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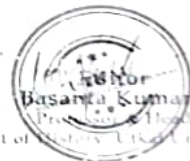
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AN ANALYSIS ON IMPACT OF HIKE ON FUEL PRICES ON COMMON PEOPLE'S INCOME DURING THE PANDEMIC IN HOSUR CITY

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ABSTRACT

There are various sources of energy, such as oil, natural gas, energy, solar, wind, and nuclear power. The Crude oil is responsible for 24 per cent of India's total energy consumption, while coal is for about 40 per cent. So, of oil and coal-will account for about two-thirds of India's energy consumption. Oil prices play a very important role in the growth of the economy. The oil has been an integral part of our daily lives, and we can't imagine life without it. However, the prices will skyrocket, and eventually it will affect everything that we use in our day to day life. Rising fuel prices have a direct or indirect impact on all the major sectors, such as transportation, textile, automotive, etc.). This has an effect on the prices of everyday items that can be carried every day. An attempt has been made to analyse and examine the reasons behind the continuous rise in oil price and its impact on common people along with the comparison of their incomes during this pandemic situation along with a research survey.

Key words: Benefits, Crude oil, Consumption, Dependency, Income, Impacts, Price, Reasons

INTRODUCTION

Energy is the main driving force of economic growth and is vital to sustain a modern economy. The future of economic growth is highly dependent on the long-term availability of energy is affordable, budget-and eco-friendly resource. The word petroleum comes from the two Latin words Petra), meaning rock, and oleum-oil. The oil has been loosely referred to as Rock oil, or petroleum. Due to the increasing costs of fossil fuels are increasing the burden on the Indian public, which, in turn, affect the popularity of the government, to a certain extent. (1) But with the rising fuel prices have a ripple effect. The most commonly affected person, it is a very simple person. Though it bears the burden of the rate of inflation, and an increase in the fuel prices will continue to decrease in the real income of the owners. This may have a chain effect to the real estate, banking and other sectors. An attempt has been made to analyse the reasons and the effects of the hikes in petrol prices in this pandemic in Hosur city. Hosur is a industrial city and is still developing

REVIEW OF LITERATURE

Reviews relating to our study.

In the report published in Indian express newspaper, Vivekanand Subbaraman, analyst at Ambit Capital said "globally crude oil prices have been moving up. The improvement in the demand outlook due to the improving prospects of a vaccine has been reflected in a widening of cracks for petrol and diesel,"

As per the article published in business world.in newspaper, an industry insider who wishes to remain anonymous has noted: "Diesel has a secondary effect. Since all the trucks run on diesel, it will increase the freight cost, which in turn finds its way to increasing price of food grains, goods and other products."

In the article published in Hindustan times, an oil ministry official said "Petrol and diesel are deregulated fuels. Public sector oil marketing companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with international prices of petrol and diesel, and not with international crude price,"

RESEARCH DESIGN

We focused on our study in the city of Hosur. The fuel we focus on is petrol and diesel - fuels that have been rising sharply. We are also focused on the income of ordinary people. While the causes of rising fuel prices will be general, the same impact will be evident in the region under study.

Research method

Data Sources

We relied on primary and secondary data to conduct our research. Key information through the questionnaire was used to determine the effect of fuel prices on ordinary people's incomes. (6) Second Information was used to determine the reasons for the increase in fuel prices. The data analysis tool used is a questionnaire. The questionnaire was distributed in the city of Hosur using Google Forms from the 50 responses.

