

Govt in a fix on pricier LNG bids for March

ISLAMABAD: The government is currently in a fix on LNG bids it received for the month of March and is making its mind either to stick with the bids which are at higher side or go for retendering as the LNG availability in the international market has started improving. The LNG value has tumbled by \$2 per MMBTU in recent days.

Top sources in the Petroleum Division told The News that authorities concerned are thinking as to whether they should go for retendering or not. They said that although the LNG availability in the market has started improving, the market is still volatile in terms of prices.

However, some officials say that if the government decides to go for retendering, then the bidders who earlier submitted their bids for the month of March will get wrong signals from the government and will not submit their bids in future. So the authorities are extremely careful and weighing the options to either remain glued to the bids earlier opened on January 15, 2021 or restart the process seeking new bids.

However, in a positive development, SOCAR, the LNG supplier from Azerbaijan, has formally communicated to Pakistan that it will honour its commitment and will deliver the LNG cargo on February 15-16. It is pertinent to mention that an LNG supplier namely ENOC earlier left the Pakistani authorities in the lurch when it backed out of its commitment to provide LNG cargo on February 23-24.

And the market was saturated with the news that SOCAR may also default on its bid, but now it has formally conveyed to the government that it will honour its commitment and deliver the LNG vessel on time in the middle of February.

However, the government will also open today (Thursday) emergent bids for later part of February to cope with the LNG crisis that may emerge because of refusal by ENOC to provide LNG on February 23-24.

Coming to the month of March, the official said that Pakistan LNG Limited earlier got the lowest bids from ENI at 22.2421 percent of Brent for LNG cargo delivery on March 9-10. For March 16-17, the PLL received the lowest bid from Vitol at 17.8131 percent of the Brent. Vitol also managed to come up with the lowest bid at 17.1917 percent of Brent for LNG delivery on March 22-23.

“All the lowest bids are pricier which is why the authorities concerned are in the process of making their minds for rendering for LNG bid for the month of March keeping in view the downfall in LNG prices.”