

KIRIT PARIKH

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# It is imperative that the government revises diesel price

BY HARSHA SUBRAMANIAM

lot of opportunities for liberalizing diesel price. At one stage, the difference was only ₹3.5 and now it is ₹13. It is absolutely imperative that the government revises diesel price. I have always argued that it is better to raise the price by ₹4 or ₹5 and give a fixed per litre subsidy of ₹ 8 and then you can keep lowering the subsidy every month.

**There have been reports that the government is looking at 50 paise monthly increase. There is also a report that perhaps you are looking at a one-time hike. What do you think is most feasible in the situation like this? Do you anticipate a one-time increase happening soon?**

I certainly believe that the one-time hike is the best thing to do; whether the government thinks it is the best thing to do from a political point of view, it

**You have consistently maintained that there is a case for an increase in diesel prices. With the rupee behaving the way it has and oil prices going up, does that make the case stronger?**

I certainly believe so. In fact, I believe if we would have revised the diesel prices a year ago and liberalized the diesel prices, the rupee might not have gone down as much as it has. We have been wasting a

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## INTERVIEW

is difficult for me to say. But to me, it seems even from the political point of view, in my opinion, it would be worthwhile to have one-time price hike and liberalize the diesel price and go back so that the government does not have to face this agonizing problem to raise or not to raise the diesel prices. This is certainly something the government should not waste its time on.

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**Pricing policy: It would be worthwhile to have one-time price hike and liberalize the diesel price, says Parikh.**

er is surviving, toll gates and other things. If you do that you can substantially improve the quality of truck travel. Above all, the delay in the construction of the dedicated freight train roads is inexcusable. The decision was taken in 2005. It's 2013 and we have not seen any construction going on.

If that had happened, then we could certainly expect substantial reduction in diesel consumption. That is something for the long term. In the short run, you could certainly eliminate the delay that takes place on toll gates and other places. That's a national task and we should get the states and various city governments to cooperate on this and find a way on which you can really make the movement of trucks smooth across states and cities.

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I understand that your panel on the subsidy sharing formula is being worked out. Have you made up your mind on how much upstream and downstream companies would be sharing the subsidies this time around?

No, we haven't made up our mind. But if they follow my advice and eliminate all the subsidies then the question doesn't arise.

feedback@livemint.com

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