



# Gas use returns to pre-Covid level

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India's natural gas demand has rebounded to above pre-pandemic levels amid the country's drive to boost consumption of the cleanest fossil fuel to rid the skies of toxic smog.

Demand is rising across several sectors, especially city gas, fertilisers and petrochemicals, with long-haul transport poised to start using LNG in trucks, said E.S. Ranganathan, marketing director of Gail India Ltd, the nation's biggest gas utility. Consumption in October was above 2019 levels for the first time since June.

The rebound comes as

Prime Minister Narendra Modi seeks to double gas's share to 15 per cent of the country's energy mix by 2030. The country, which the World Bank said in 2016 was home to 14 of the 30 most polluted cities on the planet, will see \$60 billion in investment in new pipelines and import facilities to increase use of the fuel.

"India's gas consumption has already surpassed pre-Covid levels," Ranganathan said in an interview. "All the big industries have actually come back full swing."

The rebound comes after pandemic lockdowns sapped demand, forcing Gail to cancel one US cargo and postpone another from Gazprom PJSC,

which will now arrive this month, he said.

Meanwhile, rival Indian gas importers - including Indian Oil Corp. and Gujarat State Petroleum Corp. - have jumped back into the LNG spot market recently, issuing tenders seeking prompt shipments.

India has aggressively auctioned out areas for city-gas supplies covering 70 per cent of its population while starting LNG fuel stations on highways and industrial areas to convert diesel-guzzling trucks and mining vehicles. Oil refineries alone will boost consumption to 50 million cubic meters a day by 2025 from about 10 million now, Ranganathan said. —*Bloomberg*