



GAIL (India) Ltd.

India's Youngest Maharatna

6th LNG Producer-Consumer Conference

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GoI Initiatives..... so far...

- Marketing & Pricing freedom to producers under HTHP
- Formula based Gas pricing; six monthly revision
- Integrated P/L & CGD project granted capital support.
- Gas Allocation on priority for City Gas sector (Household/Transport)
- Gas pooling scheme for Urea & Power (till 31.03.2017)
- Revival of closed Fertilizer units (Gas feed)

Trends: International LNG Markets

- ❑ Additional wave of 100 -150 MTPA creating supply overhang
- ❑ Shipping length & FSRUs have increased liquidity in LNG markets
- ❑ Lower spot LNG prices stressful for existing long term buyers
- ❑ End consumers averse towards long term contracts
- ❑ LNG marketers pursuing optimization through cargo diversions/ reload
- ❑ Europe transitioning to gas-on-gas (GoG) competitive pricing
- ❑ Consumers in Asia preferring Oil linkage due to low crude price

Opportunities in India

- ❑ Government targeting 20% Gas in energy mix by 2030
- ❑ Government taking progressive steps to establish Gas Trading Exchange
- ❑ On-going investments in the mid & down stream are over USD 15 bn.
- ❑ Opportunity exists for additional USD 9 bn. Investments in Pipelines alone
- ❑ Gas infrastructure capable of handling 220 BCM by 2022
- ❑ Role for integration of Gas and RE based power systems
- ❑ City Gas/ Retail segments growing over 15% CAGR
- ❑ 2-3 LNG terminals to be operational by 2020-22 on the East Coast
- ❑ Tax structuring an Ease of Business- Work in Progress

Working on Asian Opportunity

Requires: Competitive, Transparent & Fair Pricing structure to consumers

❑ Buyer-Seller Collaboration areas:

- Establish Regional Pricing Index at Singapore
(with mirroring index in local markets as in the case of crude oil)
- Market expansion in Retail segments
- Joint pursuit of future LNG contracts (Long-Term)
- Cargo management (Diversion etc.)
- Contract Management (current, Long term)
- Contract standardisation

Thank You

