

Fourteenth Loksabha**Session : 5****Date : 18-08-2005****Participants :** [Acharia Shri Basudeb](#), [Aiyar Shri Mani Shankar](#), [Aiyar Shri Mani Shankar](#), [Krishnadas Shri N.N.](#)

an>

Title : Shri N. N. Krishnadas called the attention of the Minister of Petroleum and Natural Gas to the situation arising out of the shortage of LPG in the country and steps taken by the Government in regard thereto.

SHRI N.N. KRISHNADAS (PALGHAT): Sir, I call the attention of the Minister of Petroleum and Natural Gas to the following matter of urgent public importance and request that he may make a statement thereon:

“The situation arising out of shortage of LPG in the country and steps taken by the Government in regard thereto.”

THE MINISTER OF PETROLEUM AND NATURAL GAS AND MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): Sir, Public Sector Oil Marketing Companies (OMCs) have reported that except for some temporary shortages in certain areas of operation due to particular circumstances specific to these areas, there is no general shortage of supply of domestic LPG in the country.

For example, in some parts of the State of Kerala, a backlog in LPG supplies was reported owing to a strike by bulk LPG transporters from 18.07.2005 to 22.07.2005 and, thereafter, a strike called by the All Kerala Goods Transporters Association from 31.07.2005 to 03.08.2005. However, the OMCs have reported that this backlog has now been cleared and, at present, there is no shortfall in LPG supplies in the State.

Similarly, a backlog has been reported in Mumbai and the Districts of Solapur, Kolhapur, Sangli, Satara, Pune and Nasik in Maharashtra as these areas have been affected by heavy rain and flooding. To make up for the shortfall, OMCs are moving bulk LPG from Hazira, Jamnagar, Gandhar, Vagodia, Vijapur and Kandla to LPG bottling plants in Maharashtra. At present, the backlog in Maharashtra varies from three to eight days. The situation is being closely monitored and normalcy is expected to be restored within the next ten days.

* Also placed in Library, See No. LT 2665/05

There is a shortage of cooking gas with LPG distributors in Manipur. This has been reported on account of the economic blockade on National Highways 39 and 53 by the “All Naga Students Association of Manipur” from 19th June, 2005 to the afternoon of 11th August, 2005. Although, this blockade has been temporarily withdrawn on the afternoon of 11.08.2005, it has been reported that a bandh call has been given by the “Sadar Hills District Demands Committee of Manipur” from 16.08.2005 to 21.08.2005, thereby affecting the movement

of LPG trucks on National Highway 39. On being alerted by the Chief Minister about the gravity of the situation, I asked the Chairman of the Indian Oil Corporation Limited to spare no efforts to ensure the supply of petroleum products including LPG to Manipur in consultation with the State Government administration. The position is also being monitored by the Ministry of Home Affairs. At present, I regret to have to say, Mr. Speaker, Sir, that the LPG backlog in the State of Manipur varies from 20 to 30 days[R22].

SHRI N.N. KRISHNADAS : Sir, I must say that the situation projected by the hon. Minister in his statement is, unfortunately, not correct. Different parts of the country are facing acute shortage of LPG, especially for the domestic purposes. Newspapers have been reporting everyday on the shortage of LPG and cooking gas. In Bangalore, a newspaper report appeared in July saying that for many days there were big traffic jams in very important places of Bangalore city due to queuing up of thousands of vehicles for purchase of LPG for vehicles. There is also a serious backlog of cooking gas supply in Bangalore.

Another serious report appeared in a newspaper that during the very important time of Amarnath Yatra, there was an acute and severe shortage of cooking gas in different parts of Kashmir Valley and Jammu also. Everybody, I think, has seen that news item. With regard to Kerala, the Minister has stated that a strike was called by the LPG transporters from 18th July to 22nd July, and thereafter another strike was called by the Kerala Goods Transporters Association from 31st July to 3rd August, 2005. The Minister also stated that there is no shortfall in the supply of LPG in the State at present. This is not true. In my own Constituency, that is Palghat, even today people are queuing up before the gas agencies for getting cooking gas. Even today, it is taking 20-30 days for refilling of their cylinders. I came to know that there is a shortage of not only the cooking gas but also of the cylinders. So, what the Minister has stated is not true.

I came to know that the agencies and outlets of oil marketing companies are indulging in some malpractice also. May I know from the hon. Minister whether the Government has implemented any serious monitoring system to check misappropriation or malpractice by these outlets? Is the hon. Minister ready to check the reports submitted by the oil marketing companies in order to find out the reality? It is a fact that even today it is taking 20-30 days for refilling of cylinders. There is no need to say that in the absence of supplies of cooking gas, there is no other fuel available for the people for cooking purposes and for their livelihood. So, what is the Government going to do to tackle this serious situation? That is what I want to know through you, from the hon. Minister.

SHRI BASU DEB ACHARIA (BANKURA): Sir, the statement of the Minister speaks as if there is no shortage of LPG in the country.

