



## IMPACT OF COVID-19 ON PETROL PRICES IN THE SOLAPUR CITY

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### **Abstract**

*This article aggregates the Indian petrol cost situation during the COVID-19 pandemic in 2020. After the World Health Organization (WHO) pronounced the COVID-19 as a pandemic, the offer cost of the significant oil combinations in India experienced significant blows. The capacity of unrefined petroleum is a worry in India, because of the running out of the extra room. There was no critical adverse consequence of COVID-19 related oil cost shocks on the Indian financial exchange for the time being. Be that as it may, this lower unrefined petroleum cost has not scaled down the purchaser costs because of extra extract obligations added by the Government. After the Covid issue addresses, oil cost is supposed to return to business as usual. In this paper, the economy of Solapur is generally impacted by the expansion in Petrol costs in urban communities. The everyday citizens are being tired because of the petroleum and because of this, the preparation of individuals entire month should be visible to be practical upset. During the time of exploration, it is seen that during this period there is an enormous expansion in the cost of petroleum and furthermore there is an exceptionally huge expansion in the income of the state government. From February 2020 and January 2021, the cost of petroleum has diminished somewhat.*

**Keywords:** Economy, Petrol Prices, Impacting Factors

**Introduction: -**

Energy is the backbone of economy of a country. How the general job energy can play in the economy of a country and how it fills in as the fountainhead of financial development doesn't require clarification.

However, India is the world's fourth-biggest energy client, its per capita utilization is among the most minimal on the planet. Stale result of unrefined petroleum has expanded outside reliance for its obtaining (77% on utilization premise) and subsequently unrefined petroleum comprises the significant thing in India's import bill. Rising raw petroleum costs and unpredictability has negative ramifications for the Indian economy and the desire of putting the economy on a higher development way. Since sixteenth June 2018, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited have been resetting fuel costs in the city under powerful fuel evaluating. Before that, the update of fuel rates used to be done two times per month. The primary update used to happen on first and the second modification on sixteenth. Today, under unique fuel valuing, fuel estimating will be conveyed consistently taking into unrefined petroleum rates and the swapping scale.

Covid 19 or Corona Virus, an overwhelming affliction has expected the title of pandemic due to the speed with which it is creating and the effect that it has on life, taking everything into account. Covid has impacted crores of people overall and reliable lakhs of lives, leaving families broken and the world hurt. Beside its effects on the real sufficiency of people, it has in like manner hit the economy where it hurts the most. It has impacted the pockets of essentially every layer of the overall population leaving thousands jobless and without a predictable sort of income. As India took a strong situation to direct the spread of Covid 19, the money related activity came to a standstill and has driven it to the brink of complete breakdown. With diminished transportability, and upset stock organization the board, associations across all areas have expected to scale back their exercises, lay off specialists or reduce remunerations. The calmed monetary activity and halting of various associations has obliged all of us to reevaluate the occupation of saving and interest in our ordinary everyday presences. Various

families and individuals have expected to hop into their little hold assets to voyage through this whirlwind of Covid 19, and this enjoys to be sure highlighted the benefits of splendid saving and adventure. In this article, we will endeavor to separate the effect Covid 19 has had on the saving and adventure affinities for occupants of our country. With the appearance of Covid 19 Pandemic in the country, Indian residents additionally confronted vulnerability in Income, as did their worldwide partners. Because of a modern downturn anticipated to be the most horrendously terrible ever, individuals' insight changed about Income, spending and saving. Numerous people as of now are confronting decrease in pay and many anticipate that it should happen soon. Because of preventive proportions of lockdown, spending has consequently decreased on numerous areas like Fuel, eating out, diversion, travel and so on. While a portion of individuals utilized the additional pay to save/contribute more, while some don't predict this as a dependable effect. The specialist has attempted to grasp the effect Covid 19 in India, concerning changes in degrees of pay, increment/decline in the consumption and reserve funds and anticipated coherence of the equivalent.

