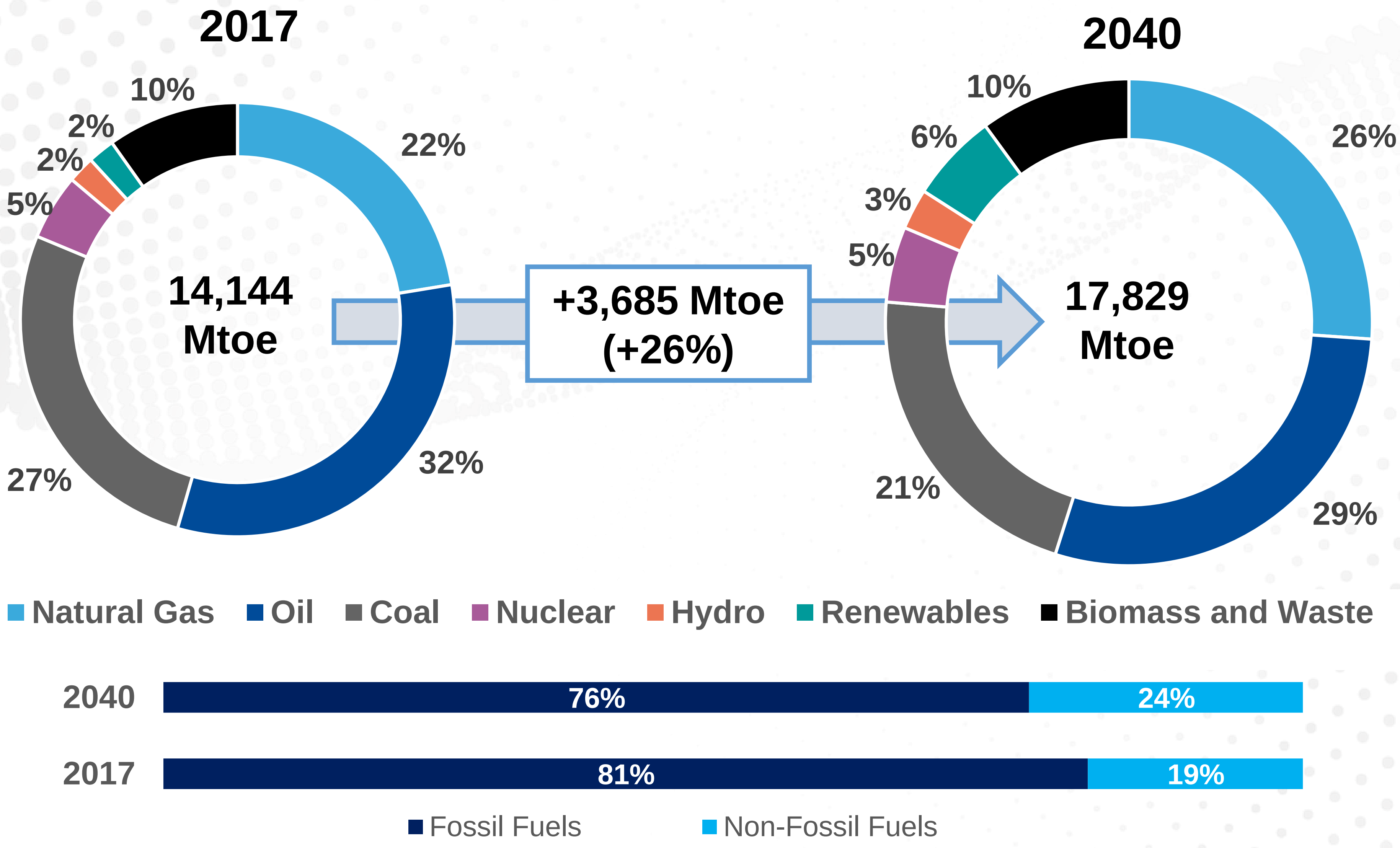
GECF

Global LNG Prospects: The GECF Perspective

HE Yury P. Sentyurin, PhD.
Secretary General of the GECF

LNG Producer-Consumer Conference 2018
Nagoya, Japan
22 October 2018

Natural gas in the global energy mix (22% now to 26% by 2040)



Source: GECF Secretariat based on data from the GECF GGM

GECF

The G20 Communique on Natural Gas

"We recognise the key role that natural gas currently plays for many G20 countries, and its potential to expand significantly over the coming decades, supporting transitions towards lower emission energy systems. We will endeavour to improve the functioning, transparency and competitiveness of gas markets, with a strategic view of the supply chain -including Liquefied Natural Gas (LNG) and storage facilities -at a global level. We will encourage an expanded dialogue with relevant international organisations on more effective and flexible use of natural gas."

