INDONESIA’S LONG-AWAITED DRAFT oil and gas law will be implemented by the end of 2017, according to Ignasius Jonan, the country’s energy minister. The legislation could help spur much-needed investment.

“The draft law will be sent to President [Joko Widodo] by the end of June for the formal dialogue with the government to start […] we will try to avoid additional bureaucracy and liberalise the sector, but it’s a political process,” Jonan told delegates at the Indonesian Petroleum Association’s (IPA) annual conference in Jakarta.

“Parliament, politicians and the government all agree that the law must be completed by the end of the year,” he added.

The 2001 Oil and Gas Law was dissolved by Indonesia’s courts in 2012 for being unconstitutional, and the country’s regulatory framework has been in a state of transition ever since. Under the proposed new law, a state-owned enterprise will take over the regulatory role assumed by SKKMigas. The new bill will also focus on improving the country’s energy security, including increasing control of its resources.

Indonesia is Southeast Asia’s biggest hydrocarbons producer, but it has been struggling to attract investment as industry has been hampered by the regulatory uncertainty and a lack of fiscal incentives, which the IPA hopes will be addressed in the new bill. The number of active fields is in decline, drilling results have not been good and exploration in the country has been minimal in recent years. Exploration spending plunged to $100 million last year from $500 million in 2015 and $1.1 billion in 2014. Development drilling is also at a 30-year low while the level of licensing activity has hit an all-time low.

“The resource and demand is there, but the challenge for Indonesia is attracting investment while competing with other regions, as there are better opportunities elsewhere,” Andrew Harwood, an upstream specialist at energy research company Wood Mackenzie, told the conference.

Oil and gas exploration targets in Indonesia have been shifting from onshore and shallow waters to deeper waters, which are more expensive to explore and develop. But the country failed to attract any interest in its deepwater acreage last year, whereas Canada, Mexico, the United States, African nations and even the UK all succeeded, said Harwood.

Of all the wells drilled in Indonesia during its history only 10% have been sunk in the eastern region, yet the area’s deep waters are home to world-class discoveries such as Tangguh and Masela, Harwood added.

Several new regulations have been introduced to align the different needs of the government and industry stakeholders. However, to ensure the changes attract more investment, other uncertainties – such as fiscal terms and the country’s tax regime – need to be addressed so that Indonesia can be more competitive on a global basis, said Christina CONTINUED ON PAGE 2

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US President Donald Trump’s quest for closer trade ties with China could be the boost his country’s LNG industry needs, experts say.

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Verchere, president of the IPA and of BP’s Asia Pacific division.

Based on the government’s new gross split scheme, the Ministry of Energy calculates the internal rate of return for oil and gas projects will rise from 11.59% to 15.16%. However, this is still much lower than the global average.

**Delays and uncertainty**

Significantly, the delay in implementing the new oil and gas law has left fiscal uncertainty hanging over the industry, giving other regions a competitive advantage, added Verchere.

If the new oil and gas law is not finalised this year, analysts are concerned it will become overly politicised because Indonesia’s presidential elections are due in 2019. “The critical point for change is now. The government has to think long term,” Harwood told Interfax Natural Gas Daily.

Jonan, who was appointed as energy minister in October 2016, said the government has a sense of urgency about implementing reforms to boost Indonesia’s competitiveness. He pledged to speed up the investment process, which has been holding up project development, while taking a longer-term view of the importance of the oil and gas sector.

At last year’s annual IPA gathering, the government promised a petroleum-focused reform package. However, none of the 14 packages that have been launched so far have been specifically designed for the hydrocarbon industry.

The government instead has issued piecemeal reforms. These include incremental improvements in the number of permits needed by upstream investors, and the introduction of a gross-split scheme for new and renewed contracts to replace the excessively bureaucratic cost-recovery production-sharing contracts (PSCs).

“Over the past year, it’s got worse – they have taken one step forward and two steps backward,” said Harwood. As a result, the competitiveness of Indonesia’s oil and gas investment environment was ranked the lowest among ASEAN countries in the Fraser Institute’s 2016 Survey of Mining Companies.

The new gross split PSC has drawn criticism from industry players because it does not offer terms attractive enough to compete for global investment dollars. But a simple review could fix this, said Harwood.

More positively, “the gross split is open for discussion and we’re open for change to make it better”, Arcandra Tahar, Indonesia’s deputy energy minister, told reporters.

