

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA

UNSTARRED QUESTION NO. 462

ANSWERED ON 24/07/2023

Subsidy on Petroleum

462 Dr. Kirodi Lal Meena:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) amount allocated for subsidy on petroleum products in the Budget 2023-24;
- (b) whether Government is aware that LPG subsidy given to the poor has been reduced by seventy five per cent in this Budget and if so, the reasons therefor;
- (c) whether Government is aware that LPG is crucial for reducing domestic pollution in the country and if so, details thereof; and
- (d) whether Government is also aware that decrease in subsidy is likely to affect LPG consumption, particularly in rural areas where alternatives such as firewood, agricultural residue, dung cakes are readily available and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (d): Government is committed to ensure access to affordable and clean energy to all. It has been endeavour of the Government to encourage usage of cleaner fuels like Compressed Natural Gas (CNG)/Piped Natural Gas (PNG), Liquefied Petroleum Gas (LPG), Compressed Bio Gas (CBG), BS IV Grade Petrol and Diesel, Ethanol Blended Petrol, Sustainable Aviation Fuel etc. in the country. Government of India is determined to promote usage of natural gas, as a fuel across the country, and to increase its share in primary energy mix from around 6.7 % to 15 % by 2030.

As a major step towards its objective to provide cleaner fuels to households, Government launched Pradhan Mantri Ujjwala Yojana in May 2016, under which adult women from poor households are provided a deposit free LPG connection. Till December 2022, 9.6 Crore PMUY connections have been provided to poor households in the country. The coverage of LPG in country has gone up from 62 % in 2016 to almost 100% as on today. Number of active domestic LPG consumers have increased from 14.52 crore on 01.04.2014 to 31.5 crore as on 01.07.2023.

Traditionally, rural population in India had been mainly using fuels such as firewood, coal, cow-dung, kerosene etc. for domestic cooking. It was primarily, due to issues relating to affordability, accessibility, and awareness. These traditional cooking fuels however cause significant harm to health and environment.

To increase LPG usage amongst PMUY households, Government has started a targeted subsidy of Rs 200 per 14.2 Kg domestic LPG refill for upto 12 refills per year for 2022-23 and 2023-24 for PMUY beneficiaries. As a result of steps of the Government and Oil Marketing Companies to encourage LPG usage amongst consumers, per capita consumption of LPG by PMUY households has gone up from 3.01 refills in 2019-20 to 3.71 refills in 2022-23.

The funds allocated for Direct Benefit Transfer for LPG (DBTL) Scheme (Budget Estimates) for 2023-24 are same as funds for 2022-23 (Revised Estimates) at Rs. 180 crore. Government reviews its budgetary requirements during the course of year based on emerging situations and expenditure position. For instance, the funds allocated for PMUY for the year 2022-23 at Budget Estimates stage were Rs. 800 crore which were revised to Rs. 8010 crore at Revised Estimates stage. Further, to insulate domestic LPG consumers from fluctuations in international prices, Government continues to modulate the effective price to consumer for domestic LPG. During Covid Pandemic, Government had also provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

To increase awareness of benefits of the usage of LPG, Government and OMCs have been organising massive awareness programmes through print, electronic and social media. LPG consumers including PMUY beneficiaries can book a refill by various methods including Interactive Voice Response System(IVRS), Short Message Service(SMS), Whatsapp, calling directly on the phone of distributor, e-commerce platforms, OMC mobile applications, OMCs web-portals etc. Further, OMCs continuously expand the distribution network by commissioning new LPG distributorships.

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