



LNG: driving global gas growth & improving flexibility

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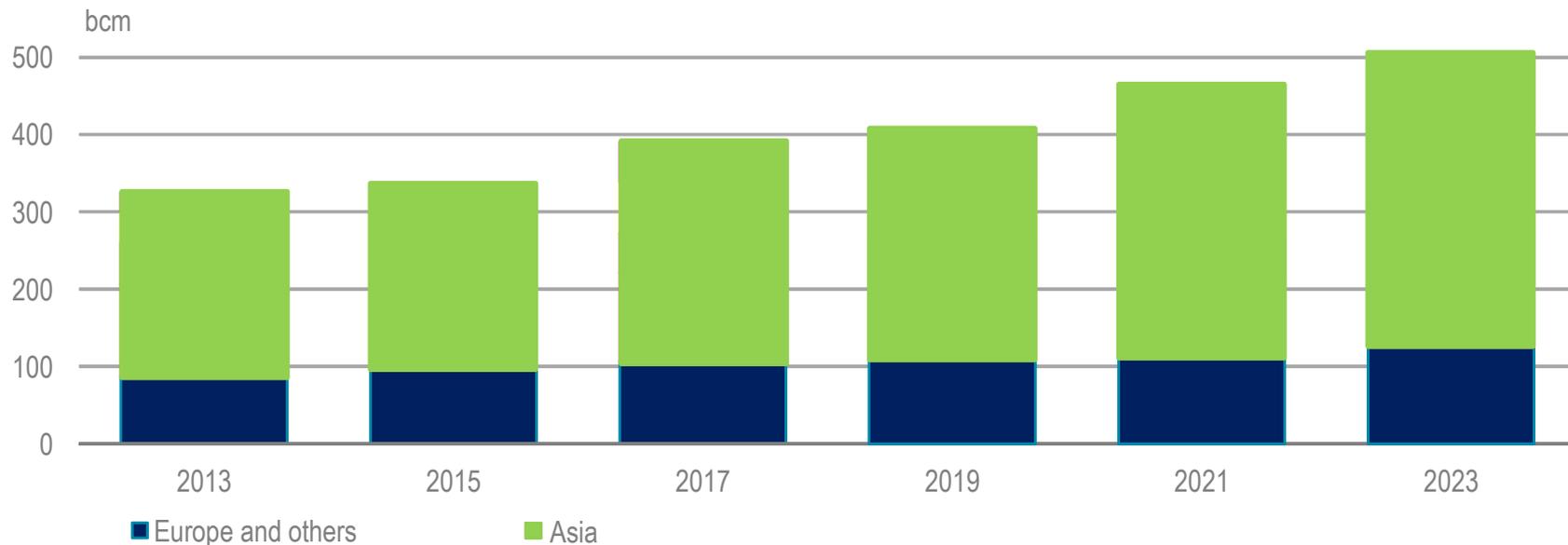
LNG Producer-Consumer Conference – Nagoya – 22 October 2018



- Gas demand is in the fast lane, thanks to its flexibility & ability to ease environmental problems
- Global gas markets are being re-shaped by three major structural shifts
 - *China becoming the world's largest natural gas importer*
 - *US gas production and LNG exports rising dramatically*
 - *Industry displacing power generation as the leading source of growth*
- The future of LNG remains bright, but it is not without challenges
 - *Price competitiveness – especially in emerging markets*
 - *Market rigidities persist & oil price exposure remains a concern*

