

PMUY: a feather in the cap for Pradhan and his team

Pressure-cooker sales rise as more rural consumers get access to LPG cylinders

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Dharmendra Pradhan, Minister for Petroleum and Natural Gas, and his team, have something more to boast about. Their successful scheme – Pradhan Mantri Ujjwala Yojana (PMUY) – seems to have led to companies gearing up for a bigger uptick in pressure cooker sales with more and more rural consumers getting access to LPG cylinders.

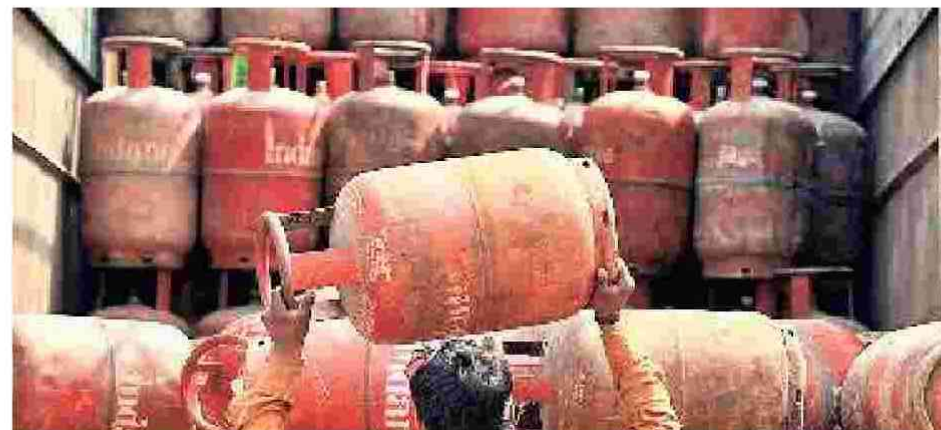
Budgetary allocation

Twenty-eight months since its launch, PMUY has already achieved the initial target of providing 5-crore LPG connections to BPL households, and considering its success in the current year, the government

has revised the target to 8 crore with a budgetary allocation of ₹12,800 crore. As on July 1, 2018, there are 23.47 crore LPG consumers in the country.

The pressure cooker industry is pegged to be in the range of ₹1,500-2,000 crore and has as many as 250 brands, mostly unorganised players. Prestige, Hawkins and United are among the key organised brands in the market.

Chandru Kalro, Managing Director of TTK Prestige, said: “As soon as a household gets a LPG stove connection, one of the first appliances they buy is a pressure cooker. We believe the Ujjwala scheme has contributed to the growth of the pressure cooker industry, and we are seeing an uptick in the



Another milestone PMUY has achieved the initial target of providing 5-crore LPG connections to BPL households

pressure cooker sales in the rural regions as well as among the urban poor consumers.”

He said that the pressure cooker market in India is a mature market and was seeing a single-digit growth of about 5-6 per cent in the past. “We believe from this fiscal onwards we may start seeing a double-digit growth of 10-11 per cent,” he added.

, While the penetration of pressure cookers is nearly 90

per cent in urban regions, in rural areas it is just about 30 per cent. But Ujjwala seems to be opening up the market in rural areas as well.

Arief Ellahi, Director, United Group, said: “Nearly 65 per cent of our sales come from rural region, and it has been growing at 15 per cent year-on-year. I believe the Ujjwala is one of the factors that has helped in the growth of pressure cookers segment in the

rural region. Growing awareness and aspirations in the rural regions are also contributing to this growth.”

Ellahi added: “While we are seeing new customers coming on board in rural regions because of the Ujjwala, repeat purchases are yet to see an uptick, which could be because rural consumers are not consistently using LPG connections.”

Challenges present

This is a challenge which the Petroleum Ministry is also aware of. Though there has been an increase in customer base, the consumption growth has not been in sync. A senior official in the Petroleum Ministry said that the Ministry had to work differently for each area for promoting the scheme. For example, in the areas where the number of daily wagers is higher, the

adaptability is higher than areas where there is more tribal population.

According to the Ministry, the refill average consumption pattern of PMUY consumers who have completed a year from the date of release of connection is found to be more than 3.5 cylinders.

Neha Gandhi, Director, Stovekraft, which sells kitchen appliances and cookware under the Pigeon and Gilma brands, said: “Trade channels in rural segments are not yet fully developed and are still evolving. We are working towards ramping up our distribution in the rural regions, as we believe that with more and more rural households having access to LPG connections and more steady incomes, kitchen appliances such as gas cook tops and pressure cookers are expected to see a big jump in sales in the next 2-3 years.”