INTERNATIONAL THE NEWS

30th December, 2019

Khalid Mustafa

Singapore company steps in to wriggle govt out of gas crisis

ISLAMABAD: Amid the heightened gas crisis in the country, world class Singapore based company Trafigura has wished to step in and wriggle the government out of this morass by supplying the LNG saying it is in deal with Universal Gas Distribution Company (UGDC) under third part access rules (TPA).

Trafigura is the world's second largest private oil trader after Vitol and the world's largest private metals trader. In a letter addressed to the Secretary, Energy (Petroleum Division, written on December 28 of which copy is available with The News, Trafigura requested the top man of Petroleum Division to advise all concerned companies to finalize TPA agreement with PGPL terminal operator on high priority enabling the company to deliver LNG molecule to UGDC, which will distribute the RLNG in CNG sector.

Trafigura says that it is the owner of private re-gas capacity in the Port Gas Pakistan Consortium Limited (PGPL) terminal and is in a position to supply LNG as soon as the third party access agreement is executed with government owned (Pakistan LNG Terminal Limited) PLTL for early utilisation of private capacity.

In the letter, the Singapore based company while mentioning that the country is facing shortage of gas due to severe weather specifically in northern part of the country, the gas for CNG has been diverted to domestic sector resulting into the closure of CNG stations, and the company is in position to cater to the needs of the CNG sector. The letter also mentioned the fact the Trafigura has completed arrangement with Universal Gas Distribution Company (UGDCL) and offered to deliver LNG DES basis at Port of Ben Qasim, either during the first or second week of January 2020 ensuring the ease to the government from the gas crisis.

In case private sector gas company, Universal Gas Distribution Company (UGDC), which is in agreement with Trafigura for LNG supply, top official at Petroleum Division said, is allowed to bring an LNG ship of 130,000 cubic meters and provide its product to CNG satiations at comparatively cheaper rates owing to which the CNG prices will tumble more by Rs6-8 per litre. '

This would be the massive solace to the CNG consumers, and it will also end monopoly of gas companies --Sui Southern and Sui Northern.'

It is pertinent to mention that Federal Minister for Energy Mr Omar Ayub Khan, while chairing the meeting of all stakeholders has already taken a major policy decision allowing UGDC to import its first ever LNG cargo under TPA (third party access) rules.

Adviser to Prime Minister Babar Nadeem has also time and gain assured support for private sector to enter into LNG supply and distribution business in the country saying that the CNG price in Punjab that is 20 per cent lower than the petrol price would also go down by 30 per cent.

The UGDC Company, the official said, is also in the process of finalising the agreement with Textile Industry for provision of RLNG, but in the first phase his company will provide RLNG to CNG sector.

'There are 1,037 CNG stations in Punjab and with supply of RLNG to CNG stations from UGDC, the CNG prices will further go down by Rs6-8 per litre and in the months to come, and with the usage of fuel injected kits (which will also be introduced) in the vehicles, the fuel efficiency of vehicles will increase and the saving of consumers will soar to 40-50 per cent when it will be compared with petrol prices.'