying sector for the month stood at 108.0, which was 37.1 per cent higher from the the level in April 2020, the ministry said in a statement.

The production level of important minerals in April 2021 includes, coal 516 lakh tonnes, lignite 31 lakh tonnes, natural gas (utilised) 2,583 million cubic metre, petroleum (crude) 25 lakh tonnes, bauxite 16.61 lakh tonnes, chromite 6.36 lakh tonnes and gold 120 kg.

The production of most of the important minerals showing positive growth during April



2021 over the same month a year ago includes, coal, lignite, natural gas (utilised), bauxite, chromite, copper concentrate, gold, iron ore, lead concentrate, manganese ore, zinc concentrate, limestone and phosphorite.

The production of petroleum (crude) indicated a negative growth, it said. "For the period under review, it is, however, noted that due to full lockdown in April 2020, the comparison is not indicative," the mines ministry said. PTI

Petrol over ₹100 in Bengaluru - 3rd metro after Mumbai, Hyd

Mumbai on May 29 became first metro in country where petrol was being sold at over Rs 100 a litre. Petrol now costs Rs 103.08 a litre in city

OUR CORRESPONDENT

NEW DELHI: Bengaluru on Friday became the third metro city in the country to see petrol price cross Rs 100 per litre mark after fuel prices were raised yet again.

Petrol price was hiked by 27 paise per litre and diesel by 28 paise, according to a price notification of state-owned fuel retailers.

The hike — 26th in less than seven weeks — pushed fuel prices across the country to new historic highs.

In Delhi, petrol hit an all-time high of Rs 96.93 a litre, while diesel is now priced at Rs 87.69 per litre.

Fuel prices differ from state to state depending on the incidence of local taxes such as VAT and freight charges.

And because of this, petrol retails at over Rs 100 per litre mark in eight states and union territories — Rajasthan, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Jammu and Kashmir and Ladakh.

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Bengaluru is the third metro city to see Rs 100 per litre petrol price. Mumbai on May 29 became the first metro in the country where petrol was being sold at over Rs 100 a litre. Petrol now costs Rs 103.08 a

litre in the city and diesel comes for Rs 95.14.

The fuel touched that mark in Hyderabad earlier this week.

While Leh already had Rs 100 per litre petrol, Srinagar joined the league on Friday. Petrol at Indian Oil Corp (IOC) pumps in the city costs Rs 99.99 a litre and that on HPCL outlets at Rs 100.04.

Highlights

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- » While Leh already had Rs 100 per litre petrol, Srinagar joined the league on Friday. Petrol at IOC pumps in the city costs Rs 99.99 a litre and that on HPCL outlets at Rs 100.04
- » Rajasthan levies the highest VAT on petrol and diesel, followed by Madhya Pradesh, Maharashtra, Andhra Pradesh and Telangana

Rates vary by a few paise from company to company in a city.

Sri Ganganagar district of Rajasthan near the India-Pakistan border was the first place in the country to see petrol hitting Rs 100 a litre mark in mid-February and last week it also earned the distinction of die-

sel crossing that psychological mark.

Petrol in the city is sold at Rs 108.07 a litre - the highest rate in the country, and diesel comes for Rs 100.82.

Rajasthan levies the highest VAT on petrol and diesel in the country, followed by Madhya Pradesh, Maharashtra, Andhra Pradesh and Telangana.

The hike on Friday was the 26th increase in prices since May 4, when state-owned oil firms ended a 18-day hiatus in rate revision they observed during assembly elections in states like West Bengal.

In 26 hikes, petrol price has risen by Rs 6.53 per litre and diesel by Rs 6.96 a litre.

Oil companies revise rates of petrol and diesel daily based on the average price of benchmark fuel in the international market in the preceding 15 days, and foreign exchange rates.

International oil prices have firmed in recent weeks in anticipation of demand recovery following the rollout of vaccination programme by various countries. Also, the rupee has weakened against the US dollar, making imports costlier.