

LOK SABHA

STARRED QUESTION No. 105

TO BE ANSWERED ON 27th July, 2023

Purchase of LNG from International Market

*105. SHRI KARUVA GORANTLA MADHAV:
SHRI ADALA PRABHAKARA REDDY:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the domestic coal shortage is forcing the Indian companies to purchase expensive Liquefied Natural Gas (LNG) from international market;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has taken steps to mitigate the dependency of Indian companies on expensive imported LNG; and
- (d) if so, the details thereof and if not, the reason therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

**MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)**

- (a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 105 ASKED BY SHRI KARUVA GORANTLA MADHAV AND SHRI ADALA PRABHAKARA REDDY, MPs TO BE ANSWERED ON 27TH JULY, 2023.

(a) & (b) Natural gas in India is primarily used by Fertilizer industry (33%), City Gas Distribution (21%), Power (14%), Refinery (7%) and Petrochemicals (4%). The usage of Natural Gas in sponge iron and industrial sectors is less than 3%. Accordingly, the usage of natural gas in the industrial sector, where it could replace coal, is not significant. Further, there is no shortage of coal in the country. The all India coal production in the year 2022-23 was 893.19 Million Tonnes (MT) in comparison to 778.21 MT in the year 2021-22 with a growth of about 14.77%. During the last 2.5 years, the average prices of spot LNG (West India Marker) has increased from USD 7.64 per MMBTU in Jan-21 to USD 49.53 per MMBTU in Oct-2022 and now has reduced to USD 9.3 per MMBTU in July-2023.

(c) & (d) Government has prepared a road map to reduce the import dependency on hydrocarbons including LNG by adopting a five-pronged strategy which includes, Increasing Domestic Production, Adopting biofuels & Renewables, Energy Efficiency Norms, Improvement in Refinery Processes and Demand Substitution.

For increasing domestic gas production, Government of India has notified Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March 2016 for the award of exploration acreages shifting from Production Sharing mechanism to Revenue Sharing mechanism. Government further notified the policy reforms on 28th February 2019, where many of the processes and approvals were relaxed to promote “Ease of Doing Business”, Revenue Share from Category II & III type of basins were removed, except for windfall gains, 7 years Royalty Holiday for Deep & Ultra-deep blocks, concessional Royalty Rates- 3.5 % for Deepwater and 1.4 % for ultra-deep water blocks, and fiscal incentives have been provided for early monetization of fields along with Marketing and Pricing freedom for natural gas. The gross domestic production of Natural gas has increased from 28,672 MMSCM in 2020-21 to 34,450 MMSCM in 2022-23 showing a growth of more than 20% during this period.

Ministry of Petroleum and Natural Gas has launched “Sustainable Alternative Towards Affordable Transportation (SATAT)” initiative on 1st October 2018, with the aim of establishing an ecosystem for production of Compressed Bio Gas (CBG), which can replace natural gas, from various waste/ biomass sources and for promoting its use along with Natural Gas. Conversion of waste/ bio-mass into CBG results in multiple benefits viz. reduction in natural gas imports, reduction of Green House Gas emissions, reduction in burning of agriculture residues, remunerative income to farmers, employment generation, effective waste management etc.

Source : PPAC data
