

LNG imports face Hormuz concentration Risk: Report

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Nearly 69% of India's liquefied natural gas (LNG) imports in 2025 were sourced from West Asian countries such as Qatar, the UAE and Oman, passing through or near the Strait of Hormuz, highlighting the country's significant exposure to the crucial global energy corridor, according to a report released on Friday.

The imports amounted to about 17.5 million tonnes, or roughly 63 million metric stan-

dard cubic metres per day (mmscmd), the report said. Even after accounting for LNG swap volumes sourced from the US by Gas Authority of India Ltd (GAIL), the effective exposure reduces only marginally to around 66%, indicating that the concentration risk for India's gas supply remains substantial, analysts at Elara Capital noted.

The report cautioned that any disruption in the Strait of Hormuz corridor could have cascading effects across the gas value chain — beginning with lower utilisation at import ter-

minals, followed by reduced pipeline transmission volumes and eventually impacting margins of downstream industrial consumers. Among import terminals, Petronet LNG's Dahej facility has the highest exposure. The terminal handled 14.8 million tonnes of LNG in 2025, with about 76% of its cargo volumes sourced through the Strait. Other terminals also face considerable dependence on Middle Eastern supplies. Kochi and Chhara terminals are entirely reliant on the region for LNG imports.

West Asia conflict shuts Morbi ceramic factories

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AHMEDABAD: A shortage of propane gas used to fuel kilns is triggering a wave of factory closures at India's main ceramics production hub in Morbi, Gujarat, as the fallout of the ongoing conflict in West Asia manifests across the global economy.

At least 100 ceramic factories that run on propane gas have already shut down in the last few days, said Sandip Kundariya, who owns two such units. One, Gold Coin Ceramics, suspended operations on Friday morning. He was preparing to shut the other, WeSeven Ceramics, which runs on piped natural gas (PNG) supplied by Gujarat Gas and is facing reduced supplies and uncertainty over overseas transport, by Friday evening.

Asian Granito, a listed tiles and bathware maker, said in a stock exchange filing on Friday that it was evaluating alternative fuels and operational measures to soften the impact.

An industry official said the annual turnover of the Morbi ceramic industry for 2025-2026 was expected to be around ₹60,000 crore and that it employs around 4 lakh workers whose jobs are now at risk.

The fuel shortage stems directly from the ongoing conflict in the Middle East involving the United States, Israel, and Iran, primarily the closure of the Strait of Hormuz and a shut-down at Qatar's Ras Laffan LNG (liquefied natural gas) terminal—the world's largest. Qatar accounts for 40-45% of India's gas imports.

Petronet LNG, India's leading



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importer, received a force majeure notice from the terminal's operator QatarEnergy and issued corresponding notices to its domestic buyers including GAIL (India), Indian Oil Corp, and Bharat Petroleum Corp.

The upstream crisis quickly affected downstream users. Gujarat Gas Limited, a subsidiary of Gujarat State Petroleum Corporation (GSPC), declared force majeure on March 4 and began restricting supplies to industrial consumers from March 6.

Household piped natural gas (PNG), cooking gas and vehicle compressed natural gas supplies (CNG) remain largely unaffected so far.

The government on Thursday directed state-owned refiners to prioritise liquid petroleum gas (LPG) production to protect domestic cooking gas availability.

The refiners were instructed to avoid diverting propane and butane streams to petrochemicals or other uses, ensuring continued supply for public sector LPG bottling and domestic cylinders, said an Indian Oil Corpora-

tion official.

Haresh Bopaliya, president of the Morbi Ceramic Manufacturers Association, provided a stark assessment of the situation. "There is hardly 2-3 days of supply left of propane. There are close to 450 factories out of around 700 ceramic units in Morbi that are run on propane gas. So in the next few days there will be closure of 350 more units," he said.

"Gujarat Gas has said it can supply gas only for 15 days in the month of March instead of 30, so one can imagine what will happen after that."

The industry is also unable to ship finished goods to West Asia, which normally takes about a quarter of Morbi's 30,000 monthly export containers.

"These shipments have come to a complete halt," said Niraj Kundariya, chief of global sales at Win-Tel Ceramics.

Shipping companies have also hiked freight charges by 20-30 times, making exports unviable, he added.

With inputs from Reuters