

The Global Gas Market 2030

KEY CONCLUSIONS

Gas consumption is growing worldwide and will continue to grow

“Over the past ten years, natural gas production in the world has grown by almost 21%, or 640 billion cubic metres. At the same time, world gas reserves increased by 46% and reached 1,134 billion cubic metres of gas,” Alexander Novak, Minister of Energy of the Russian Federation.

“Gas will be the most demanded hydrocarbon resource up to 2040 and in the coming decades, because it optimally fits environmental requirements, has huge global reserves, and it is the most feasible production and transportation wise. It will be in demand in many areas of the economy, in the electric power industry, its role will grow in transport, it will be used in gas chemistry,” Alexander Novak, Minister of Energy of the Russian Federation

“The total gas demand for the period up to 2035 will increase by 40%, and gas trade will grow by 2.6% annually. The total gas supply will increase by 1,477 billion cubic metres,” Alexander Novak, Minister of Energy of the Russian Federation.

The market for liquefied natural gas will develop rapidly

“In the global gas market, the share of LNG will grow to 70%. In the next decade, we expect consumption to double. The share of LNG in the structure of world trade will grow by 2.3 times, while pipeline gas trade will increase by 15–20%. The excess of demand over supply will create a potential niche in the period from 2024 to 2035 in the amount of approximately 250 million tonnes against the current level of 300 million tonnes,” Alexander Novak, Minister of Energy of the Russian Federation.

“By 2025, the LNG market will grow by more than a third and will amount to about 440 million tonnes. Our estimate of the LNG market by 2030 is about 700 million tonnes,” Leonid Mikhelson, Chairman of the Management Board, Member of the Board of Directors, NOVATEK.

“Traditionally we see the growth in demand for LNG in Asia. Up to 2030, this market will account for approximately 86% of the overall growth in LNG

demand,” Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry of the State of Qatar.

Russia has great gas market potential

“Russia holds a large untapped potential in increasing gas and LNG production. Gas demand will continue to grow on the major sales markets, especially in Europe and the Asia-Pacific countries. <...> In Yamal, we have reserves of about 40 trillion cubic metres of gas, and the resource potential allows for the production of at least 115 million tonnes of liquefied natural gas per year. At that, the resource potential allows increasing the volumes of production and pipeline gas supply,” Alexander Novak, Minister of Energy of the Russian Federation.

“In the next five years, a new industry will be born in the Russian Federation. The government has adopted a roadmap for developing the production of LNG equipment. We plan to involve about 800 enterprises in this work. We set goals for Russia to enter the world market as an equipment supplier for LNG production, including ready-made liquefaction lines that can be delivered anywhere in the world,” Leonid Mikhelson, Chairman of the Management Board, Member of the Board of Directors, NOVATEK.

“As for pipeline gas, we look forward to an increase in its consumption in Europe. Over the next ten years, we estimate the import increase of about 100 billion cubic metres of gas. <...> This year will mark the unprecedented record of gas supply to Europe <...>, the consumers need Russian gas,” Alexander Novak, Minister of Energy of the Russian Federation.

ISSUES

The dependence of gas on oil prices in the most countries of the world

“In the most regions of the world, the price of gas determined by the price of oil and has a similar dynamic. We believe that this is not consistent with the reality. The risks of the oil market should not transfer over to the gas market,” Leonid Mikhelson, Chairman of the Management Board, Member of the Board of Directors, NOVATEK.

Gas market protectionism

“Recently, both trade wars and protectionist measures have emerged on competitive markets. All this creates risks of uncertainty not only for the gas

market but also for the general security and global energy supply,” Alexander Novak, Minister of Energy of the Russian Federation.

SOLUTIONS

Increased gas availability

“Increasing gas availability is the key market growth driver. Many countries are revising their energy balances in favour of this type of energy source. The task for manufacturers is to keep the prices in the acceptable for the consumer range. <...> In the long term, pricing in the gas market should not be linked to oil indices. Prices should suit consumers. Otherwise, we will not be able to implement our plans to increase market volumes,” Leonid Mikhelson, Chairman of the Management Board, Member of the Board of Directors, NOVATEK.

“We now have contractual relationships with our counterparties based on diverse pricing models. We use at least three models in our contracts. We have carefully adjusted to the market changes and will adjust further if necessary. However, the fact that our gas was, is and will remain the most competitive in Europe, there is no doubt about that,” Alexander Medvedev, Deputy Chairman of the Management Board, Gazprom.

“Today, many buyers choose the waiting game or switch to spot contracts. We consider the changing market conditions and find a custom solution for each case. Just 20 years ago, when we first started working with LNG, all clients insisted on long-term contracts. Today everything has changed. Moreover, it may happen that by 2025 things will change again. We will respond accordingly,” Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry of the State of Qatar.

The dominant role of economics over politics

“As for limiting the gas supplies from the Russian Federation, we have been hearing about this over the past few years. Nevertheless, Russian gas consumption has been growing, and gas exports are growing annually by 6–7%,” Alexander Novak, Minister of Energy of the Russian Federation.

Strengthening the role of GECF

“We monitor the markets daily and issue weekly, monthly, semi-annual and annual market forecasts. Our main work is a Global Gas Outlook 2040. With this forecast, we arm our member countries. All this forecast potential and our estimates allow us to develop the policy that is actively implemented today.



These are the so-called 'soft power arguments', this is not a dictatorship and not the market regulation," Yury Sentyurin, Secretary-General, Gas Exporting Countries Forum (GECF).

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