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# **Development of CNG Industry in Pakistan**

by

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# Pakistan : Natural Gas Reserves June 30, 2000

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Trillion Cubic ft.

Original  
Recoverable  
Reserves

Cumulative  
Production

Balance  
Recoverable  
Reserves

34.37

13.27

24.93

Million

TOE 738.27

285.09

453.18

# Pakistan : Geology / Natural Gas Discovery

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Sedimentary Basin Area                      827,268 Sq. km

Natural Gas Discoveries                      85

Overall Success Ratio                      1 : 3.6

# Pakistan : Natural Gas Infrastructure

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Transmission Pipeline	7,740 km
Distribution Pipeline	40,493 km
Number of Consumers	3.45 million
Average Daily Consumption	2,236 million cu. ft.

# Pakistan : Policy Initiative for CNG Commercialization

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- Use of CNG were encouraged by GOP through Petroleum Policies of 1991, 1994 and 1997.
- Exemption of import duty and sales tax for CNG Station and vehicle conversion equipment.
- Market based CNG sale price.
- Non written rule to keep CNG price below or equal to half of petrol price.

# Pakistan : Promulgation of CNG Safety Rules

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- CNG Station.
- Compressor Equipment.
- Vehicle and CNG Station Storage  
Cylinders.

# Pakistan : Technical Infrastructure

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- Approval of CNG Equipment.
- Safety Inspection of CNG Station.
- Re-testing of CNG Storage Cylinders

# Pakistan : CNG Infrastructure

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Number of established CNG Stations. 163

Number of under construction CNG Stations. 300

Number of converted vehicles. 160,000

# Conclusion

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1. CNG commercialization become possible due to the presence of Natural Gas.
2. Import Duty and Sales Tax were exempted for a specified period.
3. Safety issues were addressed before project implementation helped in public safety.
4. Market based CNG pricing.

Contd.../

# Conclusion (Contd...)

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5. Project implementation become viable on stand alone economics.
6. Unlike some other countries no direct subsidy was offered for this project.
7. CNG Industry is a success story of Government Policy initiative.