LOK SABHA
UNSTARRED QUESTION NO.757
TO BE ANSWERED ON 23rd July, 2026

IMPACT OF WEST ASIA CONFLICT ON LPG SUPPLY AND PRICES

757. SHRI ESWARASAMY K :

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the Government has assessed the impact of the ongoing conflict in West Asia on country's imports of Liquefied Petroleum Gas (LPG), including disruptions in shipping routes, freight costs and supply chains, if so, the details thereof;

(b) whether the Government has reduced the number of subsidised LPG cylinders provided under the Pradhan Mantri Ujjwala Yojana (PMUY) and if so, the reasons and rationale therefor;

(c) the extent to which international LPG prices, freight charges and insurance costs have increased due to the conflict and its likely impact on domestic LPG prices; and

(d) the measures taken or proposed by the Government to ensure uninterrupted availability of LPG across the country, including maintenance of strategic reserves, diversification of import sources and strengthening of supply logistics?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) Government remains committed to ensure uninterrupted supply of LPG in the country, including through imports. 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.

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. Despite volatility in global energy markets, there has been no major disruption in domestic LPG supplies.

(b) to (d) The Government remains committed to providing affordable clean cooking fuel to PMUY households while improving subsidy targeting. Based on LPG consumption trends of PMUY household in FY 2025–26, the annual subsidised refill limit has been revised from 9 to 4 cylinders, while retaining the subsidy at ₹300 per cylinder.

Prices of LPG in the country are linked to its prices in the international market. Government continues to modulate the effective price to consumer for domestic LPG.

While the average Saudi CP (the international benchmark for LPG pricing) was US$ 796/MT (excluding premium) in June 2026, the Market Determined Price (MDP) of a 14.2 kg domestic LPG cylinder went upto Rs. 1,695 per 14.2 Kg cylinder. However, the Retail Selling Price of domestic LPG is being maintained at Rs. 942 per 14.2 Kg cylinder. For PMUY consumers, the effective price is Rs. 642 per cylinder in July 2026 after a targeted subsidy of Rs. 300 per cylinder.

10.58 crore PMUY households continue to receive subsidy of ₹300 per cylinder in the form of direct benefit. The revised framework aims to balance support for vulnerable households with better targeting, fiscal prudence, and sustained adoption of clean cooking fuel.

Prior to the outbreak of conflict in the Middle East in February 2026, India imported about 60 percent of its LPG consumption, out of which about 90 percent was transiting through the Strait of Hormuz. To tide over the crisis, Government has undertaken a series of proactive measures to ensure stability in LPG supplies post the outbreak of the conflict. These include rapid increase in domestic production of LPG, prioritization of domestic LPG consumption, diversification of import sources, dynamic stock management, and inter-regional & sectoral allocation to address localized shortages.

The Government has also implemented several rationalisation measures on both the supply and demand side, including enhancing refinery production, increasing the booking interval to 25 days in urban areas and up to 45 days in rural areas and prioritising sectors for supply.

Commercial LPG supplies were regulated in line with the prevailing crisis situation; in initial days in coordination with state governments and other stakeholders. These have been progressively relaxed. Government has now removed all sectoral restrictions on the supply of Non-Domestic Packed LPG and restored supplies to the levels prevailing prior to the West Asia crisis. Further, the supply of bulk LPG, which had been suspended at the onset of the crisis, has been relaxed by 50% of the pre-crisis consumption levels providing significant relief to commercial and industrial consumers.

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