

## US Surpasses UAE as India's Second Largest LNG Supplier

Source: BL

In 2023, the **United States emerged as India's second-largest supplier of** <u>liquefied natural gas (LNG)</u>, surpassing the United Arab Emirates, delivering 3.09 million tonnes (MT) in 2023. **Qatar remained the largest supplier with shipments** in 2023. This shift is driven by changing global LNG market conditions and evolving trade dynamics.

- Weakening international LNG prices and India's geographical proximity via the <u>Cape of Good</u>
  Hope have made US LNG more competitive compared to other suppliers, including those in North
  Asia.
- India, the fourth-largest LNG importer globally, saw its **LNG imports decline in 2022 due to rising prices,** but US exports to India increased from 2.16 MT in 2022 to 3.09 MT in 2023.
- The UAE's LNG exports to India fluctuated, reaching 2.85 MT in 2023 after a decline in previous vears.
- LNG is natural gas cooled to a liquid state at about -260°F, reducing its volume by 600 times, enabling long-distance transport to markets not connected by pipelines. At terminals, LNG is converted back to gas and distributed via pipelines.
  - Natural gas is a cleaner and more economical alternative to conventional <u>hydrocarbons</u>, comprising 70-90% <u>methane</u>, crucial in <u>India's</u> <u>transition to greener energy</u>.

Read more: Red Sea Disruptions and India's Oil Import Dynamics

PDF Reference URL: https://www.drishtiias.com/printpdf/us-surpasses-uae-as-india-s-second-largest-Ing-supplier