

13.c-3. APERCC Gas Report 2022 (Draft)

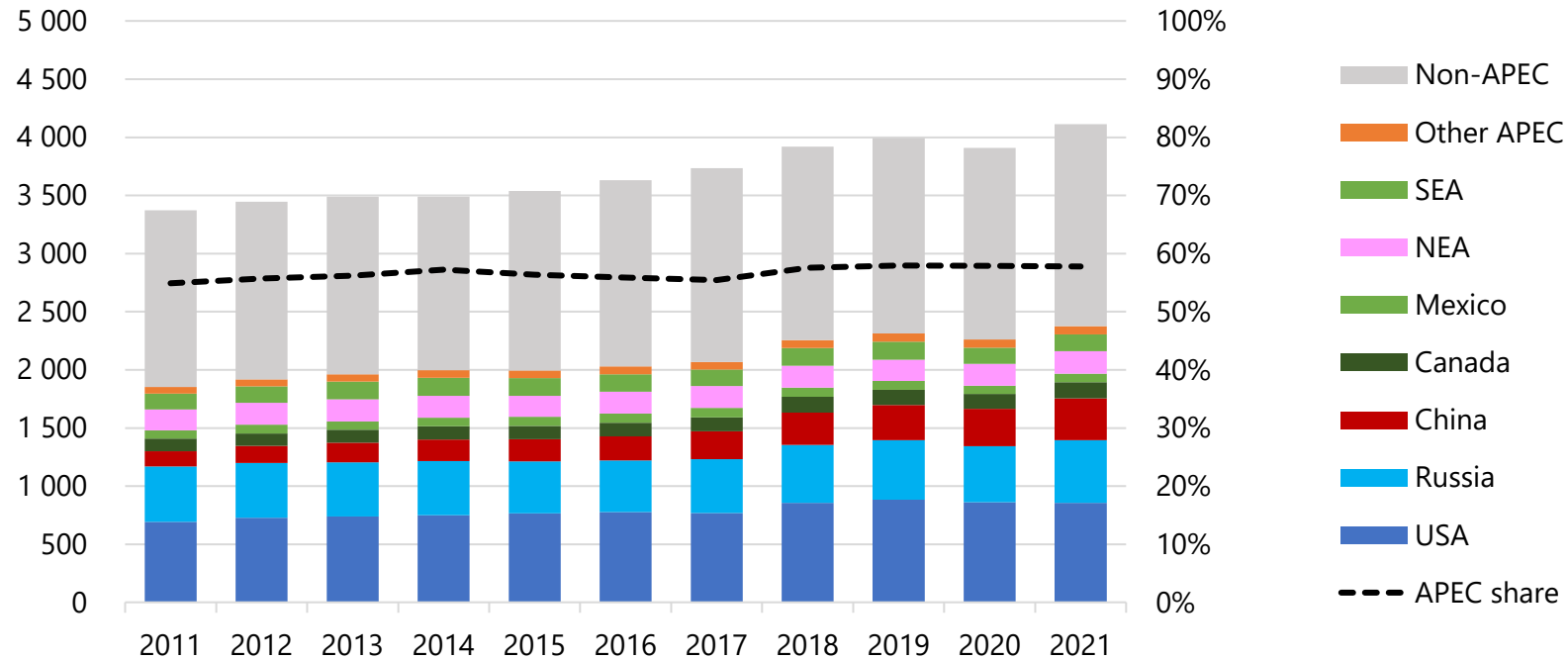
**The 64th Meeting of APEC Energy Working Group (EWG64)
1-3 November 2022 (GMT+8)**

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World and APEC gas demand rebounded in 2021

