Invoking the Essential Commodities Act, 1955

Prelims: *Current events of national and international importance*

Why in News?

Ministry of Petroleum and Natural Gas (MoPNG) has invoked the Essential Commodities Act (ECA), 1955, to prioritize the allocation of natural gas to critical "priority sectors" currently facing fuel shortages.

Essential Commodities Act, 1955

- **Aim -** To control the ***production, supply, and distribution of specific commodities*** in the interest of the general public, preventing hoarding and black marketing.
- **Core List -** Includes cattle fodder, coal, automobiles/components, textiles, drugs, foodstuffs, iron/steel, and raw cotton/jute.
- **Flexibility -** The Centre can notify any other product as an "essential commodity" (e.g., masks and sanitizers in 2020).
- **2020 Amendment -** Delisted cereals, pulses, onions, potatoes, and oils. Regulation now only occurs under "extraordinary circumstances" (war, famine, natural calamity, or extreme price rise- **100%** for perishables; **50%** for non-perishables).

MoPNG Directives: Natural Gas Priority Allocation

- Due to geopolitical disruptions, the Ministry has established a 4-tier hierarchy for natural gas distribution based on the average consumption of the previous 6 months:

Priority Level	Sector	Allocation Quota
I (Highest)	**Domestic PNG**	Full requirement (Subject to availability)
II	**Fertilizer Units**	**70%** of average six-month consumption
III	**Tea & National Grid Industries**	**80%** of average six-month consumption

IV	**Commercial/Industrial (City Gas)**	**80%** of average six-month consumption

- **Crisis Management in the LPG Sector -** To counter supply constraints and hoarding, the government has mandated:
- **Production Hike -** Oil refineries must maximize LPG output specifically for domestic use.
- **Inter-booking Restriction -** A **25-day mandatory gap** between domestic LPG cylinder bookings to prevent artificial scarcity.
- **Non-Domestic Prioritization-** Imported LPG will be diverted first to essential institutions like **hospitals and schools**.
- **Grievance Redressal -** A committee of three Executive Directors from OMCs will review supply requests from the hospitality and industrial sectors.

Reference

The Indian Express | Essential Commodities Act

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