



People queue to buy liquefied petroleum gas (LPG) cylinders for domestic use, at a gas agency office in Chennai yesterday. (AFP)

India tells consumers not to panic over gas shortages

Reuters
New Delhi

India yesterday asked consumers not to panic about gas supplies and conserve energy wherever possible, as the world's second-largest importer of liquefied petroleum gas (LPG) struggles to meet domestic demand. The federal government has invoked emergency powers ordering refiners to maximise production of LPG and cut sales to industry to avoid a shortage for its some 333mn homes with LPG connection.

The government's measures have increased local LPG output by 25%, said Sujata Sharma, a joint secretary in the federal oil ministry.

Despite the steps, restaurants, hotels, and industries across sectors are beginning to feel the strain from the tighter supplies of LPG, mainly used as cooking fuel.

"Panic booking (of LPG cylinders) and hoarding behaviour have been driven by misinformation," Sharma said. India's crude oil, LPG, and Liquefied natural gas (LNG) supplies have been disrupted due to global shipping constraints after the US and Israel's war with Iran halted traffic through the Gulf and the Strait of Hormuz.

India consumed 33.15mn metric tonnes of

cooking gas last year, with imports accounting for about 60% of demand. About 90% of those imports came from the Middle East. India also imports about half of its 190mn standard cubic metres per day (mscmd) of gas consumption.

Sharma said LNG imports of 47.4 mmscmd have been hit due to supply constraints and force majeure by its top supplier Qatar. India has begun diverting gas supplies from non-priority sectors to key users.

India is securing crude and LNG from alternative sources with two LNG cargoes already on their way, Sharma said. Indian refiners have bought millions of barrels of Russian oil floating on the high seas after Washington granted a 30-day sanctions waiver.

Most Indian refineries are operating at full capacity, she said.

"The Middle East conflict has posed challenges for the world, but India's fuel demand is being met. The Government is continuously monitoring the global situation and taking necessary steps to ensure uninterrupted fuel supplies and protect households and priority sectors," she added.

Meanwhile the Coal Ministry said yesterday India has sufficient coal supplies to meet what is expected to be an unprecedented surge in demand during the summer months, after gas

supply disruptions due to the US-Israeli war on Iran.

The overall coal stock available in the country is about 210mn metric tonnes, which would be sufficient for about 88 days of consumption, the ministry said in a statement.

The South Asian country still relies on coal for three-fourths of its electricity generation, even as it ramps up renewable energy generation at a record pace.

The statement comes as India expects to boost its coal power usage to meet the summer demand after the conflict in the Middle East hit its supplies of natural gas, mainly from Qatar.

The country's power plants had 54.05mn tonnes of coal, enough for about 24 days at the current rate of consumption, the ministry said. Pithead stock at Coal India, which produces three-quarters of India's output, was around a record 121.4mn tonnes as of March 9.

"Coal production and supply continue to be higher than consumption in fiscal year ending March 31," the statement said.

Higher domestic production has also led India to open up exports for neighbouring countries and test increased blending of domestic coal in power plants traditionally designed to be operated with imported coal.