

Costlier LPG fuels

Why in news?

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Government has decided to increase the rates of cooking gas by Rs. 4 each month till LPG subsidy comes to an end.

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What was the rationale?

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- LPG is a highly subsidized commodity in India.
- Subsidised LPG now costs around Rs. 475 per 14.2-kg cylinder.
- The rate of non-subsidised LPG, which consumers pay after exhausting their quota of below-market priced bottles, costs around Rs. 565.
- The subsidy burden more than Rs. 40,000 crores/annum.

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What would be the impact of this?

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- Opposition says that this would adversely affect the common people.
- It also claims that there was no justification when global crude oil prices had gone down.
- The government is failing on its social commitment to provide cooking gas at subsidised rates to the poor.
- The 'Give it Up' campaign encouraged many to give up subsidies so that subsidised LPG could be provided to the poor and needy. The recent decision defeats this purpose.

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- Around 2.5 crore women who were recently given LPG connection for free would be finding it difficult to avail LPG cylinders every month.

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Source: The Hindu

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