

LPG-LNG supply to ease gradually

SAURAV ANAND
New Delhi, April 8

THE CEASEFIRE HAS triggered the first movement of stalled global gas shipments, but India's LPG and LNG supply chain remains under severe strain, with over 400 vessels still in the region, tanker shortages tightening logistics, and Gulf production disruptions expected to delay full normalisation for months.

According to MarineTraffic, 426 tankers, 34 LPG carriers and 19 LNG vessels remain in the Hormuz region, many stranded during the disruption, even as vessel movement resumes following a temporary reopening of the corridor. The scale of the backlog highlights the magnitude of disruption in a route that carries a significant share of global LNG and LPG trade.

The immediate impact is visible in freight rates and delivery timelines. "Shipping and freight

SEVERE STRAIN



■ As many as **426 tankers, 34 LPG carriers and 19 LNG vessels** remain in the Hormuz region, stranded during the disruption

costs will take 1–3 months to normalise due to dislocation of ships and market incorporating new rates cautiously," said Prashant Vasisht, senior vice president and co-group head (corporate ratings), ICRA Limited. He added that "tanker rates had already shot up...and could take months to normalise," indicating sustained cost pressure for Indian LNG and LPG buyers.

Freight correction, while

■ Shipping, freight costs will take 1–3 months to normalise due to dislocation of ships and market incorporating new rates cautiously

■ The ceasefire could bring down freight rates by 15–25% from peak levels, but LNG shipping would remain relatively rigid

underway, remains partial. Rahul Chopadekar, VP (marketing) at Rubix Data Sciences, said the ceasefire could bring down freight rates by 15–25% from peak levels, but warned that LNG shipping would remain relatively rigid. "Because LNG transport requires specialised, high-value vessels with strict safety protocols, these rates may remain stickier, correcting by perhaps 10% to 12% initially," he said.

Even as prices begin to soften, logistics remain the key constraint. With vessels diverted around longer routes during the disruption, global tanker availability has tightened sharply. Chopadekar pointed to a "bull-whip effect", noting that diversions effectively reduced tanker capacity by 10–12%, as ships spent more time at sea and remained unavailable for new charters. This has translated into immediate delays for India's gas imports. Industry estimates indicate 14–21 day delays in LPG and LNG shipments in the near term, easing gradually to 7–10 days as fleet positioning improves. Vibhuti Garg, director at IEEFA, said "we do expect some tightness in tanker availability... due to earlier disruptions and the backlog of vessels waiting to clear key routes," adding that "delivery timelines could remain stretched... and freight costs may stay elevated despite some correction."