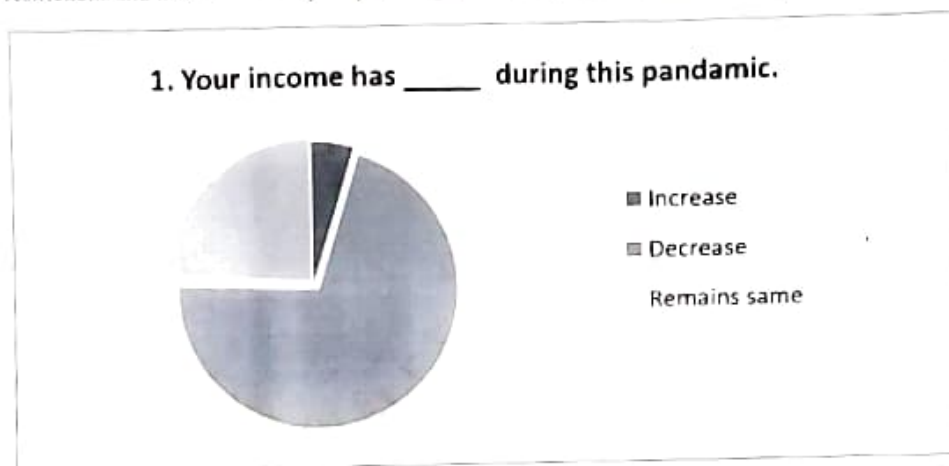
DATA ANALYSIS AND INTERPRETATIONS (GRAPH)

Firstly, we have analysed the data regarding,

REASONS BEHIND THE PETROLEUM RAISES IN PANDEMIC:

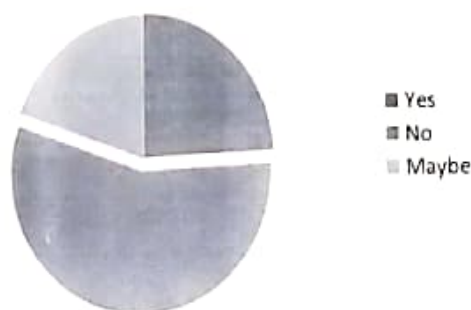
There are 2 main reasons:

In the international market, it is a reduced production of the fuel, and the production of countries to produce more fuel to make more money. Consumer countries are affected. (3) the strengthening of international oil prices, and high taxes on fuel are the main reasons for this is the third and final round of the petrol and diesel price increases in the country. (9) The current price due to the steep increase in central taxes of petrol and diesel prices. Fuel prices have collapsed in April 2020 as the country entered a complete lockdown due to corona virus pandemic. However, as economies around the world focus on revival with reduced travel restrictions and increased factory output, the global demand has improved directly affecting the price hike.



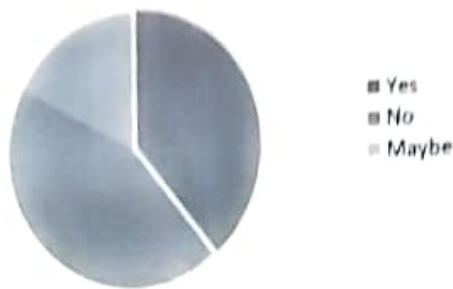
The chart shows the income status during the pandemic, the result shows that the income has decreased for 60% of the people in this lockdown.

2. Are you aware of the reason which caused price fluctuation during Gulf of war?



From this result, we get to know only 30% are aware of the reasons which Caused price fluctuation during Gulf of war.

3. Is fuel price hike consuming more than your salary?



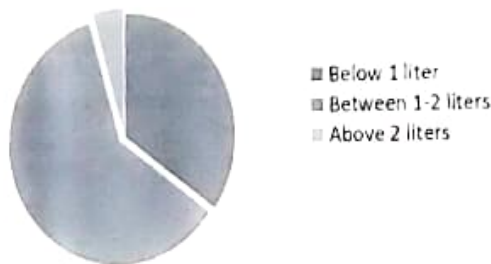
From this chart, we get to know that 40% of people were unable to manage With their salary though the petrol price consuming more than their salary.

4. Do you think petrol has become the indispensable part of our day to day life?



From this result, we get to know that 70% of the people feels like petrol has Became the indispensable part of our day to day life.

5. On average, how many liters do you and/or your family purchase petrol per day?



From this result, we get to know that 70% of the people are purchasing Petrol between 1-2 liters per day.