Licensing is also a major barrier to upstream investment. Government data shows that a project typically needs to obtain 373 types of licence from 19 central and regional institutions, which takes a long time.

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**Energy front-month futures**

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Prices provided by GlobalView.

GlobalView provides benchmark pricing, news and analytics for the commodities and energy sector. For more information, please contact sales.london@marketview.com.

**On interfaxenergy.com**

**Poland-Lithuania energy talks rise above politics**

Political disputes should not mar energy relations between Poland and Lithuania, a former Lithuanian energy minister says.

**Trump stumbles in war on regulation**

Environmentalists scored a victory last week on methane. The US president now has to fight regulation the hard way.

**Trending**

1. Sonangol unlikely to pay $2 bln Cobalt arbitration
2. Coral FLNG finance gets all-clear from Mozambique
3. Oman plans to import LNG and coal at Duqm
4. Methane hydrate production is a boon for Japan
5. Industry plays down China’s demand for US LNG

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Germany’s gas hub merger sparks controversy
Silvia Favasuli / London

The planned merger of GasPool and NetConnect Germany has political support, but many observers are unconvinced.

LEGISLATIVE PROPOSALS PUBLISHED by Energy Minister Brigitte Zypries to merge Germany’s two gas hubs have come as a surprise to analysts and stakeholders alike.

However, adoption of the proposals is seen as “very likely [as there is the] political will to do so”, Patrick Barouki, head of gas trading and origination at German energy company Uniper, told delegates at the Flame conference in Amsterdam last week.

Germany’s government is planning to combine the country’s two markets in April 2022. According to the draft law, published on 20 April, the reason is to prevent “internal discrimination” in case the European gas market evolves towards encompassing cross-border markets.

Germany has been interested in merging its hubs since 2011, when the country’s 19 domestic markets were combined to create GasPool and NetConnect Germany (NCG).

However, many within the industry have been surprised by the ministry’s decision to go ahead with the merger. This is mainly because it does not take into consideration the results of a study on the potential of further national or cross-border market integration conducted by German regulator the Bundesnetzagentur at the behest of the Energy Ministry in 2016. It also ignores a further expert opinion released by the same institute few days later.

The regulator concluded it does not see the point in pursuing any kind of domestic market integration as the connection to the TTF hub in the Netherlands is uncongested, meaning cross-border trades and the ability to hedge against the Dutch hub are already possible. The implementation of network codes will improve this interconnection. However, the Bundesnetzagentur’s main complaint was that the costs of the merger would likely outweigh any benefit resulting from it.

According to the regulator, only cross-border integration – including links with the TTF – will achieve substantial improvements in market liquidity. Unifying both German hubs with the TTF and the BeLux hub, which covers Belgium and Luxembourg, is seen as having the most potential.

Furthermore, the Bundesnetzagentur strongly recommended that the ministry conduct an in-depth cost-benefit analysis (CBA) before embarking on any integration project. But, as far as the regulator knows, such an analysis “has not been done”, a source close to the Bundesnetzagentur told Interfax Natural Gas Daily.

**Who will foot the bill?**

The draft law makes it clear that the cost of the merger will not come out of the federal government’s budget or those of Germany’s states and municipalities. But it did not make clear who will foot the bill for the additional costs of the new infrastructure that would be needed “to eliminate or manage bottlenecks caused by increasing gas trading over the current market area boundaries”. According to the document, transmission system operators (TSOs) might also need to introduce a new grid tariff to generate profits that are currently made at market transition points, which will no longer exist.

“You have to remove the constraints between the two market areas and change from a physical flow to a virtual flow,” Michael Kohl, managing director at Innogy Gas Storage, told Interfax Natural Gas Daily. “Usually these things end up in an increase of the grid fee,” he said.

According to a CBA conducted by PwC on behalf of the German TSOs in 2012, unifying Germany’s grid could cost €3 billion ($3.3 billion) to build the necessary additional capacity and incur €300 million of additional costs in the first year. PwC calculated the move would create just €57 million per year in benefits for consumers. “And that was just 2012 money,” Patrick Heather, researcher at the Oxford Institute for Energy Studies and author of a study on the evolution of European traded gas hubs, told Interfax Natural Gas Daily.

“The TTF is already the preeminent hub for risk management, and the NCG and GasPool hubs are very efficient balancing hubs. There’s no need for them to be more than that,” Heather added.