**Study Region: -**

I have selected research area Solapur City, Solapur Municipal Corporation (SMC) as the study region. Solapur city has a population of 9.51 lakhs (2011 census), making it one of the highest populous cities in Maharashtra state. The city is located in the south-western region of Maharashtra, India. The city's geographical location is 17.6599°N, 75.9064° E.

**General Points: -**

Oil demand in India fell by 70% year on year due to COVID-19. The drop in oil prices was stated to be favourable to support the Government deficit as there are potential windfall gains for the Government (Dev and Sengupta 2020).

**Factors Impacting Petrol Price in Study Region: -**

Flow petroleum cost in Solapur gets impacted by both native and abroad expense viewpoints. Both extract obligation and VAT are native angles. On the off chance that there is a climb in extract obligation, the OMCs will likewise expand the cost offer. In the event that there is a drop in extract obligation, the

value deal will be decreased. Additionally, the OMCs will reset the RSP considering high points and low points in VAT.

Changes in the USD/INR conversion scale are considered while deciding fuel rates. The effect of the money interpretation proportion has been negligible. Petroleum cost in Solapur is probably going to increment if the USD/INR drops. In the event that the USD/INR appreciates, fuel rates are probably going to drop. Being a profoundly unstable cash pair, the USD/INR changes consistently. Changes are reflected in current fuel costs in Solapur. (Table No.1)

**Table No. 1**  
**Analysis of Change Petrol Price in Solapur City, from 10th feb.2020 to 27<sup>th</sup> Jan.2021**

<b>Date</b>	<b>Price in ₹</b>	<b>Change</b>
10-Feb-20	78.27	-0.13
11-Feb-20	78.11	-0.16
18-Feb-20	78.06	-0.05
24-Feb-20	78.18	0.12
27-Feb-20	78.2	0.02
29-Feb-20	78.13	-00.07
16-Mar-20	75.89	-00.16
06-Apr-20	76.9	1.01
22-Sep-20	88.42	-0.08
20-Nov-20	88.59	0.17
07-Dec-20	90.94	0.29
06-Jan-21	90.59	-0.35
27-Jan-21	92.84	0.24

(Sources: -[https://www.mypetrolprice.com/353/Petrol-price-in Solapur? Fuel Type =0& Location Id=353](https://www.mypetrolprice.com/353/Petrol-price-in-Solapur?FuelType=0&LocationId=353))

The examination led for the time of January 14, 2020 to January 27, 2021 shows that the fuel costs are seen to diminish while the fuel rates are seen to increment during the last time frame. The principal justification for the enormous scope amendment of the fuel cost climb in April 1, 2020 during this period is that Solapur will lose the impact of the expanded fuel cost climb at the global level.

Raw petroleum costs straightforwardly influence the examination of fuel rates. In the event that they fall, fuel rates will fall. On the off chance that they increment, fuel rates will likewise increment. Many variables influence raw

petroleum cost per barrel. For example, oil-delivering nations might report a creation cut for upkeep. On the off chance that they proclaim a creation cut, the creation and dissemination of raw oil will be impacted. Thus, retail fuel costs in the homegrown market get impacted. (Figure No.1)

Figure No. 1



Figure No.2



The average price for a litre of petrol in 10<sup>th</sup> Feb. 2020 was ₹. 78.27 Study region. The general price level of petrol per litre in India is higher in July 2020 than in July 2019.

### Conclusions: -

Fuel cost climb Fuel cost climb is continuously occurring in Solapur city. It helps the Solapur Municipal Corporation in income be that as it may, every one of the ordinary citizens need to bear the monetary misfortune. The impact of cost climbs at the worldwide level should be visible in the city. Oil costs plunged

decisively internationally since COVID-19 was reported as a pandemic. The offer cost of significant oil aggregates has dropped as well, however are slowly recuperating in the two India, and around the world. Lower oil costs are great for India's monetary shortage, since India imports the majority of the oil it consumes. The advantage of lower oil costs was not gone to the Indian customer because of extra extract obligations added to petroleum costs. Despite the fact that interest for fuel is continuously getting worldwide and in India the recuperation of the Indian economy relies upon the accessibility of a broadly controlled immunization.

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