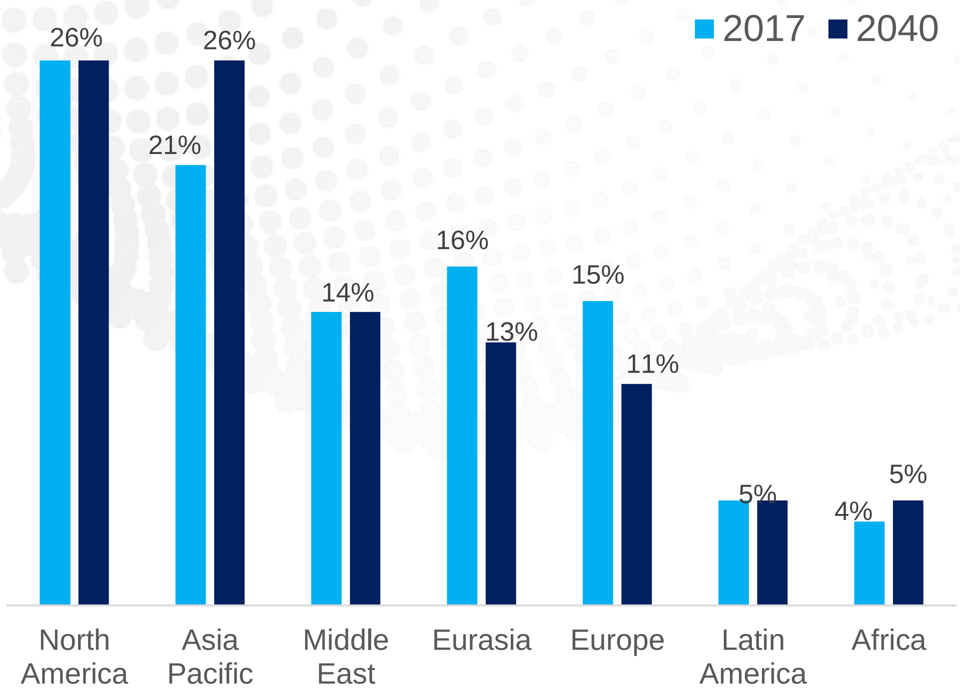
G20 ARGENTINA 2018

G20 Energy Ministers Communique
15 June 2018, Bariloche, Argentina

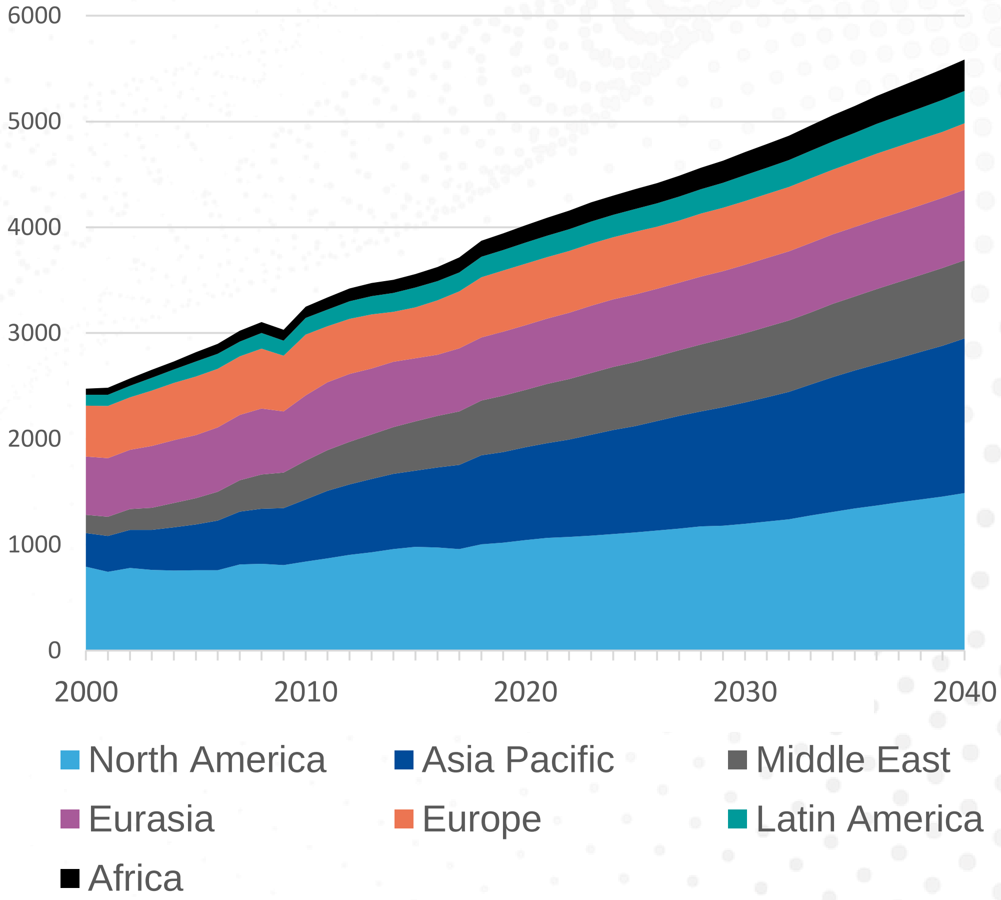
GECF

Global natural gas demand to increase by 46%, from 3709 bcm in 2017 to 5427 bcm in 2040

Natural gas demand by region in 2017 and 2040 (%)

