

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

UNSTARRED QUESTION NO:6148  
ANSWERED ON:03.05.2013  
SPOT PRICE OF LNG  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the spot price of Liquefied Natural Gas (LNG) is connected with the price of crude oil or is fixed under 'Henry Hub Pricing Mechanism' at present;
- (b) if so, the details thereof and if not, the criterion of fixing its price;
- (c) whether the purchase of LNG by the developed countries at spot price has gone down in view of the discovery of shale gas in huge quantity in North America and the European Union;
- (d) if so, whether the Public Sector Oil Companies of the country are likely to be encouraged to buy LNG at spot price; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAACA LAKSHMI)

- (a) & (b): The price of spot cargo of LNG is not linked to any price mechanism and is fixed based upon the inter-play of market forces.
- (c): Development of Shale Gas resources in the United States has reduced its dependence on imported LNG thereby increasing the availability in the international market. However, there has also been an increase in demand for LNG in other markets, especially in Latin American and Far East markets.
- (d) & (e): Imports of LNG are within the commercial realm of companies and decisions are taken based on commercial considerations.