

# With Iran nuclear deal, an undersea gas pipeline to India holds promise

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NEW DELHI: The Iran nuclear deal could see not just more imports of Iranian crude to India, the lifting of Western sanctions now holds the promise of kick-starting an undersea pipeline project that would bring Iranian gas to India via the Arabian Sea, bypassing Pakistan.

"The Iran nuclear deal is going to open up more possibilities of importing crude from Tehran, the quantities can be increased. It will also help to implement two-three projects we are working on without any shadow of sanctions," an official source told.

"Among the major projects we are eyeing is the SAGE undersea pipeline to bring gas from Oman and Iran to India," the official said, declining to be named.

The gas pipeline project by South Asia Gas Enterprises Pvt Ltd (SAGE), when implemented, could see over 31 million cubic meters of gas per day delivered to India.

The pipeline project, also known as Middle East to India Deepwater Pipeline (MEIDP), was formulated a decade ago, but could not take off due to the Western sanctions and US opposition as well as technological issues. "All that has now been sorted out," the official added.

With the Iran-Pakistan-India (IPI) pipeline still stuck and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipelines yet to take off, the SAGE project holds promise of seeing gas delivered to energy-starved India in about five years.

The 1,200-1,300 km pipeline, set to cost around \$4.5 billion, is the best energy option for India, says Subodh Kumar Jain, director, SAGE. "We are very excited, the development (Iran nuclear deal) holds a lot of promise for getting the SAGE pipeline project moving forward," Jain told.

Jain said the pipeline would avoid Pakistan's underwater continental shelf and is "very much doable".

"India has been struggling to get pipeline projects off the ground for the past 20 years, while China has several pipeline projects running. Now things will certainly change, we're getting good encouragement from the government," Jain told.

According to Jain, the gas tariffs would also be competitive.

Once the project gets the green signal, they would have to draw up the purchase contract, the route for the deep sea pipeline, the buyer-seller agreement, among other nitty-gritties to be worked out. "We are very hopeful," he added.

The SAGE pipeline, called MEIDP project, would start from Chabahar on the southern coast of Iran and Ras Al-Jafan on the Oman coast. The pipeline, after traversing deep in the Arabian Sea, would bring gas to Porbandar in south Gujarat. The maximum depth of the pipeline is set to be 3,450 metres, and construction would take two years to complete, according to the website.

The pipeline route can also bring Turkmenistan gas to India through a swap arrangement with Iranian gas from the South Pars gas field in the Arabian Sea, said Jain. He said that Turkmenistan / Iran are building gas pipelines till Chhabahar port. From here the Turkmen gas could be transported, through SAGE pipeline, to India, to the Gujarat Coast.

Turkmenistan, in the past, was agreeable to such options, for supply of additional gas too, he said.

The Chabahar port, which India is upgrading, is moving ahead at a fast pace, but the inward connectivity, in the form of roads, has yet to take off.

Prime Minister Narendra Modi and Iranian President Hassan Rouhani, who met in Ufa, in Russia, on the sidelines of the Shanghai Cooperation Organisation (SCO) summit earlier this month, had discussed increasing Iranian oil imports, the development of Chabahar port and the fast-pacing of connectivity projects. Iran is central to India's access to Central Asia and the Chabahar port and road connectivity is a priority area for India.