

Auto LPG Sector Clocks 14% Growth In Sales

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The auto LPG sector in India clocked an impressive sales growth of 14% this year, thanks to rising petrol and diesel prices as well as growing social consciousness about the need for cleaner transport fuels.

The auto LPG industry grew at 14% in financial year 2017-18 as compared to 2016-17, with a total sales figure of around 400,000 tonnes. The previous year had witnessed a sales figure of 346,000 tonnes.

Notably, the auto LPG sector had closed the fiscal year 2016-17 with a sales growth of 4.9%. This indicates a steady and impressive growth trajectory for the alternative transport fuel in the country. A number of factors such as a steep hike in petrol and diesel prices, improved consciousness about the need for cleaner fuels and increasing penetration of the fuel across the country, have been instrumental in the growing shift towards auto LPG.

Auto LPG is available in more than 500 cities with a network of close to 1100 Stations, which makes it the most widely available alternate fuel. While the rise in global crude prices have impacted petrol, diesel as well as auto LPG price in India, the latter still remains priced at a much lower rate as compared to the former two. While the price of petrol has been hovering close to the Rs 80 mark for the past few months, auto LPG is priced at much less at less than 40% of Petrol costs. For example, Petrol in [Hyderabad](#) today is retailing at around Rs 77, whereas Auto LPG is selling at just Rs 44, making it almost 42% of the price of Petrol.

“Auto LPG has never been more relevant. As Indian cities struggle to fight the growing air pollution levels, petrol and diesel are increasingly becoming non-sustainable. The auto LPG sector in the past few years has witnessed a steady growth in India, as more and more people opt for hybrid vehicles and gaseous fuels. The growth also reflects the fact that the fuel has achieved improved penetration across the country,” says Mr Suyash Gupta, Director General of the Indian Auto LPG Coalition (IAC).

The Indian Auto LPG Coalition is the apex industry body representing the interests of the auto LPG sector in India. The IAC has been demanding favorable policy initiatives from the government to allow auto LPG become a major alternative to petrol and diesel.

“We want auto LPG to be included in the recently launched city gas project which focuses entirely on CNG. It must be underlined that switching to auto LPG is much easier as compared to CNG, even as auto LPG is as clean a fuel as CNG. Unlike CNG, which requires creating extensive pipeline infrastructure, auto LPG can easily be transported even in trucks. Importantly, auto LPG can also be easily installed on two-wheelers which are among the major sources of dangerous emissions. Another important policy intervention urgently required is changing the existing system of Type Approval by agencies which comes with prohibitive approval costs of as high as Rs 4 crores every three years. The Type Approval Validity must be made perpetual in line with European norms as there is absolutely no logic for the same vehicle to undergo the same cost prohibitive tests every 3 years,” adds Gupta.

Globally, Auto LPG is the third most commonly used automotive fuel after Petrol and Diesel. Over 27 million vehicles across 70 countries use Auto LPG to help clean their urban

environment. Auto LPG is a clean automotive fuel, which is much cheaper than both petrol and diesel. Like all gaseous fuels, Auto LPG emits almost negligible particulate matters and very low levels of nitrogen dioxides (NO_x) - lower by almost 90% than diesel and 68% lesser NO_x than petrol. Also, auto LPG emits about 22% lower carbon dioxide (CO₂) than petrol which is comparable to the CO₂ emissions of CNG.