

# **‘GECF committed to help India emerge as key player for future natural gas imports’**

India has announced plans to increase share of natural gas to 15% by 2020 from around 7% today.

The Gas Exporting Countries Forum, through its member countries, remains committed to supply additional LNG to the Indian market to help the country achieve its goal of natural gas representing 15% of the primary energy mix by 2020, says GECF secretary-general Yury Sentyurin.

India is emerging as key country for future natural gas imports as the government has announced plans to increase the share of natural gas to 15% by 2020 from around 7% today.

Asked what the Indian push towards LNG meant for GECF, Sentyurin said, “First of all, India as one of the fastest growing emerging markets, with economic growth about 7%, represents a huge promising future for gas demand in coming years.

“In addition, the fertiliser industry leads gas consumption in the country accounting for around 34% of total gas consumption. The fertiliser sector is of critical importance for the agricultural sector in India, which contributed to 17% of India’s GDP in the financial year 2016-17.”

On whether GECF would play a leading role in helping India reach its natural gas target, the secretary-general said, “The target of the government to reach a 15% share in the energy mix means a lot not only for GECF, but for India as an important country engaging in securing energy for its industry, as well as for natural gas. “This denotes a golden future for this golden source of energy, widely available with GECF member countries sitting on more than 70% of its proven reserves.”

Sentyurin provided Gulf Times with some key facts and figures

on natural gas market in India. India, he said, imports natural gas in the form of LNG amidst growing domestic gas demand and declining domestic gas production. GECF member countries have been a reliable supplier of LNG to India for more than a decade, since imports started in 2004. In 2017, GECF countries supplied more than 80% of India's LNG imports, which includes supplies based on long-term contracts and spot LNG sales, he said.

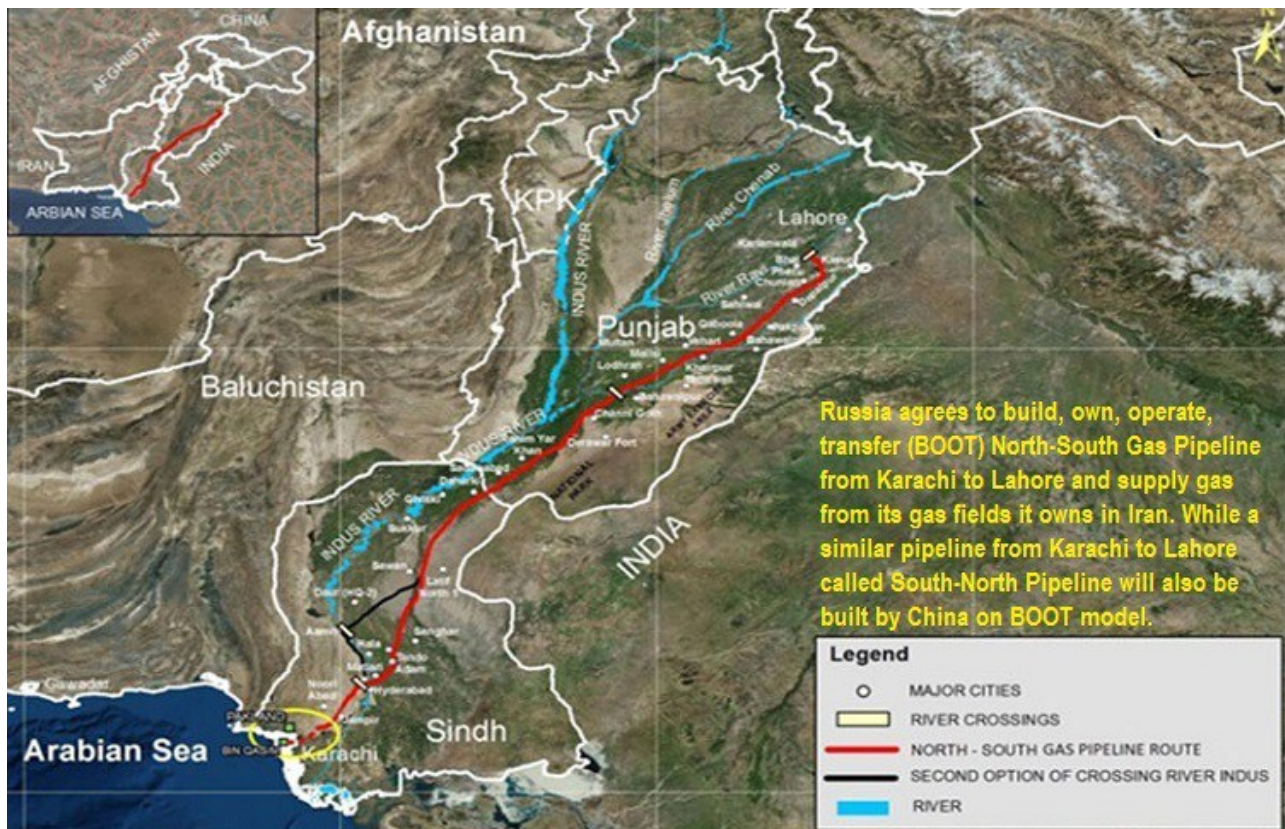
As of the beginning of 2018, India has more than 20mn tonnes per year (mtpy) of LNG supply under long-term contracts with more than 40% from GECF countries. He said GECF members have also strengthened the partnership with India, where India opted to purchase additional volumes of LNG from GECF members, in addition to the renegotiation of two long-term LNG contracts with some GECF countries based on 'win-win' situation.

