

# Webinar Summary

## *Creating traded and competitive gas markets in Asia*

The U.S. Asia Gas Partnership (AGP) is a public-private partnership that aims to optimize gas network infrastructure planning and develop domestic gas markets across the Indo-Pacific. Under the AGP initiative, the [U.S. Energy Association \(USEA\)](#), [ICF](#), and USAID's [South Asia Regional Energy Hub \(SAREH\)](#) hosted a webinar on “*Creating Traded and Competitive Gas Markets in Asia*” on December 3rd, 2020. The main aim of the webinar was to provide insights on how the gas markets have evolved in South East Asian countries over the past few years, with focus on countries like **India, Singapore, Bangladesh, Thailand, Philippines and Indonesia**.

Additionally, the webinar focused not only on the current projects and market developments taking place but also covered the future prospects and upcoming infrastructure and investments required in some of these countries in natural gas sector through a panel discussion.

The webinar commenced with opening remarks from Ms. Monali Hazra, Regional Energy Program Manager and Clean Energy Specialist, USAID India, to brief the participants about objectives of the webinar, followed by a presentation from Mr. Harry Vidas, Vice President (Energy Markets), ICF. Mr. Vidas presented the findings from a recent study that ICF had conducted for the U.S. Energy Information Administration (EIA) on the development of traded markets and LNG hubs in the Asia Pacific region on the status of natural gas in the above-discussed markets, different stages of gas market hub development along with the current status of development stage in these South East Asian countries.

The key panelists present in this webinar included **Mr. Rajeev Mathur, Executive Director, GAIL (India) Limited**, **Mr. Leonido “Bodie” Pulido, Assistant Secretary, Department of Energy (Philippines)**, **Mr. Rohan Seneviratne, Additional General Manager, Ceylon Electricity Board, Sri Lanka**, and **Mr. Eric Ebelin, Senior VP- Business Development, Total**. The panel discussion was moderated by **Mr. Gurpreet Chugh, Managing Director, ICF (India)**.

## Key Takeaways from the Panel Discussion

**Mr. Rajeev Mathur, Executive Director, GAIL (India)**, presented an overview on the growing natural gas market in India. He focused on how India is a growing market and as GDP grows, the use of energy also grows in a compounded manner, in which gas plays an important role. He discussed the various initiatives being taken by the government including the following: setting up of exchange, third party access of infrastructure, government to come out with position paper on TSO, and set rules of the game where people will be able to access infrastructure. Mr. Mathur highlighted the government's aim to increase the share of natural gas from 6% to 15% in the primary energy mix by 2030. He also mentioned that with opening of new markets, the country will be connected through pipelines. Additionally, 50 LNG stations are expected by next year and number of CNG stations will go up to 12000 in the next five years.

**Mr. Leonido “Bodie” Pulido, Assistant Secretary, Department of Energy (Philippines),** briefed the audience about the future of gas and LNG in Philippines. He said that primarily, natural gas is used in power generation and the domestic supply is on a decrease. He mentioned that one of the significant developments which occurred recently, is that the DoE has issued a circular to put temporary moratorium on coal for power generation. He cited lack of infrastructure and regulatory issues as the reasons being why natural gas is not a success in the transport sector in Philippines. He further discussed the following points: the government has introduced a bill to provide fiscal and non-fiscal incentives for switch to natural gas of non-power industries. This development will create an environment where infrastructure can be created. In the near term, natural gas will be used only in Power generation and 43,000-megawatt capacity will be needed. They believe the role of gas and LNG will be in providing support to the intermittent nature of the renewable capacity which is planned in Philippines. Mr. Bodie also said that they hope to have a strong regional market and are situated in an area with the biggest suppliers and buyers around them.

**Mr. Rohan Seneviratne, Additional General Manager, Ceylon Electricity Board, Sri Lanka,** shared his insights about the Sri Lankan market. He said that currently Sri Lanka does not have natural gas in its energy equation and the government is planning to bring natural gas to the power sector and then introduce it to the other sectors. He further added that the share of power generation from petroleum products is close to 35% which is leading to a high cost of power generation. Sri Lanka has a target of generating 70% power by 2030 from clean energy sources (50% from RE and 20% from natural gas). Sri Lanka intends to have 2300-megawatt power plant to run on natural gas by 2030. He also spoke about the initiatives being taken by the government towards bringing in LNG to the country, and various feasibility studies have been carried out. Mr. Seneviratne said that Sri Lanka is working towards development of a an FSRU terminal in the near future which is sufficient to cater to the demand for initial 10 years and is looking for investors to develop such projects under the BOO (build, operate and own) concept with a total consumption in the range of 1 MTPA.

**Mr. Eric Ebelin, Senior VP- Business Development, Total,** shared his views from a supplier’s perspective in the panel discussion. He mentioned that it needs to be acknowledged that market forces are multiple and diverse, and the LNG player is one of the parts of this chain. He said that the specificity of natural gas as a fuel is that there is no captive market of natural gas and to expand its market share it has to be competitive within the energy mix of the specific regions, where it is delivered. He also mentioned that there has been a growing share of short-term cargoes which represents close to 1/3<sup>rd</sup> of the market giving contractual flexibility. He added that natural gas can play a role in RE integration and can be a suitable fuel. He emphasized on mobility and an established network of CNG & LNG stations can bring in the intrinsic advantages of natural gas and achieve its full potential in a competitive, transparent, and deregulated market. As an LNG supplier, he said that the focus of the countries should be on deregulation.

The webinar concluded with closing remarks from Ms Sarah Blanford, Deputy Program Director, Energy Utility Partnership Program, USEA.