Barouki said German policymakers may want to avoid reaching a point where there would be two different gas prices within the same country: “GasPool might get very close to the TTF, while the NCG could get close to different prices like the Austrian [Baumgarten hub], because it’s related to a different economy. Then Germany will end up with two different prices for gas,” he said.

If Germany’s government considers the merger necessary in view of future European developments, it is worth noting that cross-border mergers are unlikely to happen in Central Europe, according to Heather. “It costs money, and there is no money,” he said. He added that he believes the creation of a Single Energy Market in gas in Europe is highly unlikely.

However, Heather said some small mergers might happen in areas such as the Baltic states or between Belgium and the Netherlands, where there are good physical connections and the political will exists.

We welcome your comments. Email us at comments@interfax.co.uk.
Energy firms remain sceptical of MEA arbitration

Verity Ratcliffe / London

Oil and gas companies in the Middle East and Africa are still wary of using arbitration courts to settle in-country disputes.

Oil price connection

While the number of arbitration cases in the region is still modest, low oil prices may have boosted demand for dispute resolution, said Wilson.

"That has more significantly impacted the oil and gas sector," he said. "Those changes have given rise to a number of issues that the industry now seeks to resolve through disputes. For example, there are now greater payment issues on account of cash flow, and there’s been a hardening of contractual positions, including between co-venture [partners] under [joint operating agreements]."

The drop in oil prices has led to solvency issues for some companies and this has prompted more disputes among contractors and oil companies, particularly in relation to oil and gas exploration and infrastructure projects. "There’s been reduced profitability at times and that [...] has then led to an increase in claims coming out of [engineering, procurement and construction] contracts," said Wilson.

Distressed companies are more likely than others to go through the arbitration process. “When a company is in ‘cost recovery mode’, it may take a fairly aggressive approach to a dispute and a formal process might allow for the sums at stake to be booked in a different way,” said Wilson.

Lower oil prices also mean there are fewer upcoming deals and companies are therefore less concerned about the impact of arbitration on their ability to secure future agreements. “When the oil price was high there was always the next deal to be done or order to be placed,” said Wilson. “That’s less easy at the moment because there are fewer new opportunities coming along.”

Even so, some IOCs may shy away from arbitration as their budgets have been cut since the oil price drop. “There is less money around so people are more focused on enforcing claims, but there’s less money to spend on arbitration and enforcing disputes,” said Kai-Uwe Karl, global chief litigation counsel at GE Renewable Energy, at the conference.

Dispute resolution can be cheaper than arbitration, and there is an increased focus on informal routes, Tariq el-Hassan, legal counsel at Chevron, told delegates. But the breakdown of personal relationships between the heads of energy companies has buoyed arbitration demand overall, said Wilson. ■
Thailand turns to LNG to meet demand

Andrew Walker / London

Thailand’s LNG imports were up by 61% in Q1 2017 compared with Q1 2016. Total imports for the quarter exceeded 1 mt as the country faced declining domestic production and reduced pipeline imports. Thailand imports most of its LNG through a long-term contract with Qatar, but it also purchased cargoes on the spot market during the quarter from Australia and Indonesia. The two spot cargoes Thailand purchased in March cost less than $7.70/MMBtu, making them cheaper than Qatari cargoes.

Pipeline imports were down by 4% in Q1 2017 compared with the same quarter last year. All of Thailand’s piped gas comes from Myanmar and state oil and gas company PTT is investing in exploration in the country to find new fields to reverse the decline. However, Myanmar’s gas demand is increasing and it will prioritise its domestic market over exports.

Thailand’s domestic gas production peaked in 2014 at 42.1 billion cubic metres and has been gradually declining since then. Total production in 2016 was 38.9 bcm, while Q1 2017 production was down by 5% from the same quarter last year. The country is struggling to bring new gas fields online as the low oil price makes it difficult to justify the expense of exploration.

Thailand’s gas consumption declined by 1% year on year in 2016, according to statistics from the country’s Energy Policy and Planning Office. The largest fall in consumption came from the electricity sector, which is by far the country’s largest gas consumer. The only sector to increase its gas consumption in 2016 was industry, where demand grew by around 450 million cubic metres. Consumption by the electricity and NGV sectors fell by 3% and 14% respectively in Q1 2017.
Boost in supply cuts Chinese LNG prices

Tang Tian / Shanghai

SINOPEC'S BEIHAI TERMINAL ranked first for trucked LNG sales in China last week, with daily sales of 150 trucks, followed by Rudong and Putian each on 140 trucks.

