

GAIL Plans to Expand LNG Trading Biz to Global Mkts

Company plans to double its LNG trading volume by 2030: CMD Gupta

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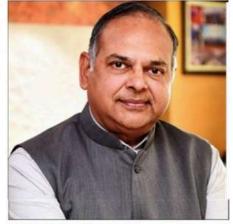
New Delhi: India's top gas marketer GAIL aims to become a global liquefied natural gas (LNG) trader as the expanding market fuels new business opportunities.

"We plan to ramp up our LNG trading business. We began with sourcing LNG cargoes for ourselves and have expanded to sourcing cargoes for some other Indian companies. Now we plan to serve non-Indian customers as well, with an aim to become a global LNG trader," GAIL chairman and managing director Sandeep Kumar Gupta told ET.

"The global trade can significantly boost our topline and provide visibility to our Singapore subsidiary," said Gupta who has set the ambition to turn GAIL into a "company of global standing". The Singapore subsidiary is engaged in sourcing spot LNG.

GAIL plans to double its LNG trading volume by 2030, Gupta said, without specifying the current size of its business. "We have expertise in gas. We have been procuring from so many geographies. We have sold several US cargoes to multiple customers," said Gupta.

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Sandeep Kumar Gupta

purchase LNG from the US and sells part of those supplies to international customers, instead of bringing it to India based on arbitrage opportunities. But with a focus on trading now, GA-IL would actively seek out buyers and sellers of spot LNG in the global market place.

GAIL has long-term contracts for the annual purchase of 14 million tonnes of LNG from various suppliers across the globe, about threefourths of India's total long-term buys of about 19 million tonnes. The country's LNG import from the spot market is small—just about 10%—but growing.

GAIL plans to confine itself to the spot market for its global LNG trade for now, Gupta said. Many established global traders also offer long- and medium-term contracts to buyers and suppliers.

The spot market for LNG has hugely expanded over the last decade with booming supplies, especially from the US and Australia, and diverse customers, mainly from emerging mar-

IGX Launches Small-scale LNG Contracts



New Delhi: The Indian Gas Exchange (IGX) has launched

contracts for small-scale liquefied natural gas (LNG) to aid a transparent fuel price discovery for customers in areas unconnected to the national gas grid. "We envision IGX providing marketplaces for competition, flexibility and transparent price discovery," IGX CEO Rajesh K Mediratta said. The small-scale LNG contracts aim to address the growing gas demand from industries and city gas distribution companies that do not have access to pipeline networks, IGX said. "They can now procure liquefied gas through LNG tankers at competitive rates under daily, fortnightly and monthly contracts," it said. - Our Bureau

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GAIL Charts Out Expansion Plan to Become a Global LNG Trader

Global trade to help boost top line, give visibility to S'pore subsidiary, says CMD Gupta

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Extraordinarily high spot LNG prices in 2021 and 2022, aided by the post-Covid demand recovery and the Ukraine war, delivered a windfall to traders. Supermajor Shell is the largest LNG trader in the world. Total, BP, Exxon, CNPC, Qatargas, Vitol and CNPC are some of the other big players.

GAIL is stitching new longterm LNG purchase deals and seeking to buy an equity stake in a liquefaction capacity in the US. It also has plans to ramp up its LNG import terminal capacity in India.

The global LNG trade reached a record of 401 million tonnes in 2022, connecting 20 exporting markets with 462 importing ones, according to the International Gas Union.