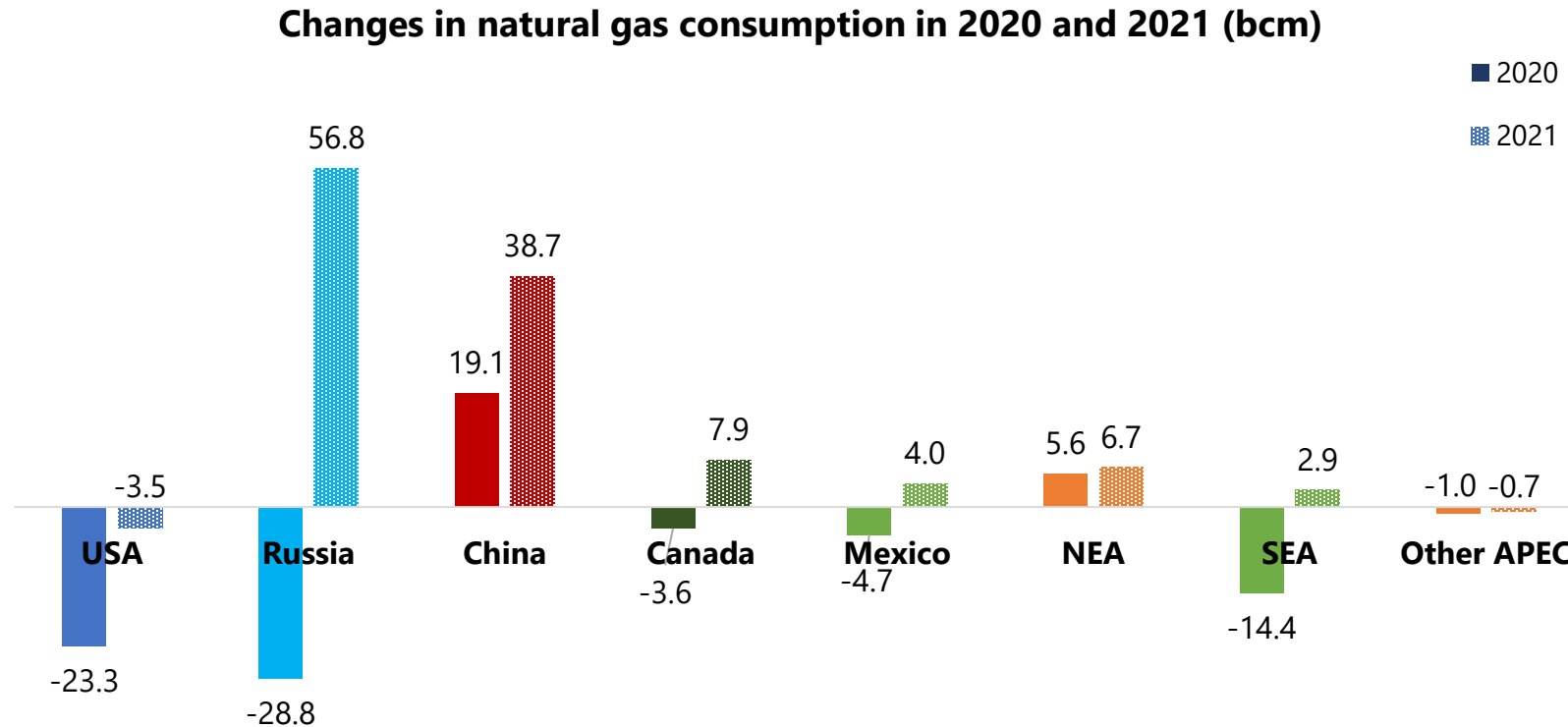
Natural gas consumption in APEC and the world, 2011-2021 (bcm)



Source: IEA, Natural Gas Information 2022; CEDIGAZ

- World gas consumption surpassed 4 000 bcm for the first time in 2021.
- APEC consumption grew 28% for the 2011-2021 period, 14% for non-APEC.
- APEC accounted for about 58% of global gas consumption in 2021.