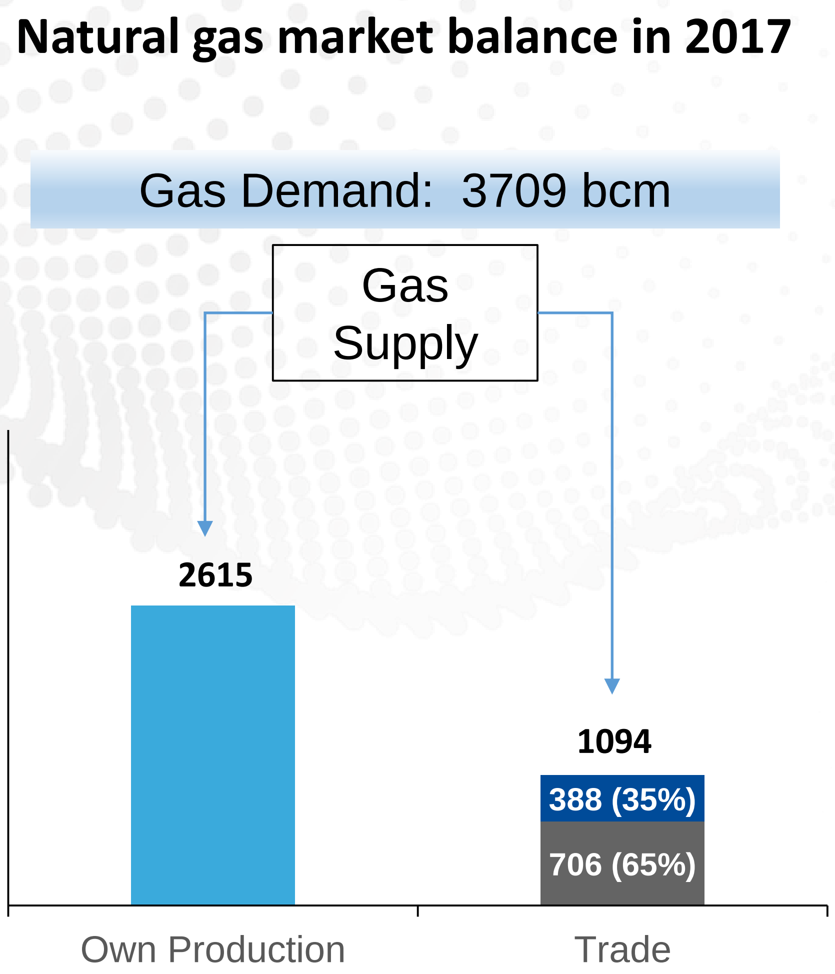


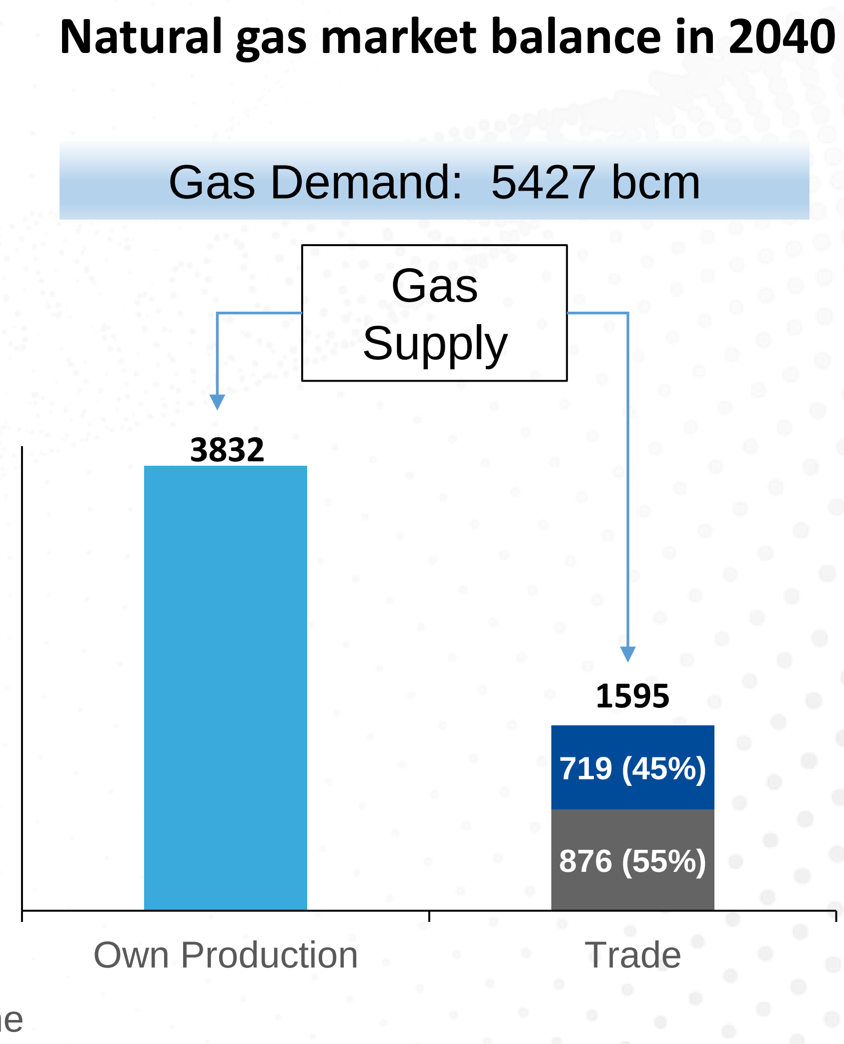
Global natural gas demand by region (bcm)