At the same time, Sentyurin noted renegotiations with other non- GECF suppliers did not reach the same results. "This solid historical partnership with India is an asset in both sides that continues to be strengthened, especially with more calls for natural gas by Indian consumers," he said. "There are plenty of opportunities of co-operation with this important partner that could go above selling and buying gas and LNG, where we have seen the interest of India to invest in upstream and gas export projects in some GECF countries," Sentyurin added.

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## **Pakistan, Russia set to sign \$10bn offshore gas pipeline**

# deal



ISLAMABAD: In a major breakthrough, Pakistan and Russia are poised to sign a \$10-billion offshore gas pipeline deal, a project planned by the latter to capture the energy market of Pakistan.

Sources told a local newspaper that the cabinet had approved the signing of the gas pipeline laying deal and Pakistan ambassador to Russia had been authorised to ink a memorandum of understanding with Moscow.

The envoy is likely to ink the understanding in Moscow on Monday. Final cost of the project will be assessed following a feasibility study to be conducted by Russian energy giant

Gazprom.

Russia has nominated Public Joint Stock Company Gazprom for implementation of the project. Pakistan's cabinet has also permitted the company to conduct the feasibility study at its own cost and risk.

Inter State Gas Systems (ISGS) – a state-owned company of Pakistan established to handle gas import projects and is already working on gas pipeline schemes like Tapi, has been nominated by Pakistan to execute the offshore pipeline project along with Gazprom.

ISGS is also working on the \$10-billion Turkmenistan, Afghanistan, Pakistan and India (Tapi) gas pipeline to connect South and Central Asia and construction work on the scheme in Pakistan will start in March next year.

These projects are called a game changer for Pakistan as they will not only lead to regional connectivity, but will also meet growing energy needs of the country.

Amid a long-running tussle with Europe and the United States over the annexation of Ukrainian region of Crimea, Russia is looking for alternative markets and wants to capitalise on the growing energy demand in South Asia.

Russia, which controls and manages huge gas reserves in energy-rich Iran, plans to export gas by laying an offshore pipeline through Gwadar Port to Pakistan and India, which are seen as alternative markets because Moscow fears it may lose energy consumers in Europe over the Crimea stand-off.

Russia has been a big gas exporter to European Union (EU) countries and Turkey since long and despite US anger the European bloc has continued to make imports to meet its energy needs.

Moscow receives gas from Turkmenistan and then exports it to

EU states. Later, it has got gas deposits in Iran as well and is looking to gain a foothold in markets of Pakistan and India.

Pakistan has been experiencing gas shortages, particularly in winter, for the past many years as domestic production has stood static with new additions being offset by depleting old deposits.

In a bid to tackle the crisis, the previous government of Pakistan Muslim League-Nawaz (PML-N) kicked off liquefied natural gas (LNG) imports from Qatar under a 15-year agreement two and a half years ago and is bringing supplies through other sources as well.

According to a government official, after signing the MoU for the offshore pipeline, work on the feasibility study will begin in an attempt to assess viability of the project. Russia is even ready to finance the study. Russian gas exports touched an all-time high in 2017.

According to Gazprom, gas flows to Europe and Turkey, excluding ex-Soviet states, hit a new daily record at 621.8 million cubic metres.

Annual exports touched 179.3 billion cubic metres (bcm) in 2016, a significant jump from the previous high of 161.5 bcm in 2013 and well above the 2015 total of 158.6 bcm.