

# Gazprom for Pakistan gas pipeline feasibility study



Russian company Gazprom is set to initiate the feasibility study in the first quarter of 2020 for laying down undersea pipeline starting from Gulf to Pakistan, India and Bangladesh initially that will ultimately end to China after touching Myanmar and Thailand, a senior official of the Petroleum Division privy to the development said.

The pipeline will pass through shallow waters of Pakistan, India and Bangladesh and every country will get the gas from the pipeline as per requirements.

The total cost of the undersea pipeline will hover around \$20bn-\$25bn when it will be extended to China at last.

The most important aspect of the project, the official said, is that every country will provide the transit fee to Pakistan, which will run into billions of dollars when the said pipeline will ultimately have access to China.

Pakistan will be getting transit fee from India, Bangladesh, Myanmar, Thailand and China. Pakistan's Navy will provide services with regard to monitoring the pipeline and its security.

Pakistan and India have already signed MoUs and agreements with Russia separately for the project under which both countries would get gas from the undersea pipeline through the spur pipelines.

However, the three countries, at the outset Pakistan, India and Bangladesh, will benefit from the billions of dollars Russian investment as buyer countries.

According to the official, the undersea pipeline would be laid down with an estimated investment of \$10 for the regional three countries and Pakistan will get gas from the undersea pipeline up to 1bcfd.

More importantly Russia-Pakistan economic corridor will also be set up and Russia will also invest in fibre optic link, roads and power projects as ancillary facilities.

Pakistan will take the gas up to 1bcf per day when the said pipeline will come on stream with massive rollover impact on economy.

Russia is already engaged with Pakistan on North South Gas Pipeline, which will cost \$2bn-2.5bn. However, Gazprom has also shown interest in building gas storages in Pakistan with investment of \$400mn-\$500mn. Russia is also interested in investing in exploration and production activities in Pakistan and to this effect Gazprom is currently engaged with the top management of OGDCL.

However, under the agreement, another top Petroleum Division official said Gazprom Company from gas deposits in Iran and in other Middle East countries owned by Russia will ensure gas sourcing in the pipeline for the said buyer countries. The buyer countries under separate agreements with the said Russian company will have gas intakes from the said pipeline.

The official said Pakistan will share its credible data with Russian company about the demand of gas with future projections in next one decade keeping in view existing pricing structure, and regulatory and taxation regimes. The data for demand would be worked out keeping in view the renewable power policy and future LNG terminal being installed by private companies.

The same data India will provide to Russian company too.

After having the required data from Pakistan and India, the Russian company will ink commercial agreements with buyer countries. Based on data from both the countries, Gazprom will start the feasibility in the first three months of 2020 and the whole process starting from sharing the data to completion of feasibility report will be finished in one year time and if

the project is found feasible, the pipeline will be laid down undersea in 3-4 years.

To a question, the official said that Pakistan had the option to build spur pipeline to connect the undersea pipeline and the spur pipeline can also be connected to S-N pipeline.