Export Duty on Diesel, ATF Raised: The Government's New Fortnightly Review Decision



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Why in the news

Through two notifications issued on 16 November 2026, the Ministry of Finance (Department of Revenue) has raised the export duty on diesel and aviation turbine fuel (ATF). The duty on diesel exports has gone up from ₹11.50 per litre to ₹14 per litre, and on ATF from ₹11 per litre to ₹12.50 per litre. The duty on petrol exports remains unchanged at nil.

What is Special Additional Excise Duty (SAED)

Introduction: This duty is a form of central excise duty that the Central Government levies under Section 5A of the Central Excise Act, 1944, read with Section 147 of the Finance Act, 2002. In popular language it is also called the 'windfall tax' - a tax on unexpected gains, which brings a part of refiners' extraordinary profits to the government when international crude prices rise.

Purpose: When international markets offer high prices, companies may raise exports at the cost of domestic supply. The export duty makes exports less attractive and ensures the availability of fuel in the domestic market.

Fortnightly review: The government reviews these rates every fortnight (15 days) on the basis of the average international benchmark prices of crude oil, petrol, diesel and ATF observed since the previous review. This sequence has been running since the principal notifications of 26 March 2026 were issued.

What changed this time

New notifications: Notification No. 57/2026-Central Excise [G.S.R. 993(E)] and No. 58/2026-Central Excise [G.S.R. 994(E)], both issued on 16 November 2026 and effective the same day.

Diesel: ₹11.50 → ₹14 per litre
ATF: ₹11 → ₹12.50 per litre
Petrol: nil (unchanged)

Context: India is looking to increase diesel exports to Europe amid a global supply crunch; the hike is therefore considered significant for maintaining domestic availability.

Way forward

In the next fortnightly review, the rates may change again depending on international crude prices and the rupee's position. With supply-risk premiums linked to the West Asia conflict, fuel export duties will remain an active policy tool for domestic price stability.

Frequently asked questions

Q1: What is the export duty on diesel now?
Answer: After the 16 November 2026 notification, diesel exports attract a duty of ₹14 per litre, up from ₹11.50 per litre earlier.

Q2: What is the export duty on petrol?
Answer: The duty on petrol exports is nil, and it has not been changed this time.

Q3: How often is this review done?
Answer: The government reviews these export duties every fortnight (15 days) on the basis of international benchmark prices.

Prelims practice questions

Question 1: Consider the following statements:
Statement 1: As per the November 2026 notification, the export duty on diesel is ₹14 per litre, while the duty on petrol exports is nil
Statement 2: The Central Government reviews fuel export duties on a quarterly basis

Which of the above statements is/are correct?

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Answer and explanation
Correct answer: (a)
Statement 1 is correct - under the 16 November 2026 notifications, the export duty on diesel became ₹14 per litre, while petrol remained at nil
Statement 2 is incorrect - the review is fortnightly (15 days), not quarterly

Question 2: Consider the following statements with reference to Special Additional Excise Duty (SAED):
Statement 1: It is levied under Section 5A of the Central Excise Act, 1944
Statement 2: Its purpose is to ensure the availability of fuel in the domestic market

Which of the above statements is/are correct?

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Answer and explanation
Correct answer: (c)
Both statements are correct - SAED is levied under Section 5A (read with Section 147 of the Finance Act, 2002), and its

objective is to keep domestic supply intact by making exports less attractive

Sources

- Central Excise Notification Nos. 57/2026 and 58/2026 (16 November 2026), Ministry of Finance (Department of Revenue), Gazette of India: gazettetracker.com
- Akashvani News (previous review, 1 November 2026): newsonair.gov.in

Related reading

- The Red Sea Crisis and India's Oil Security: Bab el-Mandeb Disruption, Russian Crude and the Options