LOK SABHA UNSTARRED QUESTION NO. 3632 TO BE ANSWERED ON 10 AUGUST, 2023

Hike in the Price of Cooking Gas

3632. SHRI E.T. MOHAMMED BASHEER:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the Government is aware that there has been a massive hike in the price of Cooking Gas; and

(b) if so, the steps taken/to be taken by the Government to address this price increase and bring uniformity in the price of cooking gas?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAMESWAR TELI)

(a) & (b): India imports more than 60% of its domestic LPG consumption. Prices of LPG in the country are linked to its price in the international market. However, for domestic LPG, Government continues to modulate the effective price to consumer. Further, Government has started a subsidy scheme exclusively for poor households where the subsidy is credited to the bank accounts of eligible beneficiaries. W.e.f. 21st May, 2022, Government is giving 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 years 2022-23 and 2023-24.

During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in international prices was not fully passed on in retail prices, due to which the Oil Marketing Companies (OMCs) suffered under recoveries of approximately Rs. 28,000 crore on sale of domestic LPG. To compensate this, the Government approved a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23. During Covid pandemic, Government also provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

Price of domestic LPG (at Delhi) was Rs. 1053 w.e.f. 6th July 2022 and is Rs. 1103 in August 2023. For PMUY consumers effective price is Rs. 903 after a targeted subsidy of Rs. 200 per cylinder.