**CNG Vehicles Have Arrived**

CNG (Compressed Natural Gas) has grown into one of the major fuel sources used in car engines globally. In all, more than 28 CNG models are in production globally by Audi, Fiat, Honda, Hyundai, Lincoln, Mercedez-Benz, Opel, Peugeot, Renault, Toyota and Volkswagen. Some of the countries have taken big lead in this field; Pakistan tops the list with more than 60 percentage vehicles running on CNG, followed by Armenia (32%)

The main factors causing this rapid growth include the current energy crisis, increasing environmental awareness, and the price differentials between CNG and petrol. A look at prices will make the point more clear. In India, CNG costs are at 38.76 per KG compared with 70.39 per litter of petrol (prices as September 2017 in Delhi, India). Although India has 1.3% of its vehicles running on CNG, but New Delhi is home to the largest fleet of CNG public transportation vehicles in the world, because use of CNG is mandated for the public transport system of New Delhi. Consumers throughout the country are following suit. Automakers are currently vying for marketing positions to further India’s efforts for CNG conversion.

Questions:

1. What is the relation between demand for CNG and Petrol? What will be the impact on demand for CNG if price of petrol declines?
2. In your opinion what would be the reason for difference in usage of CNG in India and Pakistan? What more information do you need to give a conclusive answer?

**Answers**

Name:

Branch