Source: GECF Secretariat based on data from the GECF GGM

Global natural gas supply-and-demand balance

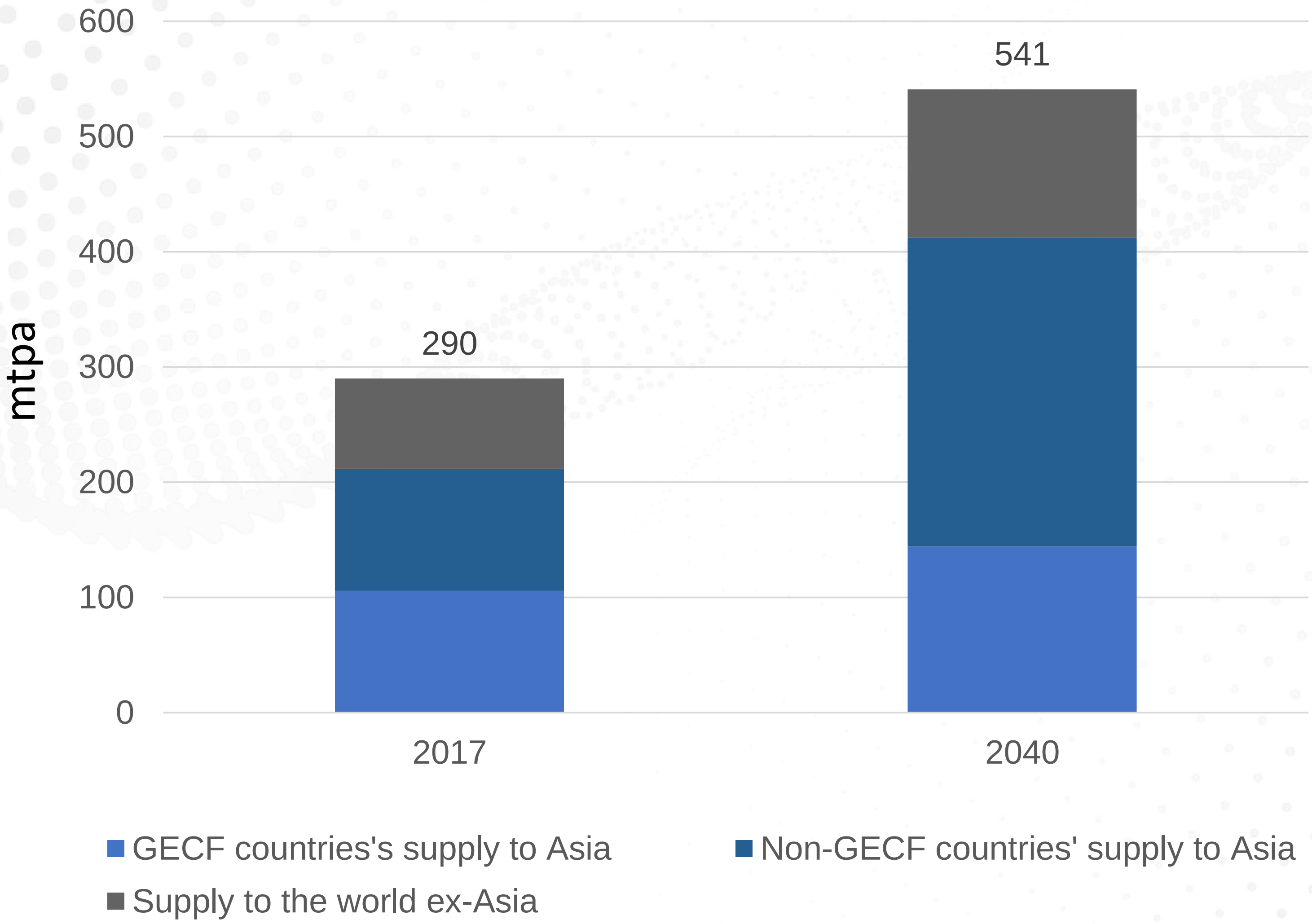




Source: GECF Secretariat based on data from the GECF GGM

GECF

The role of GECF in Asian LNG supply



Key policy developments in Asia

Japan

- Adoption of the 5th Strategic Energy Plan
- Focus on renewables and efficiency
- Support to nuclear (20-22% share by 2030)
- Advancing liberalization of gas markets

India

- Intensification of renewables auctioning
- Support to natural gas (more incentives for (HELP policy), advancing gas price reforms, reduction of LNG taxes, support of gas as a back-up to renewables and as a substitute to oil in transport and industry)
- Support to domestic coal production and clean coal technologies

Other Asia

- Promoting natural gas (e.g. Pakistan & Bangladesh); Coal plays key role in securing power demand
- Efforts in the framework of ASEAN to achieve gas and power integration; support to renewables and energy efficiency

China

- Large reductions in renewables subsidies
- Large scale solar PV projects put on hold
- 10 GW cap on distributed solar PVs (June 2018)
- Incentives for gas supply chain (pricing of residential consumers, less restrictions for foreign investors in upstream, emissions standards, support to storage)
- Relaxed restrictions on new coal power plants

South Korea

