GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 4117
ANSWERED ON - 30/03/2026

FALLOUT OF MIDDLE-EAST WAR ON LPG AVAILABILITY

4117 SHRI PARIMAL NATHWANI:

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

(a) whether there is any fallout of middle-east war on LPG availability in the country, if so, the details thereof;
(b) the exact condition of reserve stock of LPG in the country in the volume and for how long that reserve stock can last as per daily average usage;
(c) the steps Government is taking to ease the condition of scarcity of LPG in the country on immediate basis; and
(d) whether Government is taking steps towards long lasting solutions in future in terms of LPG availability, if so, the details thereof?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (d): India imports about 60 percent of its LPG consumption, out of which about 90 percent transits through the Strait of Hormuz. In view of the ongoing geopolitical developments in West Asia, the availability of imported LPG in the country has been impacted. The Government has undertaken a series of proactive measures to ensure stability in LPG supplies. These include prioritization of domestic LPG consumption, diversification of import sources, dynamic stock management, and inter-regional allocation to address localized shortages.

While domestic LPG supplies have been prioritised, commercial LPG supplies were initially impacted. Subsequently, Government restored partial supplies of 20% to commercial consumers, which was further enhanced to an overall allocation of 50%, including 10% linked to PNG expansion reforms. This allocation has been prioritised for key sectors such as restaurants, dhabas, hotels, industrial canteens, food processing and dairy units, subsidised canteens run by State Governments or local bodies, community kitchens, and 5 kg FTL cylinders for migrant labourers. From 14.03.2026 to 21.03.2026, approximately 15,440 MT of commercial LPG has been uplifted across States and UTs. Additionally, educational institutions and hospitals continue to receive priority, accounting for around 50% of the total commercial LPG allocation.

In continuation of these measures, Government has further enhanced allocation of commercial LPG by an additional 20%, taking the total allocation to 70% of the pre-crisis level (including the 10% reform-linked component). This additional allocation is being prioritised for labour-intensive and core industrial sectors, including steel, automobile, textile, dye, chemicals and plastics, with preference to process industries and those requiring LPG for specialised heating purposes where substitution with natural gas is not feasible.

Entities seeking allocation under this additional 20% are required to comply with existing conditions relating to registration with OMCs and application for PNG connections to CGD entities, as stipulated earlier. However, in cases where LPG is required for specialised process use that cannot be substituted by natural gas, such requirements are being waived.

Oil Marketing Companies (OMCs) have constituted a three-member Committee at the Executive Director level to oversee and ensure rationalised and equitable distribution of commercial LPG across States. States/UTs have also been advised to expedite implementation of PNG-related reforms to avail the additional 10% reform-linked allocation.

In continuation of the measures undertaken to ensure stability in LPG supplies, City Gas Distribution (CGD) entities have also been advised by the Government of India to prioritize the provision of Piped Natural Gas (PNG) connections to commercial establishments such as restaurants, hotels, and canteens across their authorized Geographical Areas, with a view to addressing concerns relating to the availability of commercial LPG. Further, vide letter dated 16.03.2026, the Government of India has requested the Governments of States/Union Territories to expedite the approval of applications required for the expansion of CGD networks.

Over the past decade, OMCs have undertaken significant capacity expansion of LPG import and storage infrastructure to enhance LPG supply security in a volatile global environment. Government, from time to time, also evaluates the possibility of augmentation of storage capacities based on technical and commercial feasibility. Assessment of new sites for establishing additional petroleum reserves is a continuous process.

Strategically, diversification of LPG imports is being pursued to ensure supply security and mitigate risks arising from regional disruptions or geopolitical events. As part of this strategy, PSU OMCs have recently concluded contracts for the import of ~2.2 Million Metric Ton (MMT) of US-origin LPG for calendar year 2026, covering nearly 10% of the country's total LPG import requirement. This marks a significant step in strengthening India's energy resilience by establishing a reliable alternate LPG supply source outside the traditional Arab Gulf region.

Further, to ensure adequate LPG storage and supply chain resilience, a High-Level Committee was constituted by the Ministry to assess storage adequacy. After careful consideration of the recommendations of the Committee and taking cognizance of the ongoing LPG supply situation, OMCs were directed to plan LPG stocks equivalent to at least 30 days of national consumption (in terms of stock levels and not storage capacity).

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