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India's LNG imports are expected to surge over the next five years as the country's natural gas consumption is set to grow significantly. The expected growth in imports would coincide with Qatar expanding its LNG export capacity.

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New Delhi | Updated: February 21, 2025 15:25 IST



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Prime Minister Narendra Modi and the Emir of the State of Qatar, Tamim bin Hamad Al Thani, at Hyderabad House in New Delhi on Tuesday. (Express photo by Renuka Puri)



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India and Qatar are aiming to double their trade to \$28 billion by 2030, with a focus on increasing India's LNG imports from Qatar. Qatar plans to expand its LNG export capacity, making it a top supplier of super-chilled gas to India. However, the US is a major competitor i...

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five years, LNG, or super-chilled gas, is likely to play a pivotal role in that endeavour as well.

The reason: India's LNG imports are expected to surge over the next five years as the country's natural gas consumption is set to grow significantly. The expected growth in imports would coincide with Qatar expanding its LNG export capacity. In fact, Qatar and the US are the two key geographies that are likely to see notable expansion in LNG export capacity over the coming years, and Indian oil and gas companies are understood to be eyeing both countries to meet the incremental gas demand.

The recent state visit of Qatar's Amir Sheikh Tamim bin Hamad Al-Thani saw New Delhi and Doha setting a target to double bilateral trade to around \$28 billion a year by 2030, apart from elevating the bilateral relationship to a strategic partnership. According to the Ministry of External Affairs (MEA), "trade, investment, and energy" were among the major topics of discussion between Prime Minister Narendra Modi and Al-Thani.

"India and Qatar share a very vibrant partnership in the area of energy. Qatar is a major source of LNG for India... Both leaders also discussed ways to further strengthen and broaden the energy partnership including exploring mutual investments," Arun Kumar Chatterjee, Secretary (Consular, Passport & Visa and Overseas Indian Affairs) in the MEA told reporters on Tuesday (February 18).

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LNG: Energy that drives India-Qatar trade

Even as India hopes to increase exports to Qatar and attract more investments from the West Asian country, it is a fact that the balance of trade between the two countries is heavily skewed in Qatar's favour, with LNG topping the list of New Delhi's imports from Doha.

LNG imports accounted for 50 per cent of India's overall imports from Qatar, which totalled \$11.49 billion in the first 11 months of 2024. Notably, other major imports were also fossil fuel-linked commodities and products like liquefied petroleum gas (LPG), crude oil, plastics, and other petrochemicals. By contrast, India's exports to Qatar during the 11-month period totalled just \$1.61 billion.

In January-November 2024, India imported 9.82 million tonnes of LNG from Qatar, which accounted for 38.8 per cent of India's overall LNG imports by volume. In

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value terms, India's LNG imports from Qatar in January-November 2024 were 5.75 billion, accounting for 41.2 per cent share of India's total LNG imports.

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India's largest LNG importer Petronet LNG has a long-term contract with Qatar for 7.5 million tonnes per annum (mtpa) of LNG, which only last year was extended till 2048. Apart from the LNG volumes that are imported under this term contract, Qatar also has a sizable share in India's LNG purchases from the spot market. In December, public sector major GAIL inked a five-year contract with QatarEnergy for additional LNG imports.

Growth in India's LNG imports, Qatar's export capacity

The Indian government has set an ambitious target to increase the share of natural gas in the country's primary energy mix to 15 per cent by 2030 from a little over 6 per cent at present, which is bound to result in a rapid increase in LNG imports over the next few years. India is already a major LNG importer, with domestic natural gas being able to meet just about half of the country's demand.

According to Paris-based International Energy Agency (IEA), India's natural gas consumption is seen rising nearly 60 per cent over 2023 levels to 103 billion cubic metres (bcm) by 2030, while LNG imports are set to more than double between 2023 and 2030 to 65 bcm a year, driven by steady demand growth and a much slower rise in domestic production.

"Between 2013 and 2023, India's LNG imports increased by 70%, and reached 36 bcm in 2024, matching the previous record set in 2020 and cementing the country's position as the fourth-largest LNG importer globally. Looking ahead, India's LNG demand is projected to grow steadily, reaching 64 bcm/yr by 2030. This represents an annual average growth rate of 11% for the 2023-2030 period, twice the average rate observed in the previous ten years," the IEA said in a recent report.

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No wonder then that India's oil and gas companies are scouting for LNG supply contracts globally. Just last week, Indian oil and gas companies inked three long-term LNG import deals with global majors worth billions of dollars. The deals included long-term contracts by public sector refiners Indian Oil Corporation (IOC) and Bharat Petroleum Corporation (BPCL) with the Abu Dhabi National Oil Company (ADNOC), and Gujarat State Petroleum Corporation's (GSPC) deal with French major TotalEnergies.

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Around the time when India's LNG imports are expected to jump, Qatar will significantly add to its LNG export capacity. The Gulf country's liquefaction capacity is set to nearly double to 142 mtpa by 2027 from 77 mtpa, which could further cement Doha's position as India's leading supplier of super-chilled gas.

The US factor

Over the coming years, the US is expected to be Qatar's biggest competitor for LNG market share in India. The US, which is the world's largest LNG exporter, is currently India's second-largest source of super-chilled gas. In January-November 2024, India imported 5.12 million tonnes of LNG from the US, accounting for 20.2 per cent of the former's cumulative LNG imports during the period. India's LNG imports from the US for the 11-month period were valued at nearly \$2.5 billion.

New Delhi and Washington have agreed to take steps towards making Washington "a leading supplier of oil and gas to India", which could help bridge the trade deficit between the two countries, US President Donald Trump said after his meeting with Prime Minister Narendra Modi in Washington last week.

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After taking charge last month, Trump lifted the Joe Biden administration's ban on export permits for new US LNG projects, which could further solidify Washington's position as the world's largest LNG exporter.



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It is no surprise that in their hunt for more long-term LNG contracts, Indian oil and gas companies are keenly eyeing opportunities in the US. "Indian companies are looking at buying LNG from around the world, including particularly from the US," Petroleum Secretary Pankaj Jain had told reporters just days before Modi's US visit.



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Sukalp Sharma is a Senior Assistant Editor with The Indian Express and writes on a host of subjects and sectors, notably energy and aviation. He has over 13 years

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