

# Expansion of Liquefied Natural Gas (LNG) by Qatar

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## Context

Qatar is in a hope of rising sustained demand in international gas requirements across the globe and for this it is proactively engaged in signing additional gas agreements in Asia & Europe. This move of Qatar coincided with their long term plan to invest in export capabilities for expansion.

## Qatar's LNG production and exports Status and Reason for further expansion

- When we start to look at the year 2024, it is clear that Qatar has become a major force in global Liquefied Natural Gas (LNG). Qatar is determined to raise its current LNG production and export capabilities to unprecedented heights.
- Qatar is set to see a huge gain in its share of the global LNG market with a projected new production capacity of 126 million tonnes per year by 2027. This extraordinary expansion represents both a milestone significantly beyond present levels and positions Qatar firmly as a leading force in the sector.
- Qatar now occupies an enviable position on the international stage as one of the principal producers of liquefied gas. In 2020 it exported a total 106.1 billion cubic metres, constituting far reaches and a huge chunk of \$ the lucrative worldwide natural gas liquid export market.
- As for regions, Asia, it can be said, is the destination for most of Qatar's natural gas exports, with substantial volumes also going to European markets.

- The North Field, a majestic gas field where the esteem in which it is held everywhere cannot be rivalled. This lies within Ras Laffan Industrial City and boasts the world's largest LNG export facility.
- There is yet another reason for expansion. The whole world is gradually adopting cleaner forms of energy. LNG occurs as an essential transition fuel in moving away from environmentally harmful fossil fuels.
- Strategic economic planning. This expansion fits in with Qatar's persistent economic strategy: strengthening its position as a leading global energy supplier, particularly in the sphere of LNG.
- Facing competition from other front-running LNG producers such as the US and Australia at an increasingly higher stage, this extension is inevitable, a must for our survival.
- With LNG production, Qatar intends to incorporate environmentally sound and sustainable energy development. This includes programs to diminish emissions of greenhouse gases and prudent water resource management practices.
- Under the impact of an increasingly highly focused energy security aspect worldwide and the need to make energy sources more wide-ranging, global energy dynamics are changing.
- In conclusion, the strategic decision Qatar took to expand its LNG production and exports forms a harmonious fusion of economic good sense and forward vision. It allows the nation to meet the needs for more and more energy throughout the world while also perpetuating its prestigious position in the LNG industry.

## **Economical Bi-Lateral relations among India-Qatar**

- After that, Prime Minister Manmohan Singh visited Doha in November for a bilateral Queensland State Energy Ltd. LNG Sale & Purchase Agreement was signed.
- This Agreement was signed to enable the purchase of 7.5 million tonnes per year of LNG from Qatar's Qatar gas. The agreement was signed by Qatar's Minister of State for Energy Affairs while he was in India for India Energy Week 2024. Major exporters to India include Qatar, Kuwait and Indonesia. They mainly ship liquefied natural gas (LNG), liquefied petroleum gas (LPG), chemicals, petrochemicals, plastics and aluminium goods to India In return, India's key exports are cereals, copper ores, vegetables, iron and steel products.
- A bountiful guild of treasured spices and colourful webbed food products are prepared in the country. It also makes textiles, clothing, cotton, chemicals, plastic goods; precious stones & jade; rubber In fact, India is among the top three largest export destinations for Qatar, together with China and Japan. Similarly, India is also one of the top three sources of Qatar's imports, along with China and the United States.
- India counts on Qatar as its largest LPG supplier and for good reason. In the fiscal year 2022-23, Qatar provided India with 5.33 MMT LPG valued at US\$4.04 billion. This accounts for nearly 29% of the country's total LPG imports. India also found itself lucky with Qatar in the same fiscal year. For that 10.74 MMT (US\$8.32 billion worth) of LNG came It should be noted that this accounted for more than 48% of India's overall LNG imports.

## Conclusion

- The significant increase in Qatar's liquefied natural gas (LNG) supplies perfectly fits the rapidly increasing energy demands of India, and the economic ties between them become ever closer. Similarly, India and Qatar enjoy strong trade relations. The strategic alliance that the two have formed is particularly centred on LNG.
- The signing of an extensive and long-lasting agreement on LNG in 2024 is solid proof of how close these two countries have become in their cooperation. It ensures them a permanent and steady energy supply, encourages mutual economic growth and in all respects becomes practice of win-win development.

Source: [The Economic Times](#)

### ***UPSC Mains Practice Question***

***Q. Evaluate the Influential impact on Economic Bi-Lateral Relation of India and Qatar due to the expansion spree of LNG by Qatar. (150 Words)***