

# Shell steps up LNG supplies to India after Gulf disruptions

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## OUR CORRESPONDENT

**NEW DELHI:** Global energy major Shell plc has ramped up natural gas supplies to India in the wake of disruptions triggered by the West Asia conflict, leveraging its global liquefied natural gas (LNG) portfolio to capture a larger share of spot and term demand, including key fertiliser sector tenders.

Industry sources said Shell emerged as a leading supplier in last month's bulk LNG procurement by Indian fertiliser companies, securing a supply of 4 trillion British thermal units (BTU) out of 6 TBtus volumes tendered, as the government moved to ensure feedstock availability for urea production amid constrained supplies from the Gulf.

With supplies from India's largest LNG supplier in Qatar disrupted by the West Asia conflict, Shell plc's India arm stepped in, importing its largest-ever monthly LNG volumes in March, they said.

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## Highlights

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- » Shell's ability to step up supplies is backed by its 5 million tonnes-per-year LNG import terminal at Hazira in Gujarat and associated storage infrastructure
- » Also its position as world's largest LNG portfolio player, allows it to source cargoes from multiple regions to meet demand

source cargoes from multiple regions beyond West Asia to meet demand.

Sources said the company leveraged its LNG portfolio in countries ranging from Oman to Australia and Nigeria. It also operates one of the largest LNG shipping fleets (over 65 char-

tered carriers), helping deliver gas when India's main supplier declared force majeure.

India imports roughly half of its natural gas requirement, which is used as feedstock for fertiliser production, power generation, CNG for transport, piped cooking gas for households and across a range of industrial applications.

As much as 45-50 per cent of LNG imports come from Qatar under long-term contracts. These supplies stopped after Iran's sweeping retaliation to US and Israeli strikes targeted neighbouring countries that housed US troops.

Force majeure declared by QatarEnergy disrupted about 11.2 million tonnes of India's roughly 27 million tonnes of LNG imports, even as state-run firms such as GAIL (India) Limited continued sourcing cargoes from alternative suppliers, including the United States and Russia.

However, a key constraint remained shipping capacity, with a limited number of LNG carriers available to transport cargoes from distant sources, such as the US, where voyages

can take up to 45 days.

Shell, sources said, was relatively insulated from such constraints due to its access to a global LNG portfolio, as well as its own shipping fleet, enabling quicker diversion of cargoes.

Supplies brought in by Shell, along with limited volumes imported by GAIL (India) Limited and other state-run firms, complemented domestic production of about 92 million standard cubic metres per day, helping stabilise gas availability more quickly than LPG, following the disruption in early March.

Initially, gas supplies were curtailed for some industrial users to prioritise fertiliser plants and city gas distribution, before gradually restoring allocations as alternative cargoes were secured. Industrial consumers faced supply cuts of up to 40 per cent.

With additional imports in March, supplies to operating urea plants were progressively ramped up - from about 70 per cent of the requirement to nearly 90 per cent from April 6 and around 95 per cent from April 9.

# India boosts 5-kg LPG supply, accelerates PNG rollout amid West Asia disruption

**NEW DELHI:** India has ramped up supply of smaller 5-kg LPG cylinders and accelerated the rollout of piped natural gas (PNG) connections as it manages fuel availability amid disruptions triggered by the West Asia conflict.

More than 13 lakh 5-kg free trade LPG cylinders have been sold since March 23, with daily sales rising above 100,000 units, as authorities expand access for migrant workers and low-income consumers, according to an official statement.

At the same time, over 424,000 new PNG connections have been activated since March, with more than 30,000 consumers surrendering LPG connections as part of the transition.

The six-week long war in West Asia has disrupted global



energy supply. India relied on import of half of its crude oil, 40 per cent of its gas and 85-90 per cent of LPG from the region was also impacted.

While it has managed to make up for the shortfall in crude oil by sourcing from other regions, LPG supplies have been impacted.

The government has prioritised LPG supply to domestic households at the cost of cuts in supplies to commercial users like hotels and restaurants. To make up for the shortfall for

those who do not have subsidised cooking gas LPG connections, it has ramped up supply of market priced 5 kg cylinders.

As against sale of about 77,000 5 kg cylinders in pre-crisis February, daily sales have topped over 1 lakh in the last two-three weeks.

The statement said domestic LPG supplies remain stable overall, with no reported stock-outs and over 52 lakh cylinders delivered on April 11.

Online bookings account for about 98 per cent of demand, while delivery authentication systems now cover 93 per cent of transactions to curb diversion.

Commercial LPG availability has been restored to about 70 per cent of pre-crisis levels, supported by targeted allocations and increased supply

measures. State-run oil marketing companies -- Indian Oil Corporation, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited -- are coordinating with state governments to streamline distribution.

The government has prioritised natural gas allocation, ensuring full supply for household PNG and CNG transport, while increasing supplies to fertiliser plants to about 95 per cent of recent average consumption, aided by additional LNG imports. City gas distributors, including Indraprastha Gas Ltd, Mahanagar Gas Ltd, and GAIL Gas Ltd, have been directed to prioritise PNG connections for commercial users, as part of a broader push to shift demand away from LPG. P11