

### **Foreign suppliers sought for 280,000cm of LNG in October**

KARACHI: Pakistan has invited bids from foreign suppliers for delivery of 280,000 cubic metres of liquefied natural gas (LNG) next month as energy demand is recovering back to pre-coronavirus level after five months of lockdown, it was learnt on Saturday.

State-owned Pakistan LNG Limited (PLL) invited bids from international suppliers for supply of two LNG cargoes on delivered ex-ship basis at Port Qasim. Cargo of 140,000 cubic meters each is required to be delivered on October 12-13 and October 19-20. The last date of submitting the bids is September 24.

PLL was mandated by the government to carry out the business of the import, purifying, buying, storing, supplying, distributing, transporting, transmitting, processing, measuring, metering and selling of natural gas, LNG, re-gasified LNG, to meet the country's gas requirements. PLL procures LNG from international markets and enters into onward arrangements for supply of gas to the end user, thereby managing the whole supply chain of LNG from procurement to end user gas sale agreements.

PLL would procure one additional LNG cargo of 140,000 cubic meters quantity for September. South Korean POSCO International and Azerbaijan's SOCAR Trading have already won the LNG supply tenders issued by PLL for September deliveries.

PSOCO International offered 7.9673 percent of Brent three months average for the cargo to be delivered on September 12-13, while SOCAR Trading offered 6.9511 percent of Brent three months average for delivery to be made on September 25-26. Gas demand in the country is expected to surpass 7 billion cubic feet/day (bcfd) by 2030, according to the Oil and Gas Regulatory Authority (Ogra).

"The gas utility companies have added more than 0.5 million domestic, commercial and industrial consumers, in their respective systems, during fiscal year 2018-19," Ogra said in a report. "Consumers addition is increasing the gap between demand and supplies, day by day. Especially in winter, the gas demand further increases and as a result the government is forced to curtail supplies to various sectors."

The gap between demand and supply is expected to increase to 2.679 bcfd in FY 2022-23 and 4.796 bcfd by FY 2027-28 without the imported gas. "The possible gap can be bridged through enhancement in indigenous gas exploration & production through incentivizing this sector, import of interstate natural gas through development of cross-country gas pipelines and increased import of LNG."

Pakistan currently has two operational LNG terminals – Elengy Terminal and Gasport Pakistan Ltd. having a capacity of 600 million metric cubic feet per day each. With Pakistan turning to be one of the fastest growing LNG markets since it first started importing in 2015 and imports rising to 8.4 million tons in 2019 from 6.8 million tons in 2018, analysts say there is an urgent need to speed up import capacity expansions, which have been planned to absorb incremental inflows.

Commodity information provider S&P Global Platts forecasts Pakistan's LNG imports to rise to 9.3 million tons in 2021, if the country can bring in another floating storage regasification unit. Imports are expected to exceed 17 million tons by 2025, it said.