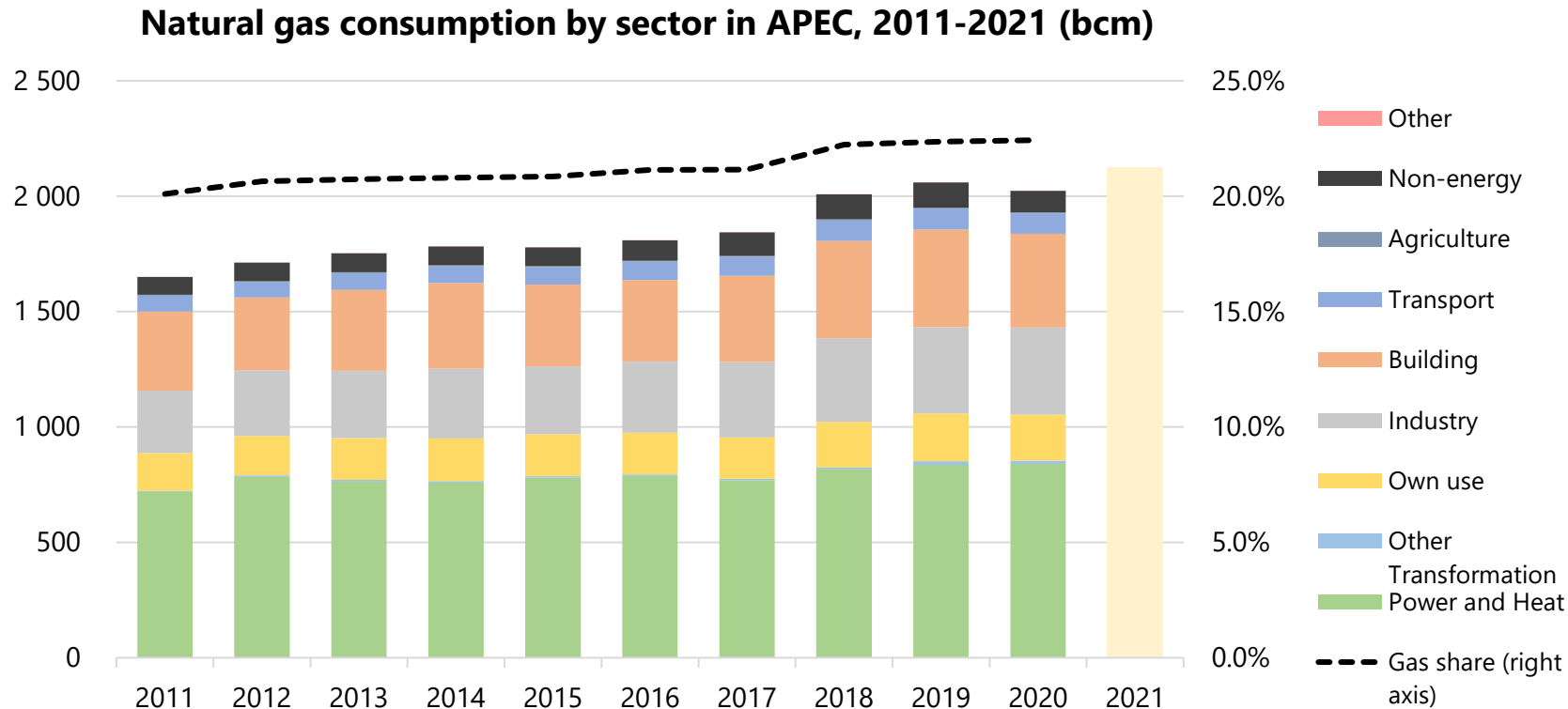
APEC gas consumption recovered in 2021, except in the USA and other APEC



Source: IEA, Natural Gas Information 2022; CEDIGAZ

- Russia and China led consumption growth in 2021, accounting for 85% of the APEC's total increase.
- USA's gas consumption slightly contracted by 0.4% in 2021, mainly due to rising gas prices
- Oceania's gas consumption decreased by 5.4%, due to low economic activity resulting in lower gas-fired electricity generation.

