

INDIAN GAS UTILITIES INDUSTRY

**Global LNG prices to remain
subdued as sizeable LNG supplies to
hit markets in the medium term**

September 2024





[Click to see full report](#)

Nearly 193 MMTPA of LNG production capacity will come online in the period between CY2024 to CY2028, with the US and Qatar adding 71 MMTPA and 64 MMTPA respectively. The capacity additions are sizeable at ~41% of the current capacity.

The global LNG prices are expected to remain subdued amid the supply glut and muted natural gas consumption growth globally.



- Sizeable LNG production and liquefaction capacities, to the extent of 41% of the current global capacity, to be added in a three-year period, starting from CY2024 with major additions taking place in the US and Qatar.

- Global natural gas consumption is expected to grow at modest rates as EU is expected to reduce consumption by ~15% of the average consumption (from April 2017 to March 2022) by March 2025, while Japan and South Korea are likely to focus on nuclear energy.

- Healthy demand so far from China had supported the LNG markets. However, going forward a muted macro-economic outlook, continued focus on coal to meet energy requirements and pipeline imports from Turkmenistan will keep LNG imports under check.

- India's reliance on LNG is expected to remain high despite domestic gas supplies to be added over the course of the next two years while the consumption would continue to grow at a healthy pace of 6-8% p.a., driven by the CGD and industrial sectors.

- Natural gas prices had remained volatile over the last three years owing to increased imports by China, geopolitical tensions, warm winters and adequate storage levels in EU. However, going forward LNG prices are expected to remain subdued amid increased availability amid subdued demand growth.

- India stands to benefit from the expected moderation in the LNG prices as the country's consumption remains highly price sensitive. The expected lower LNG prices would drive fertiliser subsidies to dip further while improving the competitiveness of gas vis-à-vis alternate fuels for the CGD and industrial sectors.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President	girishkumar@icraindia.com	022 - 6114 3406
Prashant Vasisht	Senior Vice-President	prashant.vasisht@icraindia.com	0124 - 4545 322
Varun Gogia	Assistant Vice-President	varun.gogia1@icraindia.com	+91 987115 6542





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2024 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!