Indian Gas Exchange (IGX)

Context

- Minister of Petroleum and Natural Gas & Steel Shri Dharmendra Pradhan launched the Indian Gas Exchange (IGX), first nationwide online delivery-based gas trading platform, in an e-ceremony today.

About Indian Gas Exchange (IGX)

- IGX will be a delivery-based trading platform for delivery of natural Gas.
- Incorporated as a wholly owned subsidiary of the IEX - India’s energy market platform, IGX will enable market participants to trade in standardised gas contracts.
- The platform is fully automated with web-based interface to provide seamless trading experience to the customers.
- As there will be a market driven pricing mechanism, India Gas Exchange (IGX) will play a bigger role towards realizing a free market for gas.
- The minister also said that Petroleum and Natural Gas Regulatory Board (PNGRB) is working on rationalization of tariff to make natural gas affordable in every part of the country.
- Through IGX, India’s vision on mega investments on Liquefied Natural Gas (LNG) terminals, gas pipelines, CGD infrastructure and permission for market driven price mechanism will be materialized.

India’s steps to enhance Natural gas production

- Indian gas market has multiple price bands for assets including pre-NELP, NELP, High Temperature and High pressure (HTHP) and Deepwater and Ultra Deep Water blocks.
- The country will soon have 50 MMT LNG terminal capacity.
- The country has long-term gas contracts with many countries like Qatar, Australia, Russia and the US, and has made investments abroad in strategic assets in Mozambique, Russia and other countries.
- He also mentioned about various ongoing projects to strengthen the gas infrastructure in the country like Urja Ganga, Eastern India grid, Indradhanush project in the Northeast, Dhamra-Dahej pipeline, coal gasification and CBM policy.
- He said that country will have more than 30,000km of pipeline in next few year.
- The new electronic trading platform for natural gas is the biggest indicator of the centre’s progressive policy as it completes the entire energy value chain from gas production from multiple sources and imports of LNG from different parts of globe to having a transparent price mechanism.