



India second largest importer of ethane from the US in 2023

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India was the second largest importer of ethane from the US, after China, last year aided by rising demand for petrochemicals, lower prices of the commodity in the US and growing tanker capacity.

Ethane is used to produce plastics, anti-freeze and detergents.

The US, which has been exporting ethane since 2014, witnessed its exports average at a record 4,71,000 barrels per day (bpd) during 2023, which is a 57,000-barrel increase from the previous record set the year before.

“Strong ethane exports were driven by growth in

global petrochemical sector demand and rising tanker capacity. Low prices for US ethane compared with other feedstocks globally contributed to the record exports. China imported 45 per cent of US ethane exports in 2023, followed by India (16 per cent), Canada (14 per cent) and Norway (10 per cent),” the US EIA said.

PETROCHEM PUSH

India, which imported 2,000 bpd of ethane from the US in 2016, procured a record 83,000 bpd in 2019, after which it fell to 73,000 in 2020 as the Covid pandemic riled global markets impacting demand. In 2022, the world’s third largest energy consumer imported 76,000 bpd of ethane from the US,



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the second highest. Last year, India’s imports were largely flat at 74,000 bpd.

Indian oil and gas companies are expanding their petrochemicals business in a bid to create more revenue lines. Besides, the domestic demand for petro-

chemicals is on the rise led by expanding industrial, construction and manufacturing segments.

Last month, GAIL (India), ONGC and Shell Energy India signed a tripartite Memorandum of Understanding (MoU) to explore opportunities for import of ethane and other hydrocarbons and development of evacuation infrastructure at Shell Energy Terminal, Hazira.

The development indicates that ethane is emerging as a preferred petrochemical precursor in India and the development of its import facilities have gained traction.

HIGHER USAGE

Ethane is used mainly as a feedstock in the petrochem-

ical industry to produce ethylene for making plastics and resins. Ethane and steam are fed into an ethylene cracker that heats the mixture to break down the ethane molecule to produce ethylene and some other co-products.

In Asia and Europe, naphtha serves as the primary petrochemical feedstock, but demand for ethylene is outpacing demand for other co-products, reducing the appeal of naphtha cracking.

Cracking ethane can yield more than 80 per cent ethylene; cracking naphtha can yield as little as 30 per cent ethylene. Ethane’s growth as an ethylene feedstock is attributable to its low relative cost, high ethylene yield and low number of co-products.