MR. SPEAKER: Except in Manipur.

SHRI BASU DEB ACHARIA : Except in Manipur[KMR23].

But the fact is that there is a shortage of LPG in several parts of our country. This Calling Attention has arisen out of the acute shortage of LPG in the State of Kerala because there was transporters' strike for a few days, But he has stated in his statement that after the strike was called off, the situation has been normalised and there is no

shortage of LPG. But it is not the fact. Even after the strike has been called off, there is a shortage in different parts of the State of Kerala.

He has also stated that in some parts of Maharashtra and Gujarat because of heavy rains and floods, there is a short supply of LPG. He has admitted that the backlog in Maharashtra varies from three to eight days. I would like to know from the hon. Minister this. Has the situation been normalised as of today? He has stated that normalcy is expected in the next 10 days. Would the normal supply of LPG be restored within 10 days in some parts of Maharashtra and Gujarat, which were affected because of floods?

In Manipur, we know - because we had discussed the situation in Manipur in this House - that blockade was withdrawn on 11th August, 2005 but Bandh was called from 16th August, 2005 to 21st August, 2005. So, from 11th August till 15th August, why sufficient arrangement was not made by IOC SO that crisis was not there? During the blockade, one cylinder was sold in both the National Highways for more than Rs.600 or Rs.700. Why was it so? Enough arrangement was not made during the blockade and when the blockade was withdrawn. I would like to know from the Minister of Petroleum and Natural Gas as to why such arrangement was not made during the one week when there was blockade?

MR. SPEAKER: Please conclude.

... (Interruptions)

MR. SPEAKER: There are some urgent matters to be taken up. I have to allow them.

SHRI BASU DEB ACHARIA : People of Ladakh face the crisis for at least six months in a year because of shortage of LPG. Same is the case in some parts of Kashmir Valley. One cylinder is sold at a higher price. I would like to know from the hon. Minister as to what arrangement he has made to ensure that there is no shortage of LPG in certain parts of the country where every year people of that part of the country face shortage of LPG. There is a crisis in the production of cylinders. There is shortage of cylinders. I would like to know from the hon. Minister as to how the Government propose to overcome the crisis in regard to the shortage of cylinder. Thank you, Sir.

MR. SPEAKER: Thank you very much.

श्री शैलेन्द्र कुमार (चायल) : अध्यक्ष जी, एक प्रश्न पूछना है।

MR. SPEAKER: Please take your seat. Not today. We have already decided. When there is time, I will allow you. But today there is no time.

श्री शैलेन्द्र कुमार : अब तक तो एक प्रश्न हम पूछ भी लेते।

MR. SPEAKER: Every day, you have been raising issues. You are a very alert Member. I appreciate it. Do not spoil your record[R24]!

SHRI MANI SHANKAR AIYAR : Mr. Speaker, Sir, I am truly grateful to the hon. Member Shri Krishnadas for having raised this question and specifically for having drawn attention to the importance of our controlling mal-practices with regard to the use of domestic LPG. I am only sorry that he did not elaborate upon this point which is the crux of the issue before us. We found that in the last couple of years of the previous Government, there was such an excessive growth of demand from distributors – I am not talking about the consumers – for LPG supplies to them that it was not in consonance with the growth in demand of genuine consumers. To tackle this situation, it was decided in June of 2004 that we would start undertaking... (*Interruptions*)

श्री संतो गंगवार (बरेली) : महोदय, अब कंज्यूमर डबल हो गए हैं... (व्यवधान)

MR. SPEAKER: It is not permitted. I have got to allow this matter to be raised. Please cooperate.

... (*Interruptions*)

SHRI MANI SHANKAR AIYAR: It was decided in June of 2004 that we would start undertaking a very strict monitoring of the supplies made to distributors. We took the average market consumption pattern into account. We took into account the increase in customer level. We took into account cylinders required for releasing double bottle connection. We took into account additional loads that might be required in special circumstances or any backlog that might be developing with a particular distributor to determine the quantity of LPG that would be made available to that distributor. We also put under surveillance distributors who were reporting an abnormally high pattern of consumption and put in place a refill audit for distributors indenting substantially more cylinders than the average consumption pattern would warrant. In consequence of this, we have succeeded simultaneously, in the quarter of April-June 2005, in releasing an additional 14.5 lakh LPG connections but controlling the growth of consumption of LPG to a mere 0.5 per cent.