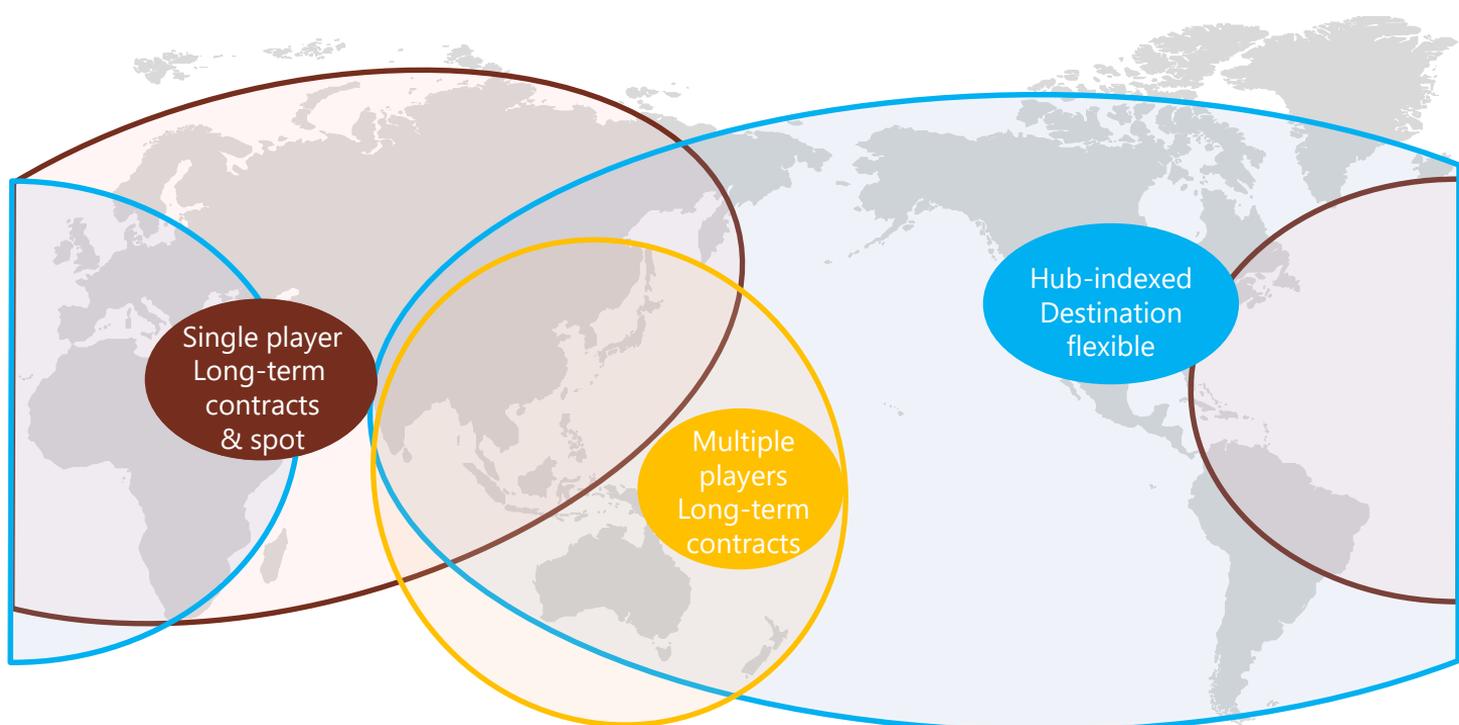
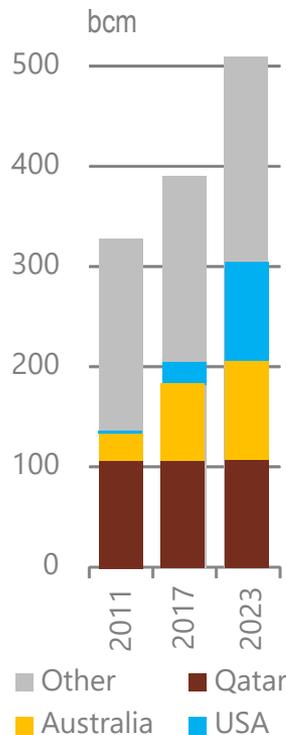
Strong growth in LNG imports is driven by Asia

LNG imports by region, 2013-23



**LNG trade grows at almost three times the rate of global gas demand;
China is the main contributor to growth, driven by policy targets to reduce local air pollution**

Qatar, Australia and the United States reshape global LNG markets



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries, and to the name of any territory, city or area.

LNG trade passes 500 bcm by 2023, growing by a third in five years
Qatar, Australia and the US will supply 60% of the world's LNG by 2023

- Over the next 5 years, demand for gas to grow strongly & LNG even faster, led by Asia
- LNG flexibility improving with more destination-free exports & shorter contracts, yet fixed destination and oil-indexation still prevalent
- Natural gas can contribute to a sustainable energy future & facilitate a shift to a hydrogen economy
- New investment along the entire natural gas value chain is critical to enhance flexibility & security of supply – as outlined in the IEA's *Global Gas Security Review 2018* released today
- The IEA is committed to close cooperation & dialogue with gas producers & consumers to improve transparency, encourage flexibility & boost resilience



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