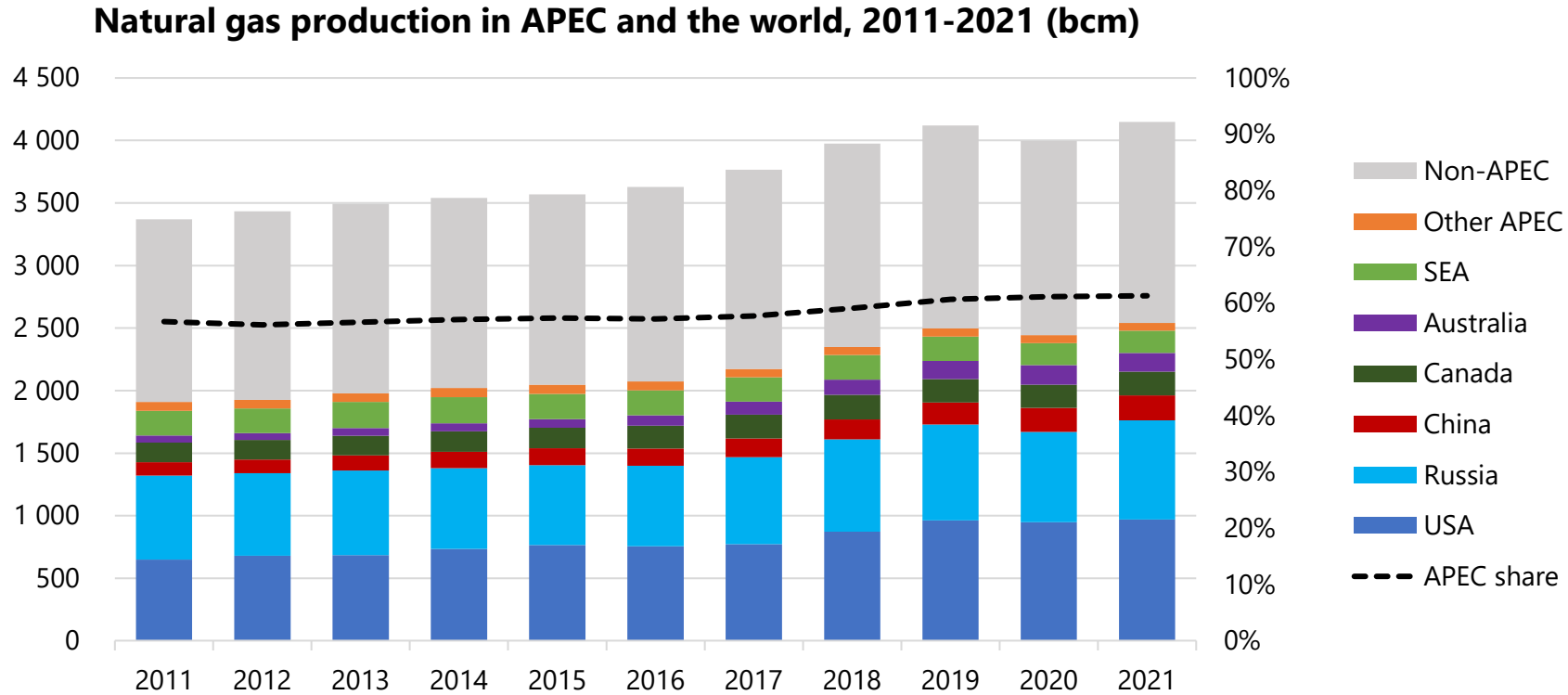
Power and heat remained the largest gas user in APEC, but its share has been flat since 2019



Source: IEA, Natural Gas Information 2022; CEDIGAZ; EGEDA; APERC analysis

- Power and heat sector accounted for about 41% of total consumption since 2017, slowing down due to gas-to-coal switching in electricity generation.
- Power and heat, and industry sectors led the volume growth over 9 years, contributing 60.5% of the growth from 2011 to 2020. USA and China mainly contributed the significant growth in the industry sector.