China’s domestic LNG output is forecast to average 40.99 million cubic metres per day this week. Output in northwest and southwest China is expected to increase as some plants resume production.

Plants in Shandong and Sichuan are expected to cut wholesale prices by an average of 1.5% week on week in response to the greater supply.

### LNG SALES FROM TERMINALS, TRUCKS

<table>
<thead>
<tr>
<th>Date</th>
<th>Dapeng</th>
<th>Qingdao</th>
<th>Tangshan</th>
<th>Rudong</th>
<th>Dongguan</th>
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Source: JLC

### LNG DELIVERY SCHEDULE

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Source: JLC
Trump’s China deal may signal boost for US exporters

Chris Noon / Barcelona

US President Donald Trump’s quest for closer trade ties with China could be the boost his country’s LNG industry needs, experts say.

CHINESE LNG IMPORTERS may be sceptical of a rapid surge in exports from the United States amid warmer rhetoric between the two countries over trade, but there is plenty of optimism stateside.

“We are definitely happy about this,” Charlie Riedl, director of the Washington-based Centre for Liquefied Natural Gas (CLNG), told Interfax Natural Gas Daily. “This is a win for both US LNG suppliers and Chinese buyers,” he added.

He has predicted China will have a “strong appetite” for US LNG cargoes. “Cheniere [Energy] came out and said they’re already in discussions with China, so it is safe to assume some long-term contracts could be signed before end-2017,” said Riedl.

“Chinese LNG demand has been growing quickly [increasing by 35% in 2016] and it is continuing to grow,” Riedl said. “The environmental impact of China replacing coal with gas is obviously also enormous.”

Timothy Heath, senior analyst at Santa Monica-based RAND Corp., has predicted China will significantly increase its consumption of US LNG. However, he was quick to point out that US exporters would face stiff competition from Australia, which has a shorter shipping route to China.

“China is the fastest-growing LNG market in the world and the third-largest consumer,” Heath told Interfax Natural Gas Daily. “However, the US faces hurdles in the form of costly shipping and competitors from closer suppliers in Australia,” he added.

“China’s Russian deal looks like it could fall short, so this opens the door to US LNG,” Bud Coote, a senior fellow at the Atlantic Council and a former Central Intelligence Agency energy analyst, told Interfax Natural Gas Daily. “China likes the flexibility of LNG in that respect,” he added.

Moscow and Beijing signed a $400 billion deal in 2014 to deliver Russian gas to China from 2018. However, Russia has since tweaked the timescale and size of the deal.

Moscow said last year it was likely to reduce the volumes of gas it plans to ship to China through the Power of Siberia pipeline, which will begin operations in 2019. China has started laying its portion of the pipeline.

Action plans

US President Donald Trump agreed a 100-day action plan last month with his Chinese counterpart Xi Jinping to boost economic cooperation. US LNG exports were central to the plan, being the fourth of the agreement’s 10 points.

Washington said China would be treated “no less favourably” regarding LNG export authorisation than any other country that does not have a free-trade agreement (FTA) with the US. It invited Chinese companies to enter into long-term contracts with US LNG exporters.

“The US said the deal gives China the same status as all non-FTA countries, but China already has that,” said Coote.

Riedl suggested that Chinese buyers were previously reluctant to sign direct agreements with US LNG suppliers. “There was no actual rule preventing Chinese buyers from buying US LNG under the previous administration,” he said. “But there was no real high-level acceptance, so it just wasn’t happening.”

China has imported 10 LNG cargoes from the Cheniere Energy-operated Sabine Pass LNG plant in Louisiana since it came onstream in February 2016, according to US Department of Energy data.

The figure includes four cargoes that were imported in 2017 under long-term contracts. However, this includes multiyear offtake agreements that charterers such as Shell have with Sabine Pass and other US plants. Beijing in turn has long-term contracts with these offtakers.

“Most of the US exports are by portfolio players – including Shell, EDF and Engie – but the deal opens [the] way for more direct contracts with China,” said Coote. He noted that China is currently the third-largest importer of LNG from Sabine Pass behind Mexico and Chile.

All the analysts agreed that the deal represented a political win for Trump.

“He can say that he is delivering on one of his campaign promises, which is to boost exports and US jobs through revamped trade deals,” said Heath.

“Along with cooperation on North Korea, the trade deal can help ease tensions between China and the US,” he added.

