

## Petroleum & Petroleum Products

With the war in Iraq coming to an end, international crude oil prices dropped sharply in April. The average price of Brent oil and Dubai oil in the London market dropped to \$25 per barrel and \$23 per barrel respectively from \$30 per barrel and \$27 per barrel in March. Brent oil prices in the London market dropped to a five-month low of \$23.47 per barrel on 24 April. International prices of most petro-products in the London market also dropped sharply in April 2003.

In tune with the softening of global crude oil prices, domestic oil companies also reduced the retail prices of petrol and diesel by around Rs. two per litre in April. The reduction in prices was effected through two revisions of Re. one per litre each. Oil companies also reduced the prices of industrial fuels in April.

Fuel petro-products production growth slowed down during April-February 2002-03. Production of superior kerosene and LPG grew by a slower pace of 4.4 per cent and 2.4 per cent respectively as compared to a faster pace of 11.9 per cent and 18.4 per cent during April-February 2001-02. Motor spirit production rose by 7.1 per cent as compared to 20.9 per cent during April-February 2002-03. Production of diesel, which has the largest volumes among petroleum products declined marginally to 364.7 lakh tonnes during April-February 2002-03 from 364.8 lakh tonnes in the same period of 2001-02. Diesel sales would be lower in April 2003 on account of the nine-day nation-wide truckers strike.

The Exim policy has decanalised petrol and diesel imports for companies holding marketing rights for transport fuels. In addition to the four national oil marketing companies, four others, ONGC, Reliance Petroleum, Essar Oil and Numaligarh Refinery hold marketing rights for transport fuels. These companies can now directly import petrol and diesel to meet their requirements. Hitherto, all imports of petrol and diesel were canalised through Indian Oil Corporation. However, these products will continue to be under the state trading list for others.

Among industrial petro-products, while naphtha and furnace oil recorded production growth of 3.7 per cent and 2.2 per cent respectively, low sulphur heavy stock recorded production decline of 2.3 per cent during April-February 2002-03.

Refinery throughput rose by 4.9 per cent to 1,125.6 lakh tonnes during 2002-03, as compared to a rise of 3.7 per cent in the previous year.

Prices: Apr-Mar

	\$ per barrel FOB	% chg.
<b>Petroleum oil (Brent) Prices in London</b>		
2001-02	23	-17.82
2002-03	27	18.26
<b>Petroleum oil (Dubai) Prices in London</b>		
2001-02	22	-16.20
2002-03	26	17.71

Production: Apr-Feb

	'000 tns	% chg.
<b>Naphtha</b>		
2001-02	8457	-6.48
2002-03	8766	3.65
<b>Furnace Oil</b>		
2001-02	6813	14.43
2002-03	6962	2.19
<b>Low Sulphur Heavy Stock</b>		
2001-02	4362	-2.94
2002-03	4263	-2.27

Production: Apr-Feb

	'000 tns	% chg.
<b>Superior Kerosene</b>		
2001-02	8819	11.86
2002-03	9207	4.40
<b>Motor Spirit</b>		
2001-02	8786	20.89
2002-03	9411	7.11
<b>High Speed Diesel</b>		
2001-02	36478	2.93
2002-03	36468	-0.03
<b>Liquified Petroleum Gas</b>		
2001-02	4352	18.42
2002-03	4456	2.39

