



INTERNATIONAL ENERGY FORUM



# FIRST IEF - IGU MINISTERIAL GAS FORUM THE TRANSITION OF WORLD GAS MARKETS FROM REGIONAL TO GLOBAL

VIENNA, 24 NOVEMBER 2008

AN IEF EVENT IN COOPERATION WITH THE IGU

SECOND IEF - IGU MINISTERIAL GAS FORUM,  
DOHA, 30 NOVEMBER 2010  
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“Natural gas can  
combine with  
renewables to provide  
optimal solutions for  
power generation,  
heating and cooling.”

## BACKGROUND

At the 11th IEF Ministerial (Rome, April 2008), Ministers noted the growing reliance of consuming countries on natural gas and the emerging trend toward globalization in the gas market and encouraged the IEF Secretariat to work with other relevant international organizations to address the key challenges facing the natural gas industry.

The IEF joined with the International Gas Union (IGU) and organized its First Ministerial Gas Forum (Vienna, November 2008). “The world gas markets going from regional to global” was the central theme. Ministers and industry leaders discussed the changing dynamics of gas markets and the key challenges that face the natural gas industry today and in the years to come.



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## KEY FINDINGS

### INVESTMENT

- Natural gas is a low-carbon emission fuel and an essential component of the bridge to a low-carbon global economy.
- While current global gas resources are likely capable of meeting future demand, timely investment of an enormous scale will be necessary to achieve this goal.
- Open and enhanced dialogue is a vital resource in alleviating supply bottlenecks, clarifying policy, reducing uncertainty and improving investment decisions.

### GLOBALISATION OF GAS MARKETS

- The historically regional nature of gas markets will persist, but an increasingly larger portion of the market will be global. The LNG market is evolving to include a more flexible network model, including multiple-destination terminals and more spot market activity.
- The Middle East, Russia and Central Asia will drive the supply side of the market with the Middle East and Asia leading the future of demand growth.
- Despite the move toward a more global market, a global gas price is unlikely in the near future. Greater correlation between regional prices, however, is quite likely.

### INTERDEPENDENCE

- Cross-investment and better cooperation between producers and consumers will benefit all parties and allow nations to move beyond the traditional buyer-seller relationship.
- Interdependence among gas producers and consumers will increase.

### TRANSPARENCY

- Improved transparency will alleviate market instability and disruptions.

## RECOMMENDATIONS

- Producers, consumers and transit nations alike would benefit from the reduced uncertainty and improved investment timelines that regional agreements and better cooperation among governments and private companies would bring.
- Energy efficiency and conservation initiatives must be explored in both gas producing and gas consuming nations to reduce CO<sub>2</sub> emissions and increase the export potential of natural gas.
- JODI has been successful in improving oil market transparency. The same model should be explored in establishing the Gas Data Transparency Initiative (GDTI) to reduce uncertainties, improve project planning, and better allocate gas resources worldwide.