Now, I believe that here we have the root of the dilemma. There are distributors who are in cohorts even with consumers who wish to divert the use of LPG particularly into motor cars. They are not fitted for this purpose. We have an extremely dangerous situation developing where this kind of diversion, because I presume that it is paid for at a premium and is preferred by distributors and their nexus with certain type of consumers to the detriment of other consumers. So, I would like to plead that there is no shortage of supply, in any generic sense, of LPG to distributors. But we need the co-operation of State Governments in being able to check unauthorised use of domestic LPG which is made available only for cooking purposes. Against this background, I do submit to the hon. House that while there is no systemic problem of shortage of gas, episodically there may be shortages of gas that arise from time to time. I think, these are the instances ... (*Interruptions*)

श्री सुकदेव पासवान (अररिया) : गाड़ियों को एलपीजी ... (व्यवधान)

अध्यक्ष महोदय : ठीक है, उन्होंने कहा है कि मिस-यूज हो रहा है।

SHRI MANI SHANKAR AIYAR: These are the instances to which attention has been drawn by both the hon. Members and I would like to deal with them.

In the month of July, we have had a five per cent growth as against a 0.5 per cent growth in the country as a whole. We had a five per cent growth in supplies to the State of Karnataka

[p25]

.

So, there is no reason, in principle why there should be a pile up of motor cars in front of a key distributor, and I think that is an issue that does need to be looked into. I would just like to come to that in a minute, after dealing with the other episodic instances that have been brought to our attention.

Sir, in Ladakh, we have built up a bottling plant there with a 3 million tonnes capacity per annum. I am intending to visit Ladakh soon after the House rises following the Monsoon Session, and I would take up with the authorities there all issues relating to the supply of petroleum products because as the House is aware and discussed only a few days ago, there has also been a problem of the supply of petroleum products from the Ambala Depot to the Army stationed in Leh. So, at the same time, we will take this up and attempt to make correction.

With respect to Maharashtra, I only gave a generalised average figure as to the period by which we would be able to sort it out. I am happy to provide the following clarifications for specific areas. Sir, home delivery in Mumbai has been resumed by distributors to most areas of Mumbai. However, there is a 5-day backlog in western suburbs in the markets between Goregaon and Dahisar, Kurla and Bhandup and also in Vasai/Virar and Bhayande market areas. In other markets, there is a 1-day backlog.

With respect to Solapur, the backlog is of the order of two to three days, and Kolhapur has a backlog of seven to eight days. In Sangli, there is a backlog of five days; in Satara, there is a backlog of two to three days; and in Pune, there is a backlog of seven days. In Nasik, there is an average backlog of about three days. In other areas and districts, there is no backlog.

The overall backlog appears to be of the order of 3,000 metric tonnes, and with the immense arrangements we have made to move bulk LPG from Hazira, Jamnagar, Gandhar, Vagodia, Vijapur and Kandla to LPG bottling plants in Maharashtra as also to make import arrangements for 2,000 metric tonnes through M/s. Aegis on an immediate basis, and within the next two months, of 8,000 metric tonnes, we hope that we will be able to overcome all the shortages that have been temporarily caused by the rains in that area. It is in this situation that we are hoping to restore normalcy in Maharashtra in the next 10 days.

As regards Manipur, we have been trying to do all we can to move LPG which would not normally be earmarked for Manipur out of the Barak Valley through Jiribam into the valley areas of Manipur where the shortage appears to be the most acute. But owing to repeated disruptions and the general law and order situation

in that area, with which the House is familiar, we have not been able to get things out as quickly as we desire. We estimate that the backlog in that State is of the amount of 1,578 metric tonnes, and within the next 20 to 30 days, I am hoping that we will be able to sort things out. When the problem with the Naga students was resolved, we really thought that we would be able to move and solve the problem, but in between there is this other Bandh that has come, and that is disrupting supplies.

I would request the House not to consider episodic disturbances as systemic disturbances. I have been asked to undertake a special inquiry into this matter. While holding that some of the shortages are the result of very important action that we must take to control diversion, especially as today the subsidy being given by the Government and the oil marketing companies on domestic LPG is of the order of Rs. 200 a cylinder, about nearly Rs. 200 a cylinder is the subsidy that is being paid out. I would request the Communist Party (Marxist) of India, as a proletarian party, to weigh the interests of the proletariat with the interests of the bourgeoisie, which is the larger consumer of LPG.

I would hate, Mr. Speaker, Sir, to see the party of my friends Comrade Krishnadas and Comrade Basu Deb Acharia turned into a middle class party. Please look at this issue in a larger light and do help us to continue being able to supply larger quantities of kerosene at subsidised prices to the genuinely poor, even if it means some increase in the burden on middle class petit bourgeois consumers of LPG... (*Interruptions*[\[k26\]](#))

MR. SPEAKER: But they are not responsible for the shortage.

SHRI N.N. KRISHNADAS : In Kerala, the entire working class is using cooking gas only.

MR. SPEAKER: Okay, have you finished, Mr. Minister?

SHRI MANI SHANKAR AIYAR: Sir, I just sat down because he wanted me to yield. I have actually finished the bulk of what I have to say. I accept the suggestion that in addition to what the OMC report says about its own performance, it is necessary for my Ministry to monitor the situation as well. And I have to come back to the House by the next Session with a clarification as to what further is being done in this regard. Thank you.

MR. SPEAKER: It is now for Shri Acharia to respond to your suggestion!

