

New LPG connection requests put on hold as war snaps supply

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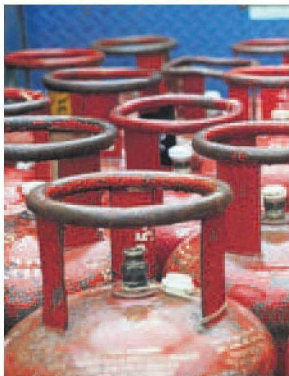
NEW DELHI

State-run oil marketing companies (OMCs) have halted new cooking gas connections nationwide for over a month amid a supply shortage linked to the West Asia conflict and the closure of the Strait of Hormuz, according to four people aware of the matter, including liquefied petroleum gas (LPG) distributors.

India, the world's second-largest importer of LPG, meets nearly 65% of its annual demand of 33 million tonnes through imports, about 90% of which is sourced from West Asia. With uncertainty around the Strait—which carries a fifth of global energy supplies—persisting, there is no clear timeline for resumption of new connections.

“Regarding new connections, we are not doing it right now,” Sujata Sharma, joint secretary at the ministry of petroleum and natural gas, said at a press briefing on Wednesday, in response to a question regarding the halt and a timeline for resumption of new connections.

“There have been no new connections; it has been put on



In India, LPG is used by nearly 340 million households. REUTERS

hold as the government has prioritized supplies to existing domestic consumers,” a Delhi-based LPG distributor said on condition of anonymity, adding that while OMCs have not given any official directive to distributors, the online application system is not accepting new connection requests.

According to updates by the petroleum ministry's e-Seva grievance redressal platform on social media, this is a temporary issue and new connections would resume once the situation stabilizes.

To be sure, LPG demand—used by nearly 340 million households—has been capped

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since the war began, with mandatory booking intervals of 25 days in urban areas and 45 days in rural areas limiting consumption.

In response to a complaint on X by a consumer seeking a new LPG connection, the X handle of state-owned Bharat Petroleum Corporation Ltd (BPCL)'s LPG brand BharatGas on Tuesday said, "Due to the prevailing geopolitical situation, issuance of new LPG connections is temporarily on hold. At present, distributors are prioritizing efficient refill supplies for existing consumers to ensure uninterrupted essential services. Any inconvenience caused, is purely due to reasons which are beyond our control."

Noting that supply continues to be affected by the prevailing geopolitical situation, the petroleum ministry in a statement on Wednesday said, "supply of LPG to domestic households has been prioritized. No dry-outs have been reported at LPG distributorships."

Queries emailed to the min-



India is the world's second-largest importer of LPG. REUTERS

istry of petroleum, Indian Oil Corp. Ltd, BPCL, and Hindustan Petroleum Corp. Ltd remained unanswered.

Jagdish Raj, president of Uttar Pradesh Circle of the All-India LPG Distribution Federation said, "Even registration has been put on hold. But in some instances, like in the case of HPCL, registration has started recently, but delivery of canisters has not resumed. Further, sale of cylinders on the second connection of a household also is currently on hold." He added that the panic buying witnessed a few weeks ago has now

calmed.

The government is also taking measures to ensure that LPG users in the vicinity of city gas distribution networks switch to piped natural gas (PNG). According to the government, after the war started in late February, more than 40,600 households who already have an installed PNG connection have surrendered their LPG connection as of 21 April through MYPNGD.in website.

With the rapid expansion of LPG connections under the Pradhan Mantri Ujjwala Yojana (PMUY), the ongoing supply disruption, and the steady expansion of PNG networks, experts expect LPG demand to approach saturation in the coming years.

"The PMUY scheme and the incentives provided under it help in higher adoption of LPG. Right now, several LPG consumers are shifting to PNG," said Prashant Vasishth, senior vice president and co-group head, corporate ratings, Ica Ltd. He added that about 30 million LPG connections may shift to PNG by 2030.