

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3440
ANSWERED ON:15.12.2005
CHANGE IN LNG SHIPPING POLICY
Thakkar Smt. Jayaben B.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to change the Liquefied Natural Gas (LNG) Shipping Policy to allow the LNG purchaser the choice of carrier; and

(b) if so, the details thereof;

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): The Director General (Shipping) had issued guidelines dated 5th July, 2004 stipulating, inter alia, that no licence shall be granted for any chartered LNG vessel unless:-

(i) the said LNG vessel is an Indian flag vessel; and

(ii) the `Indian partner` owns the LNG vessel wholly or owns not less than 26% of the ownership of the company owning the said LNG vessel.

The matter was considered by the Government and, with a view to providing flexibility in transportation of LNG, it has been decided that these guidelines may be kept in abeyance. It has also been decided that no restrictions should be placed which would entail the import of LNG only on an FOB basis. The position may be reviewed, on a need basis, by an Inter-Ministerial Committee which may keep track of the changing market situation and suggest appropriate changes in policy, as and when required.