

Gas shortage expected to reach 4.6bcfd in five years

KARACHI: Gas shortfall will likely more than double to 4,600 million metric cubic feet/day (mmcf) in the next five years without the imported gas, a regulatory authority said.

Oil and Gas Regulatory Authority (Ogra) said the country is facing shortage of gas supply, “which will further increase in future”.

“The gap between the supply and demand is expected to increase to the tune of 4,600 mmcf in FY2022-23 and 6,700 mmcf by the FY2027-28 without the imported gas,” the Ogra said in its latest state of petroleum industry report 2017/18. The country currently produces around 4,000 mmcf of natural gas – accounting for 48 percent share in the primary energy mix – against demand of more than 6,000 mmcf. The demand-supply gap of gas during FY2017-18 was 1,447 mmcf. “This gap is expected to rise to 3,720 mmcf by FY2019-20,” the Ogra said. The authority, however, said the possible gap would be bridged through enhancement in indigenous gas exploration and production through incentivising the sector, import of interstate natural gas – through development of cross-country gas pipelines – and increased import of liquefied natural gas. The Ogra said construction of two LNG handling terminals – each having re-gasification capacity of 650 mmcf – are major milestones achieved to mitigate gas shortage in the country. The share of re-gasified LNG in the overall gas supply increased to 23 percent in the last fiscal year of FY2017-18.

In FY2018, the gas utility companies added 678,872 new consumers to their network. The total gas consumers were more than 9.2 million by the end of last fiscal year. There were 6.3 million and 2.9 million consumers on Sui Northern Gas Pipelines Limited and Sui Southern Gas Company Limited network, respectively. Natural gas supplies, during the last fiscal year, were 4,357 mmcf. Sindh supplied 50 percent to the total gas supplies, whereas Khyber Pakhtunkhwa, Balochistan and Punjab supplied 12, 11 and 4 percent, respectively. The remaining 23 percent of gas was imported in the form LNG. The authority said power sector was the main consumer of natural gas during the last fiscal year, consuming 37 percent followed by domestic sector (20 percent), fertiliser (17 percent), captive power (10 percent), industrial sector (nine percent), transport (five percent), and commercial sector (two percent). The Punjab had the highest 50 percent share in gas consumption in FY2018, followed by Sindh (39 percent), Khyber Pakhtunkhwa (nine percent) and Balochistan (two percent).

The Ogra said the consumption of petroleum products decreased 5.3 percent to 24.6 million tons in the last fiscal year as power sector’s consumption of fuel oil fell 23 percent due to LNG availability. PSO was the leading player with the share of around 50 percent, losing almost five percent of its market share to other competitors compared to the previous year. Shell also shed its market share to seven percent from nine percent. The main beneficiary was Hascol, increasing its market share to 12 percent from eight percent and Attock Petroleum Limited slightly improved its share to nine from eight percent.

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