GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO. 1739

TO BE ANSWERED ON 01 AUGUST, 2022

Increase in price of LPG

1739 **Shri Mallikarjun Kharge:**

Will the Minister of ***Petroleum and Natural Gas*** be pleased to state:

(a) whether the price of LPG cylinder in 2014 was Rs. 414 with Government providing subsidy of over Rs. 800;

(b) whether the price of LPG cylinder now is over Rs. 1053 with no subsidy;

(c) if so, the reason for this huge hike;

(d) whether the price of LPG has increased by 30 per cent in last one year; and

(e) whether Ujjwala beneficiaries have to pay over Rs. 850 per cylinder and if so, the reason for this huge increase in price of cylinders?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (e): The prices of petroleum products in the country are linked to the price of respective products in the international market. LPG prices are based on Saudi Contract Prices (CP) and Saudi CP has risen from 236 $/MT in April 2020 to 750 $/MT in June 2022, a rise of 218%. However, the Government continues to modulate the effective price to consumer for domestic LPG. The subsidy, as admissible, is credited to the bank account of eligible beneficiaries. In addition, the Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for year 2022-23.

The price of subsidised domestic LPG cylinder in January 2014 was Rs. 414. At that time the difference between the market determined price and the subsidised retail selling price was reimbursed to Oil Marketing Companies (OMCs) through 'PDS Kerosene and Domestic LPG Subsidy Scheme, 2002', 'Freight Subsidy (For Far Flung Areas) Scheme, 2002' and compensation of under recoveries under the burden sharing mechanism through budgetary support and price discount on crude oil/products by upstream companies.

The price of 14.2 kg domestic LPG refill has gone up from Rs. 834.5 in July 2021 to Rs. 853 in July 2022 for PMUY beneficiaries and from Rs. 834.5 in July 2021 to Rs. 1053 in July 2022 for non PMUY beneficiaries.

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