

'Gas demand to grow by 5 bcm in 2024 driven by industry, transport'

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New Delhi

The demand for natural gas in India is expected to grow by more than 7 per cent year-on-year (y-o-y) in the current calendar year on the back of rising consumption from the sectors of industry and transport, the International Gas Union (IGU) said. IGU, in the 2024 edition of the global gas report, said India will continue to be the second largest growth market for natural gas after China, albeit at a slightly slower pace.

Gas consumption by the world's fourth largest liquefied natural gas (LNG) importer is expected to grow 7.1 per cent y-o-y, or around 5 billion cubic meters (bcm), in 2024. The world's fastest emerging economy's consumption rose by 12.7 per cent y-o-y, or around 7 bcm, in 2023. "In India, industrial and transport demand will largely continue to drive growth in gas demand, balancing a slower pace of residential and commercial natural gas demand growth," it added.

Industry and trade sources said that demand for gas from the industry has been robust and is expected to continue in the short to medium term fuelled by the green energy transition. Besides, the growth in vehicles running on compressed natural gas (CNG) is also pushing up consumption.

In India, gas demand growth was driven by industry, growing by 16.3 per cent, or 6 bcm y-o-y in 2023. The fertiliser sector was particularly one of key gas consumers in India, as increasing domestic urea production led to a one-fifth reduction in imports of the material, boosting demand for natural gas as a feedstock, the IGU report pointed out.

Quoting Indian government data, the report said that CNG vehicles, including three-wheelers and cars, grew 53 per cent y-o-y to 1,80,000 in India from 2022 to 2023.

SHARE IN ENERGY MIX

India has an "ambitious target" to increase the share of natural gas in its primary energy mix from the current 6.7 per cent to 15 per cent by 2030, surmounting challenges of affordability and availability, the report said, adding that to address these issues, the country has implemented several policy measures.

In March 2023, a new domestic gas pricing formula was introduced, linking prices partially to crude oil with a ceiling of \$6.50 per mBtu, aiming to make gas more affordable for consumers, especially in the city gas and fertilizer sectors. This is expected to lower prices by \$1-2 per million British thermal units (mBtu).

"However, such caps can introduce the pitfall of distorting long term economics for suppliers and producers, resulting in a mismatch of investment and ultimately slow down progress for gas access," it added. Besides, India also revised its gas transmission tariff structure, implementing a 'unified' system to replace the zonal structure, reducing transmission costs.



Global LNG mkts heading towards significant supply glut

IANS

NEW DELHI

The global liquified natural gas (LNG) markets are now heading towards significant supply glut, which is set to benefit India as significant capacity addition amid expectation of modest demand growth in the global consumption will keep the LNG prices under check, a report said on Wednesday.

Consumption in India is expected to grow by 6-8 per cent YoY in FY2025, supported by softer LNG prices and an uptick in the domestic gas production, according to the report by credit rating ICRA.

Globally, about 193 million metric tonne (MMT) of LNG production and liquefaction capacity is slated to be added in the next four years.



India set to benefit as global LNG markets head towards supply glut, subdued prices, says ICRA

SUKALPSHARMA

NEW DELHI, AUGUST 28

WITH MAJOR additions in global liquefied natural gas (LNG) production capacity expected to lead to a supply glut over the next few years, India is set to benefit as prices of LNG, or super-chilledgas, are likely to stay subdued for an extended period, according to rating agency ICRA.

"Globally, about 193 MMT million metric tonnes) of the LNG production and liquefaction capacity is slated to be added over the course of the next four years. Significant capacity addition amid expectation of modest demand growth in the global natural gas consumption will keep the LNG prices under check, benefitting India," ICRA said in a note on Wednesday.

Liquefaction is the process of converting natural gas into liquid state at ultra low temperatures. Transportation of gas as LNG is the most viable and is considered second to only transportation by pipelines. For countries like India, which are not connected with international gas supply pipelines, importing gas in this super-chilled and liquid form is the only feasible option.

Global LNG prices saw high volatility over the past couple of years--2022 and 2023--due to a



combination of reasons that included rapid recovery in global demand as the COVID-19 pandemic ebbed and the impact of the Russia-Ukraine war on global energy markets. But with close to 200 million tonnes of liquefaction capacity expected to be added globally between this year and 2028, supply constraints could be a thing of the past, at least in the near to medium term.

India, which is among the top importers of LNG, depends on imported gas to meet nearly half of its domestic requirement. With indications that the global LNG market is likely to turn into a buyer's market with additional capacity coming on stream, countries like India stand to gain by saving valuable foreign exchange.

"Global natural gas consumption is expected to witness modest growth, given the focus of the major natural gas consumers in regions of European Union, Japan & Korea towards other sources of energy. Amidst these demand headwinds, the LNG capacity addition over the next four years, which is equivalent to around 41 percent of the current global LNG production capacity, is expected to result in a downward pressure on the global LNG prices," said Girishkumar Kadam, senior Vice President and Group Head, Corporate Ratings at ICRA.

Natural gas consumption in India is expected to grow by 6-8 per cent YoY in 2024-25 (FY25), supported by softer LNG prices and an uptick in the domestic gas production, per ICRA estimates.

"The share of LNG in the gas mix is projected to increase from 48 per cent in FY2024 to 50 per cent in FY2025. However, since domestic production is expected to start moderating from FY2028 onwards, the reliance on LNG would further rise as India looks to increase the share of natural gas in the energy mix," the rating agency said.

