

### **Petroleum Division backs long-term LNG deal**

ISLAMABAD: With the Pakistan Tehreek-e-Insaf (PTI) government set to open the liquefied natural gas (LNG) market for the private sector to reduce financial risk, a Petroleum Division official has underlined the need for a long-term LNG deal.

The country has already a long-term LNG deal with Qatar. Consumers are forced to consume expensive LNG due to the involvement of government entities in the entire chain.

The private sector has been struggling for several years to import LNG but it has been denied the opportunity due to monopoly of state-run companies despite the fact that the consumers had paid a tolling fee to the LNG terminal for idle capacity. Now, the Petroleum Division secretary informed a parliamentary panel on Monday that there should be a long-term LNG contract for smooth supply.

Briefing the Senate Standing Committee on Petroleum, he said that Pakistan LNG Limited (PLL) and Pakistan LNG Terminals Limited (PLTL) were being merged.

Minister for Energy Omar Ayub said there were no flaws in the LNG deals, adding that the LNG company required 45 to 60 days to finalise LNG contracts due to PPRA rules.

He pointed out that the government had to take the merit order into account before importing LNG.

In a briefing on the stance of federal and Sindh governments on the laying of a 17km-long pipeline for imported gas, the committee was informed that Sui Southern Gas Company (SSGC) had laid the pipeline in all respects including modification of the CTS Bin Qasim and SMS Pakland Pipeline was commissioned on December 22, 2020.

The committee took up the issue of gas supply to Sui residents and directed the ministry to write to Pakistan Petroleum Limited (PPL) on the matter and submit a compliance report. Discussing the progress on exploration of Kohlu block, the committee was informed that the last extension was granted on January 1, 2020 for a period of two years in order to enable the company to meet its minimum work obligations, which had been pending for a long time due to the volatile law and order situation in the area.

It was informed that seismic survey of the block would begin during the current month. Oil and Gas Development Company Limited (OGDCL) reported that as an operator of the block, it had been continuously pursuing the authorities concerned for the provision of security clearance for immediate commencement of exploration activities in the area.

The committee directed that all-out efforts must be made to ensure that work commenced at the earliest and that a monthly progress report must be submitted to the

committee. Senator Mir Kabeer said that gas was being extracted from Kalat and Sui but was not being provided to the two areas.

Senator Shamim Afridi said that all the gas extracted from Khyber-Pakhtunkhwa (K-P) was being provided to Punjab.

Regarding the actions taken by the Petroleum Division to curb smuggling of oil products, the committee was informed that following the directives issued by the prime minister, a national task force had been constituted with the chief minister and home secretary as conveners.