6. Have you started using public transport due to hike in petrol price?



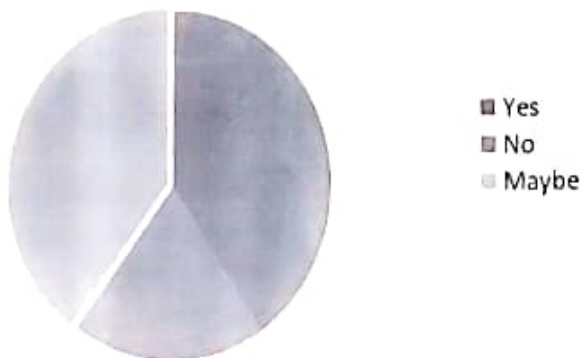
From this result, we get to know that 40% of the people has started using public Transport due to petrol price hike, but other 40% of people were using Their own vehicle.

7. Do you think that increase in the price of crude oil has increased the prices of food products and other commodities?



In this chart, 70% of people are agree that increase in the price of crude oil has increased the prices of food products and other commodities.

8. Is the way of your living has changed due to hike?



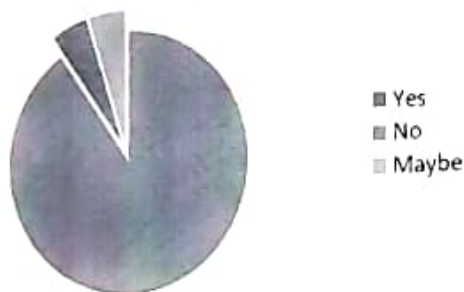
In this chart, we get to know that 40% of people's way of living has changed Due to petrol hike.

9. Is public transport helping you to cover fuel expenses?



55% of people agreed that the public transport helping them to cover fuel expenses.

10. Do you feel that the government needs to rethink on the deregulation of petrol prices?



From this chart, we get to know that 80% of people feel that the Government needs to rethink on the deregulation of petrol prices.

FINDINGS AND SUGGESTIONS (4-5 POINTS)

Advantages of fuel hike on common people: (2)

- Number of accidents will be reduced.
- Pollution through is reduce.
- Usage of public transport will be increased.
- Resource exploitation will be reduced.
- People will go out only whenever necessary.
- Initiative of eco-friendly vehicles will be increased.

Disadvantages of fuel hike: (7)

- Families with old people will face problems.
- People budget will be disturbed
- People have to specify their savings for fuel.

- People may have less transport to some places which may disturbs their lifestyle.
- Some public transport users may have problem in reaching place in time.
- People may start walking for long distance in order to save the fuel cost.
- It has dropped vehicle purchase which may lead to cause problem to automobile sector.

CASESTUDY:

On August 2, 1990

First war for oil spill:

1. The Iranian Revolution and the outbreak of the Iran-Iraq War, and reduced global oil production between 1979 and 1981, with a slightly upwards. Because of the short-term, oil demand is highly price-inelastic (relatively unaffected by the price, the demand is falling. This has led to a decrease in the production of oil and, as a result of a sharp increase in the price of oil. Ever since the first gulf war, and the price of oil has been steadily declining, reaching their lowest level since 1973 and 1994(4)

● May 23, 2012

The gas prices have gone up by more than Rs 25 to July 25, 2010 , the day the government decided to increase the strength of the market to dictate prices to the most basic functions of the fuel. The following is a chronological listing of the increase in the cost of petrol in India over the past two years. (10) What's interesting is that the prices have been increased to 13, while they have declined in all but two cases.

