

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:54

ANSWERED ON:28.02.2008

SHORTAGE OF LPG

Bhakta Shri Manoranjan;Nahata Smt. P. Jaya Prada

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

- (a) whether there is a severe scarcity of LPG in the country causing abnormal delays in delivery of cylinders to the consumers;
- (b) if so, the reasons therefor and the steps taken to deal with the situation including the directives/instructions issued/to be issued to the oil marketing companies;
- (c) the details of total production, demand and actual supply of LPG in States/Union Territories of the country;
- (d) whether the Government is also aware of the hoarding or blackmarketing of LPG by the oil marketing companies; and
- (e) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 54 BY SHRI MANORANJAN BHAKTA AND SHRIMATI JAYAPRADA, MPs TO BE ANSWERED ON 28TH FEBRUARY 2008 REGARDING SHORTAGE OF LPG.

(a) & (b): Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors. OMCs have further reported that they have supplied 8450 TMT (Thousand Metric Tonnes) of domestic LPG in the country during the period – April, 2007-January, 2008 as against 8030 TMT during the corresponding period of last year, showing a growth of 5.2%.

However, OMCs had reported backlog in LPG supplies in certain States in the country due to reduction in supply of bulk LPG by Reliance Industries Limited (RIL) & Essar Oil Limited in January 2008, delay in movement of bulk LPG by rail from Jamnagar to the Northern Region, increased demand in the States due to severe cold which resulted in panic booking by the customers, strikes by contract labour, agitational activities, delays in berthing of vessels at Haldia Port due to reduced draft, bandhs etc.

Government has advised OMCs to liquidate the backlog in the States by operating the bottling plants on holidays and during extended hours. Increased bottling is also being done during the working days for early clearance of backlog.

(c): At present the indigenous production of LPG is inadequate to meet domestic requirements. The shortfall in availability is met through imports. The details of LPG domestic production, imports and the demand/actual sales in the country during the period April, 2007-January, 2008 is as under:-

(Figures in Thousand Metric Tonnes) (TMT)

Period	Production	Imports	Demand / Actual Sales
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April, 2007 to January, 2008	7261	2008	9302
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(d) & (e) : The possibility of black marketing of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

In order to stop black marketing of LPG cylinders, the Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guidelines, 2001" which provides for penal action against LPG distributors indulging in black marketing of LPG.

Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the

LPG distributor(s) in accordance with the provisions of the MDG. MDG provides for following action against the distributor:-

Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.

Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against black marketing of domestic LPG. Similarly, the Weights and Measures Departments of the States / UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the black-marketing of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity / malpractice to the OMCs.

The officials of OMCs carry out checks at distributors' godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.