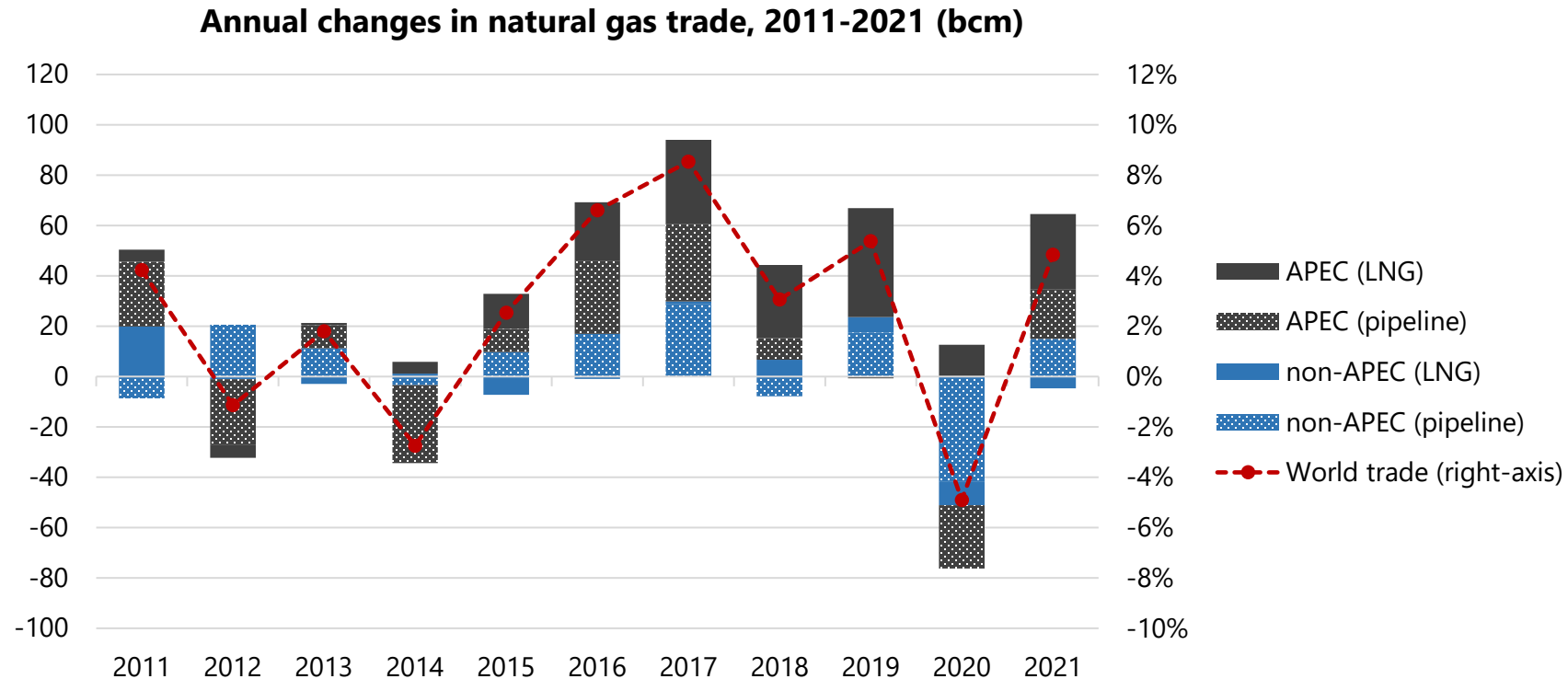
World and APEC gas production increased in 2021 to meet rebounded demand



Source: IEA, Natural Gas Information 2022; CEDIGAZ

- APEC's role grew as its share of global gas production increased from 56% in 2011 to 61% in 2021.
- USA has been the largest gas producer in APEC since 2012, producing more than one-third of APEC gas production in 2021.

