

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, 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 an 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 "global 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 noted: "Diesel has a secondary effect. Since all the trucks run on diesel, it will increase the freight cost, which in turn find 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. Internal 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. While the causes of rising fuel prices will be general, the same