Trump made China a cornerstone of his presidential campaign throughout 2016, regularly tweeting that Washington should no longer tolerate massive trade deficits and job losses. The US is also seeking to curb China’s strategic ambitions in the South China Sea.

Riedl said the deal was good news for the US LNG industry as a whole and not just Sabine Pass. “These US liquefaction projects that have their permits can now secure offtake agreements that they may not otherwise have been able to do so,” he said.

“The deal will expedite the construction of these LNG plants, which involve $4-5 billion of investment. It is a boost in terms of [company] revenue, jobs and US tax revenue,” Riedl added.

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IN BRIEF

Poland’s PGNiG calls for Gazprom to be fined over market practices
Polish incumbent PGNiG has called on the European Commission to fine Gazprom over alleged market abuse on European gas markets, the company said on Thursday. The financial penalties would be in addition to a number of preventive measures proposed by PGNiG, the company said, including reducing mandatory gas deliveries under take-or-pay clauses to a maximum of 75% for customers in Central and Eastern Europe. At a press conference on Thursday, PGNiG Chief Executive Piotr Wozniak would not give a figure regarding the proposed financial penalties. “This approach [fines] will make it possible to compensate for the losses caused by Gazprom’s illegal practices. According to the provisions of the applicable law, the fine will be paid to the budget of the European Union,” PGNiG said in a statement. PGNiG is the last company to respond to the commission’s market test, which gives stakeholders an opportunity to respond to the proposed remedies it agreed on a preliminary basis with Gazprom earlier this year. One of the key proposals made by Gazprom is for greater flexibility in long-term contracts with the opportunity to renegotiate a move towards hub pricing. Gazprom has also pledged to remove restrictions on its customers on reselling gas to other countries. The commission – which opened an antitrust investigation into Gazprom’s alleged market abuse over five years ago – has yet to make a final decision. However, fining Gazprom retroactively in addition to imposing restrictive measures with embedded penalties in case of breach was not an option, Margrethe Vestager, commissioner in charge of competition, told a press conference in Brussels this week.

Nord Stream 2 will do without Latvia’s help
Nord Stream 2 will proceed without the participation of Latvia, the company developing the pipeline expansion said in an official letter to the port authority of Ventspils, according to The Baltic Times. “[Nord Stream 2] sincerely thanked us for cooperation over the past month and said the cooperation had been constructive, but that unfortunately it did not bear fruitful results. Nord Stream 2 will manage without Ventspils and the project will be implemented in cooperation with Russia, Finland, Sweden and Germany, but without Latvia,” Aivars Lembergs, the mayor of Ventspils and chief executive of the port authority, said at a news conference on Tuesday. Ventspils received an offer last April to take part in Nord Stream 2, which will add an extra two lines under the Baltic Sea connecting Russia with Germany. The development company asked the port to ensure the storage and deliveries of pipes for the project. However, Latvian Foreign Minister Edgars Rinkevics said the country would not support a project that it sees as a threat to its national security. The Latvian government also decided that the four members it delegated to the port’s eight-member board would vote against involvement in the pipeline project. “Unofficially, they said that they did not want to do anything through the back door,” Lembergs said.

Azerbaijan boosts LNG exports eightfold in Q1
Azerbaijan exported 25,507 tons of LNG in Q1 2017, up by 820% year on year, a government official has told Interfax. The country’s LNG exports soared in value by more than 1,200%, to $5.5 million. Azerbaijan exported 58,843 tons of LNG for $10.83 million in 2016.

Eni and Rosneft sign cooperation agreement
Igor Sechin, the chief executive of Russia’s Rosneft, and Claudio Descalzi, his counterpart at Italy’s Eni, signed a cooperation agreement on Wednesday for the two companies to work together in Russia and abroad, Eni said. The agreement was signed in Sochi in the presence of Russian President Vladimir Putin and Italian Prime Minister Paolo Gentiloni. Eni said the meeting consolidated previous agreements for the joint development of exploration activities in the Russian Barents Sea and Black Sea, and “will underpin further opportunities between the two groups” – including the giant Zohr project offshore Egypt, in which Rosneft holds a 30% stake.

