

Feed fuel-starved power, fertilizer, steel plants with gas via pipeline from Iran-Oman: Study

TNN | Sep 5, 2017, 08.15 PM IST

MANGALURU: If India has to feedstock its power, fertilizer and steel plants in an environment-friendly and affordable way, it must push for a transnational deep water gas pipeline from Iran, passing through Oman but by-passing Pakistan for a sustainable supply of the industrial fuel, an ASSOCHAM study has said.

"An undersea pipeline between Iran-Oman-India will connect the producers and consumers of gas directly. This will bypass all geo-political issues. It will also lead to more gas-to-gas competition and creating a genuine gas hub, as in Europe/USA etc", an ASSOCHAM study on 'Middle East to India Deep Water Pipeline- A Favourable Situation for All' has suggested.

ASSOCHAM president Sandeep Jajodia, secretary general D S Rawat and T N R Rao, chairman, SAGE and former petroleum secretary, Government of India released the study on Tuesday.

India can finally connect to Gulf region, where more than 7 million Indians reside. During the year 2016-17, India consumed 55,534 MMSCM (million standard cubic meter) of natural gas of which 24,686 MMSCM was imported. The country imports LNG and gasifies the same for domestic use. India is now the fourth largest natural gas importer, mainly from Qatar - the world's largest gas exporter.

In fact, the pipelines in Europe for carrying gas from Russia came up to avoid geo-political issues only. There are many - between Russia and Ukraine for example. China also get pipeline gas from Russia (and Turkmenistan/Myanmar and now plans to buy gas from Iran too).

Israel too will like to transport its gas to consumers like Italy without much diplomatic concerns. "Point to note is that 72% of LNG trade takes place in Asia. India is among the fastest developing market".

The study said India must take a stronger and more pro-active approach to build a least one transnational gas pipeline in next five years. Currently, 2500 MW gas based power generation capacity is idle, due to non-availability of low priced gas (and LNG being unaffordable).

No new fertilizer plants are being set up for same reason. There are several Indian steel plates and steel pipe manufacturers and construction companies which will gain sizeable business from the proposed pipeline, to promote/boost "Make in India" and "Skill India" campaigns of the Prime Minister.

Indian manufacturers have the capacity to supply required steel pipes for laying the pipeline. Steel may also be sourced from Japanese and European companies. Both India and Iran can guide sourcing of material based on the best interests of their respective economies.

"India's energy policy focuses on securing energy sources to meet the needs of its growing economy. Unfortunately, we have not succeeded in this effort to build Transnational Gas Pipelines from the neighbourhood, inspite of efforts for the last two decades. Since many years there is an endeavour to build a deepwater gas pipeline through a safe route, avoiding Pakistan and using 'cleaner' fuel than coal.

The advantage of having gas through pipelines are primarily long time gas supply/purchase contract, made at fair price, enabling new capital investment in projects of gas receiving countries. This can likely save almost a billion US Dollars annually for the country too, for the contract duration of 20/25 years.

<http://timesofindia.indiatimes.com/business/india-business/feed-fuel-starved-power-fertilizer-steel-plants-with-gas-via-pipeline-from-iran-oman-study/articleshow/60380157.cms>