Jun 25, 2010: Rs.47.93 per litre

Jun 26, 2010: Rs.51.43 per litre

Sep 08, 2010: Rs.51.56 per litre

Sep 21, 2010: Rs.51.83 per litre

Oct 17, 2010: Rs.52.59 per litre

Nov 09, 2010: Rs.52.91 per litre

Dec 16, 2010: Rs.55.87 per litre

● Jan 16, 2011: Rs.58.37 per litre

May 15, 2011: Rs.63.37 per litre

Jul 01, 2011: Rs.63.70 per litre

Sep 16, 2011: Rs.66.84 per litre

Nov 4, 2011: Rs.68.64 per litre

Nov 16, 2011: Rs.66.42 per litre

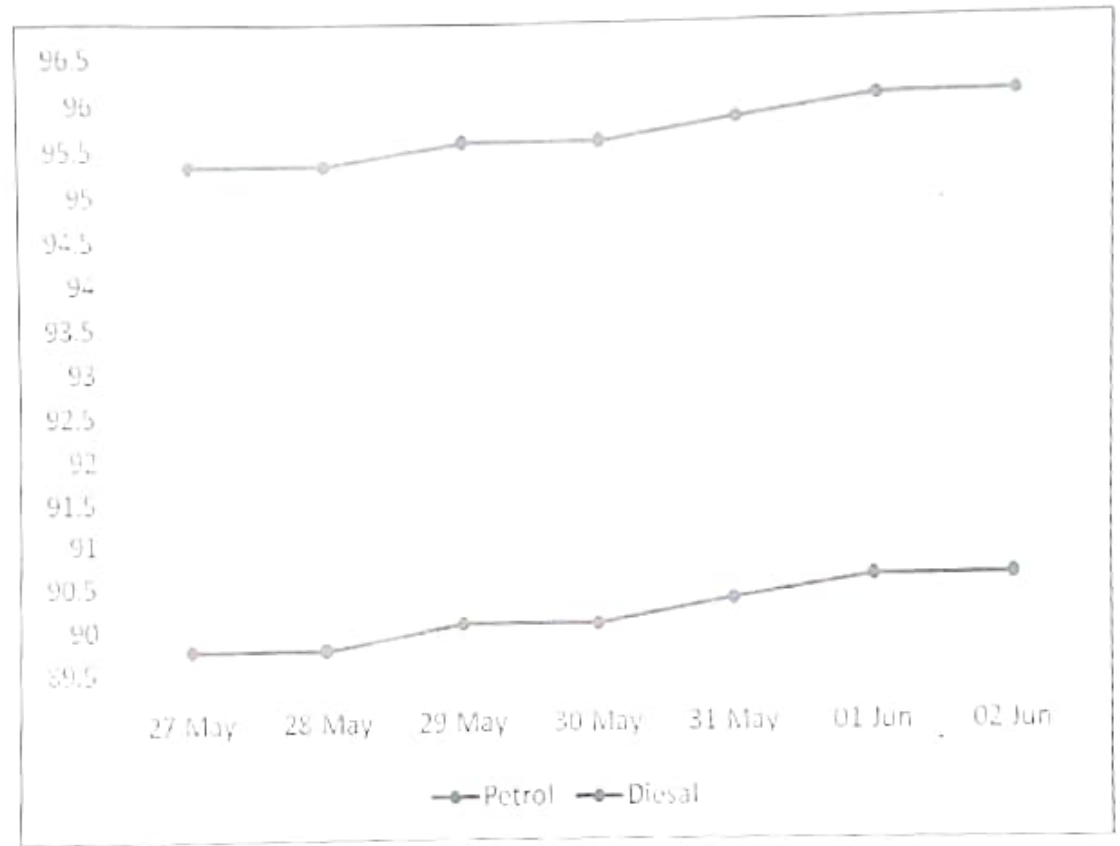
Dec 01, 2011: Rs.65.64 per litre

May 23, 2012: Rs.73.18 per litre

Comparison of Petrol Prices in Hosur

Date	Petrol/(litre)	Diesel/(litre)
27 May 2021	₹ 95.33	₹ 89.75
28 May 2021	₹ 95.33	₹ 89.75
29 May 2021	₹ 95.56	₹ 90.05
30 May 2021	₹ 95.56	₹ 90.05
31 May 2021	₹ 95.81	₹ 90.33
01 June 2021	₹ 96.04	₹ 90.57
02 June 2021	₹ 96.04	₹ 90.57

Fuel price fluctuations in HOSUR city



CONCLUSION

The conclusion is, according to the survey conducted almost 80% of them says that the government has to rethink on increasing of the fuel price. During this pandemic the income was reduced to 60% of the common people, according to the survey an average petrol consuming per day was 1 - 2 litres, due to this almost 40% started using public transport, by that they were able to manage they're expenses by 55% through all these we have come to know the increase of fuel price has created a big impact among the common people and in their daily life. If this condition continues, it is necessary to switch to other alternatives like adopting high octane gasoline to improve overall efficiency and to reduce emission. The business organizations and entrepreneurs should think of producing and marketing alternate fuel technology vehicles like electric, compressed/liquefied natural gas (CNG/LNG), hydrogen etc. (5)

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