

## Cabinet nod for natural gas cargo-swap deal with Japan

**Smoother flow:**The cargo-swap arrangement is part of a broader bilateral pact to create gas exchange.

The Cabinet approved a cargo-swapping arrangement with Japan as part of a broader bilateral pact to create a gas exchange that could reduce India's logistical costs for natural gas import.

"With Japan, another important pact is being finalised by the Petroleum Ministry," Minister for Petroleum and Natural Gas Dharmendra Pradhan told the media after the Cabinet meeting on Wednesday. "As the world's largest importer of gas, Japan has pacts for supply with Qatar. We have similar pacts with Australia.

"As part of the gas exchange, we have a provision that will allow the swapping of these gas contracts which will save [on] transport costs. So, we can get gas from Qatar instead of Japan and they can source our quantum from Australia," Mr. Pradhan said.

"It is a relatively new approach," Deepak Mahurkar, leader, oil & gas, PwC India told *The Hindu* .

"But as more and more sources of LNG are emerging, versus earlier, this is allowing buyers to avoid unnecessary transportation. It is purely for logistics costs. It is a swapping of cargo and not of contracts, so the tariff at which the LNG is bought will not change."

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