FULL REPORT ON www.indianexpress.com

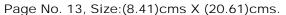


INTERIM CHAIRMEN APPOINTED FOR INDIAN OIL, HPCL

THE GOVERNMENT NAMED interim chairmen for Indian Oil Corporation (IOC) & Hindustan Petroleum Corporation Ltd (HPCL), as the appointment of full-time heads is work in progress. Satish Kumar Vaduguri, director (marketing), IOC, will be its interim chairman. Rajneesh Narang, director (finance), HPCL, will be its CMD for a three-month period starting September 1.



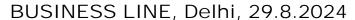


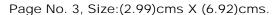




Interim chairmen appointed for IOC, HPCL

The government on Wednesday named interim chairmen for top oil firms, IOC and HPCL. Satish Kumar Vaduguri, Director (Marketing), IOC has been appointed interim chairman of the company for three months starting September 1, an oil ministry order said. In a separate order, the ministry appointed Rajneesh Narang, Director (Finance), HPCL as the chairman and managing director of the company for three-month period starting September 1.







Interim chairmen appointed for IOC, HPCL

New Delhi: The government on Wednesday named interim chairmen for top oil firms, Indian Oil Corporation and Hindustan Petroleum Corporation Ltd . Satish Kumar Vaduguri, Director (Marketing), IOC, has been appointed interim chairman of the company for three months starting September 1, an Oil Ministry order said. He replaces Shrikant Madhav Vaidya who completes his extended term at month-end. In a separate order, the Ministry appointed Rajneesh Narang, Director (Finance), HPCL as CMD and Managing Director of the company. He would replace Pushp Kumar Joshi, PTI



Interim Chairmen of IOC, HPCL Appointed for Next 3 Months

Our Bureau

New Delhi: The government has appointed interim chairmen for Indian Oil Corp (IOCL) and Hindustan Petroleum Corp (HPCL) for the next three months as the incumbents are retiring at the end of August and a decision on a regular replacement is yet to be made.

The additional charge of chairman at IndianOil has been given to Satish Kumar Vaduguri, director (marketing) at the firm, according

to an order issued by the oil ministry on Wednesday.

Rajneesh Narang, director (finance) at HPCL, will hold the additional charge of chairman and managing director, according to a separate order. Both will take charge on September 1 and will continue in office for three months or until a regular incumbent is appointed, whichever is earlier.

IndianOil chairman S M Vaidya and HPCL chairman Push Kumar Joshi are set to retire at the end of this month. Vaidya was reemployed on contract as chairman immediately after his retirement last August. Joshi is serving a regular term.



Stable prices to increase LNG consumption by 6-8%: Icra

ARUNIMA BHARADWAJ New Delhi, August 28

AFTER TWO CONSECUTIVE

years of high volatility, the supply of natural gas is expected to improve now owing to large capacity additions planned in the next four years, likely keeping prices of liquified natural gas under check going forward, according to Icra.

The agency expects the country's natural gas consumption to grow by 6-8% on year in the financial year 2024-25, supported by softer LNG prices and an uptick in the domestic gas production.

"Global natural gas consumption is expected to witness modest growth, given the focus of the major natural gas consumers in regions of European Union, Japan and Korea towards other sources of energy. Amidst these demand headwinds, the LNG capacity addition over the next fouryears, which is equivalent to 41% of the current global LNG production capacity, is expected to result in a downward pressure on the global



LNG prices," said Girishkumar Kadam, senior vice president and group head, Corporate Ratings, Icra. "India thus stands to benefit in terms of availability of LNG at reasonable prices over the medium term, notwithstanding the near-term volatility amid geopolitical tensions in West Asia."

This growth will be supported by the city gas distribution (CGD) sector, followed by the refineries' offtake.

Icra estimates about 193 million tonne of the LNG production and lique faction capacity to be added over the course of the next four years globally.

"Significant capacity addition amid expectation of modest demand growth in the global natural gas consumption will keep the LNG prices under check, benefiting India."

The global LNG prices had witnessed a steep rise post the outbreak of conflict between Russia and Ukraine in 2022. However, prices have cooled off from the record highs owing to modest demand growth and austerity measures.

"While the developments in WestAsiawill continue to impact LNG prices, capacity addition equivalent to about 40% of the current capacity between 2024 to 2028 are expected to lead to an increase in the supply going forward," said Prashant Vasisht, senior vice president and cohead, Corporate Ratings, Icra. As a result, India's city gas distribution segment, along with pipeline transmission and petchem sector, is expected to attract an investment of ₹20,000 crore per annum over the next three years as the country's demand for LNG continues to grow, Icra said.



एसबीआइ के नए चेयरमैन सीएस शेट्टी ने पद संभाला

नई दिल्ली: एसबी आइ के नए चेयरमैन सीएस शेट्टी ने बुधवार को अपन पदभार संभाल लिया । उन्होंने दिनेश कुमार खारा का स्थान लिया है। शेट्टी इससे पहले बैंक में सबसे वरिष्ठ प्रबंध निदेशक के पद पर कार्यरत थे। दूसरी ओर, सरकार ने सतीश कुमार वद्गुरी को इंडियन आयल और रजनीश नारंग को हिंदुस्तान पेट्रोलियम का अंतरिम चेयरमैन बनाया है। (क्रेट्र)