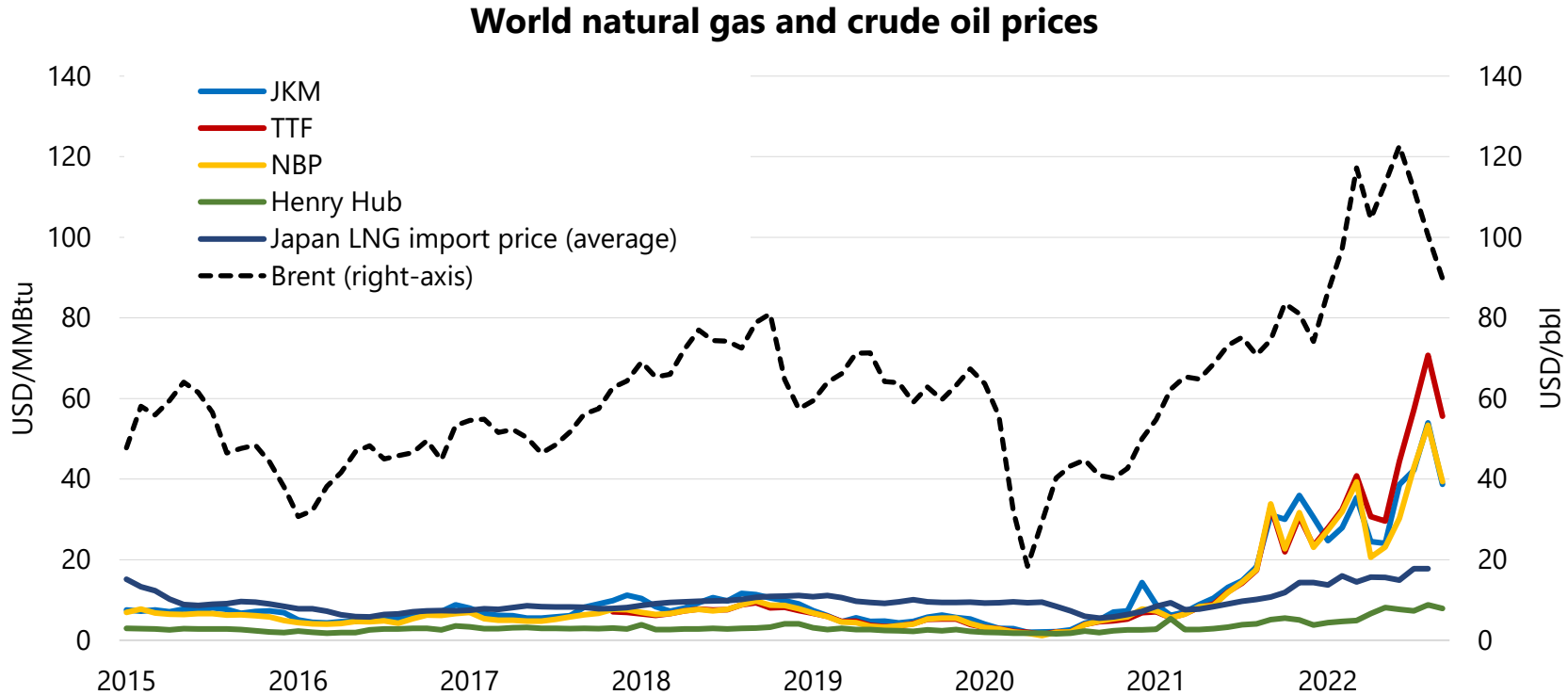
The tight gas supply market in H2 2021 slowed down gas trade growth in 2021



Source: CEDIGAZ

- Gas trade grew 5% in 2021, after declining by 5% in 2020.
- Russian pipeline gas exports increased by 2.5% in 2021. Pipeline exports were lower than the pre-pandemic level, resulting in higher LNG imports into Europe.
- China's LNG import increased five-fold in 2021, compared to 2011.

Gas price rally continues ...



Source: Investing.com; EIA; National Customs Statistic

- Spot gas prices in 3 major gas regions recorded the highest in history in August 2022 due to the tight supply market and the Russia-Ukraine crisis.
- European gas prices surpassed Asian prices in early 2022. Average LNG import prices in Asia are still highly correlated with oil prices.
- Southeast Asia economies took different approaches to deal with the impact of drastic increases in gas prices to end-users, either by fixing the end-user gas prices or providing subsidies/introducing fixed price plans to cushion the rise in electricity tariffs.

Thank you.

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