

**LOK SABHA**

**UNSTARRED QUESTION NO. 839**

**TO BE ANSWERED ON 23.07.2018**

**Import of Natural Gas**

839. SHRI ANURAG SINGH THAKUR:

SHRI SISIR KUMAR ADHIKARI:

Will the Minister of PETROLEUM AND NATURAL GAS पेट्रो लयम और प्राकृतिक गैस मंत्री be pleased to state:

- (a) whether the Government proposes to reduce its import cost of natural gas into the country and if so, details thereof;
- (b) whether the Government has started import of LNG supplies from Russia's Gazprom to attain its objective of a gas based economy and if so, the details thereof along with its price per unit as compared to other countries; and
- (c) the details of contracts signed for LNG imports with various countries along with import price of LNG in the country including technical feasibility for stocking and distribution of imported gas in the present scenario, country-wise?

**ANSWER**

**MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)**

(a) In order to promote gas usage and to increase use of cleaner fuel and making Liquefied Natural Gas (LNG) more affordable to end users in the industries, Government vide notification No. 6/2017-Customs, dated 2<sup>nd</sup> February, 2017 has reduced the basic customs duty on LNG from 5 per cent to 2.5 percent.

(b) Yes. LNG Cargo of Russian natural gas under the long term contract between GAIL India Limited and Gazprom Marketing & Trading Singapore (GMTS) of Russia was received on 4<sup>th</sup> June, 2018. The gas price is negotiated between parties depending on many factors like project location, duration of contract, pricing formula, etc. GAIL India Limited and Gazprom successfully re-negotiated the long-term LNG Sale and Purchase Agreement reflecting the current global gas market dynamics. The renegotiated price, compared to earlier contract

price, will result in saving of approximately ₹ 8500 crore (crude oil at US \$50 per barrel) or ₹ 9000 Crore (crude oil at US\$60 per barrel) or ₹ 9500 crore (crude oil at US\$70 per barrel) for the years 2018 to 2040. Import Price per unit of LNG under GMTS contract is very competitive and currently cheaper than other long-term LNG supplies being received by GAIL at any delivery port in India.

(c) Following long-term LNG contracts have been signed by Central Public Sector Undertakings (PSUs) and its Joint Ventures (JVs) with various countries:

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Supplier</b>	<b>LNG Quantity (MMTPA)</b>
1	Petronet LNG Limited	Ras Gas, Qatar	7.5
2	Petronet LNG Limited	Ras Gas, Qatar	1.0
3	Petronet LNG Limited	Mobil Australia Resources Company Pty. Ltd., Australia	1.44
4	GAIL	Gazprom Marketing & Trading Singapore Pte. Ltd. (GMTS), Russia	2.85
5	GAIL	Sabine Pass, USA	3.50
6	GAIL	Dominion Energy Cove Point (DECP), USA	2.30
7	IOCL	Diamond Gas International Pte Ltd, USA	0.7

LNG is imported under open general license on the terms and conditions mutually agreed upon between the buyers and sellers. India has four operational LNG import terminals at Dahej, Hazira, Dabhol and Kochi with a total LNG import capacity of 27.5 MMT. After regasification, the imported LNG is distributed to industries and domestic consumers through existing trunk pipeline networks passing through various states.