- Adoption of the 8th Long-Term Electric Plan
- Renewables supports (11% by 2030)
- Coal continues to play a key role
- Nuclear capacity to decrease over the long term. Construction of two previously halted plants has restarted.

GECF’s new LNG project: expected FIDs

- Qatar LNG Expansion, increase in liquefaction capacity from 77 mtpa to 110 mtpa by end of 2023, FID expected in 2019

- Nigerian LNG (NLNG), T7+, 8mtpa, FID expected in 2018

  Fortuna FLNG, 2.2-2.5 mtpa, FID expected in 2018/19

- Baltic LNG, 10 mtpa, FID expected in 2019

  Vysotosk LNG Train 2, 0.66-0.8 mtpa, FID possible in 2018-2019

- Arctic LNG Train 2, 19.8 mtpa, FID expected in 2019

- Far East LNG, 6 mtpa, FID expected in 2019

  Sakhalin-2 Train , 5.4 mtpa, FID expected in early 2019

GECF

Concluding remarks and recommendations

- Demand is projected to exceed current contracted volumes if no new FIDs are taken by 2023.
- More cooperation is needed in financing projects and joint investments.
- Cooperation is a core value of the Forum, as exemplified by numerous collaborative achievements between our Member Countries.
- GECF Countries will continue to provide stable, reliable, and affordable LNG supplies to Asian and global markets.
- The GECF Global Gas Outlook 2018 to be launched 7 December in Vienna, Austria.

GECF

Thank you for your attention!

More information is available at: www.gecf.org