BP and PLN sign second LNG supply contract
BP has signed a sales-and-purchase agreement with Indonesia’s state-owned power utility Perusahaan Listrik Negara (PLN) to deliver LNG to the Java 2 power plant in Cibatu Baru, West Java, according to Tempo. The contract will last for 15 years from 2020 to 2035 and BP will supply 16 cargoes per year. This is the second LNG agreement signed between the companies; the first was for BP to sell 44 cargoes to PLN from 2020 to 2030. The price agreed for the LNG in the new contract is 11.2% of Indonesia’s crude price per MMBtu, with transport costs amounting to 0.4%. The Java 1 power plant will come online in 2020 and will have a capacity of 1.76 GW.

Indonesia plans to increase use of gas in transport sector
Indonesia is introducing new legislation requiring all vehicle filling stations to offer at least one gas dispenser as part of its oil-to-gas programme in the transport sector, according to Nasdaq. The move is aimed at increasing the number of gas-fuelled vehicles on the roads. PT Autogas

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Bomb damages Pakistan pipeline

A bomb explosion damaged a gas pipeline belonging to Sui Southern Gas in the Manghopir district of Karachi on Thursday, according to Pakistan Today. The gas supply to Manghopir has been cut as a result. Who placed the bomb and their reasons for doing so remain unknown, but similar incidents have taken place in the past.

IEA revises oil forecast in light of electric vehicle plans

Plans by China and India to rapidly expand the number of electric vehicles on their roads over the coming decades have forced the International Energy Agency (IEA) to revise its long-term oil demand forecast. China is aiming for one-fifth of all new cars to be using alternative fuels by 2025, while India is looking to electrify all new vehicles by 2032. The IEA said it would adjust its projections for crude oil demand in light of these figures for its World Energy Outlook 2017. China and India are also promoting the use of CNG and LNG as alternative fuels for taxis, trucks and HGVs, which will also reduce demand for oil.

Guangzhou Gas aiming to firm up Woodfibre LNG supply contract

Guangzhou Gas Group hopes to convert a memorandum of understanding for 1 mtpa from the proposed Woodfibre LNG project in Canada into a sales-and-purchase agreement by the end of this year. Guangzhou Gas’s Deputy General Manager Liu Jingbo said on the sidelines of the China LNG & Gas International Summit in Beijing on Thursday. Liu said Woodfibre LNG could receive access to the Nansha LNG terminal as part of the negotiations through the formation of a joint venture. Liu also said that the capacity of the Nansha terminal, which is under construction in Guangzhou, could be expanded from 2 mtpa to 3 mtpa. Nansha’s first phase will have four 160,000 cubic metre storage tanks and will start operations in 2020. Woodfibre LNG is expected to start production in 2020 with a capacity of approximately 2.1 mtpa.

China must cut gas transport fees – Li Keqiang

China should cut urban transport and distribution fees to reduce end-user gas tariffs, Chinese Premier Li Keqiang said in a State Council meeting on Wednesday. The cut is forecast to deliver a RMB 120 billion ($17.4 billion) reduction in operating costs for firms. “It is clear that the National Development and Reform Commission requires local governments to adjust the urban distribution and transportation fees for gas to bring down end-sales tariffs this year,” said analysts at NSBO Research.

Jiangsu’s gas consumption up 20% in Q1 2017

Gas consumption in China’s Jiangsu province increased by 20% year on year in the first quarter of 2017, to 5.2 billion cubic metres, according to the Xinhua news agency. Power sector gas consumption in the province increased by 35% year on year, to 1.7 bcm.

Senators propose Appalachian gas storage hub

Senators in West Virginia in the United States have asked federal officials to consider “the numerous benefits” of a gas storage and distribution hub in the Appalachian region. The senators wrote to National Economic Council Director Gary Cohn asking the body to review and consider the idea because the region holds underutilised reserves of shale gas. A study by the American Chemistry Council said the proposed hub could attract $36 billion in investment.

IN BRIEF

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Indonesia has ordered 5,000 CNG cylinders from Hexagon Raffos to convert taxis and government vehicles to CNG. The company delivered 1,000 cylinders to PT Autogas in 2016.

China set to become biggest investor in Bangladesh

China will be the biggest source of foreign direct investment in Bangladesh when its acquisition of Chevron’s three gas fields in the country is finalised, according to The Financial Express. The sale of the Chevron fields will see the share of investment from the United States drop off dramatically as the acreage is expected to be worth around $2 billion. China invested around $61 million in Bangladesh in 2016, according to figures from the Bangladeshi government, but this figure will soon be boosted by a project to build a $2 billion coal-fired power station in Payra.

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