GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO.- 927
ANSWERED ON- 27/07/2026

DIVERSIFICATION OF LPG IMPORT SOURCES

927 SHRI CONSTANDINE RAVINDRAN:

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

(a) the details of Government's assessment regarding diversification of Liquefied Petroleum Gas (LPG) import sources through increased purchases from the United States to strengthen the country's energy security and reduce excessive dependence on any single region;
(b) the factors considered by Government while determining the future import mix between the Gulf region, the United States and other supplying countries;
(c) the likely impact on domestic LPG availability and price stability;
(d) the coordination with public sector oil marketing companies for procurement planning; and
(e) the expected benefits for long-term energy resilience and uninterrupted fuel supplies?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (e): Prior to the outbreak of conflict in the Middle East in February 2026, India used to import about 60 percent of its LPG consumption, out of which about 90 percent was transiting through the Strait of Hormuz. With the closure of Strait of Hormuz, supplies of imported LPG were severely constrained. To address this situation, the Government adopted a comprehensive strategy to ensure uninterrupted LPG availability across the country including through imports. These include rapid increase in production of LPG, prioritization of household usage of LPG, diversification of import sources, dynamic stock management and inter-regional allocation to address localized shortages.

Diversification of LPG imports is being pursued to ensure supply security and mitigate risks arising from regional disruptions or geopolitical events. The number of LPG sourcing countries has increased from 10 to 15 countries and LPG is now sourced from a diversified pool of suppliers across countries in different regions of the world. As part of this strategy, PSU OMCs have concluded contracts for the import of ~2.2 Million Metric Ton (MMT) of US-origin LPG, 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 Gulf region.

With the onset of the West Asia crisis, the average Saudi CP (the international benchmark for LPG pricing) rose upto US$ 780/MT in April and May 2026. In June 2026, as the Saudi CP rose further to US$ 796/MT (excluding premium), the Market Determined Price (MDP) of a 14.2 kg domestic LPG cylinder went upto Rs. 1,695 for a 14.2 Kg cylinder.

The Retail Selling Price of domestic LPG is being maintained at Rs. 942 per 14.2 Kg cylinder, carrying an implicit subsidy (under-recovery) of more than Rs 700 per 14.2 Kg cylinder, in June 2026. Even for the month of July 2026, the implicit subsidy on each 14.2 Kg domestic LPG cylinder is more than Rs 500 per cylinder. For more than 10.5 crore PMUY consumers, the effective price is only Rs. 642 per cylinder (Delhi), after a targeted subsidy of Rs. 300 per cylinder, in addition to the implicit subsidy of more than Rs 500 per cylinder.

To strengthen energy security and reduce supply risks, Government continuously monitors and assesses the threats, which can lead to potential supply disruptions of LPG. Public Sector Oil Marketing Companies (OMCs) also continuously monitor international shipping, freight, supply conditions, and undertake appropriate procurement and logistics management measures to ensure uninterrupted LPG availability across the country.

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