

## **PLENARY SESSION 3**

# **ENHANCING GAS SUPPLY SECURITY AND DIVERSIFICATION: NEW SOURCES AND MARKETS**



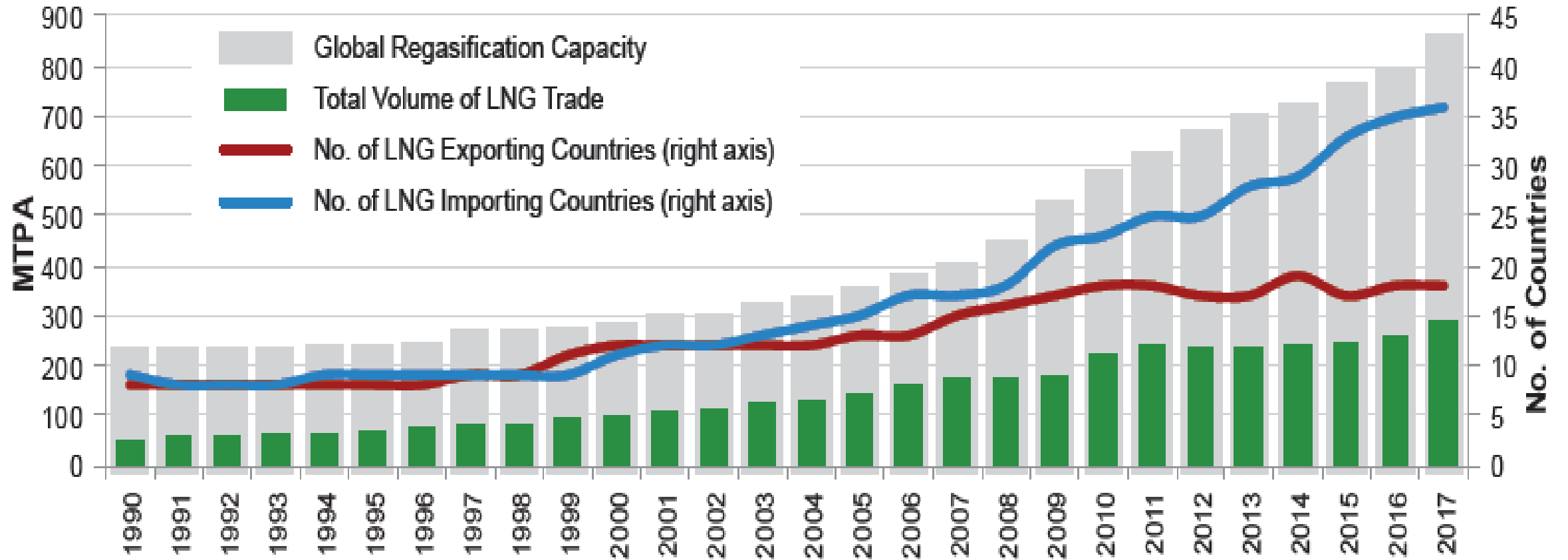
# NATURAL GAS MARKET LONG-TERM OUTLOOK

- Natural gas demand to increase at 1.6% pa in IEA's New Policies Scenario (45% growth to 2040)
- Natural gas overpasses coal to become the second energy source by 2030
- China is the largest growth demand center for natural gas, and will have higher LNG imports than Japan by 2040
- Other emerging Asian economies represent the second largest source of gas demand growth
- Share of LNG in gas trade expands from 42% today to 60% by 2040

Source: WEO 2018

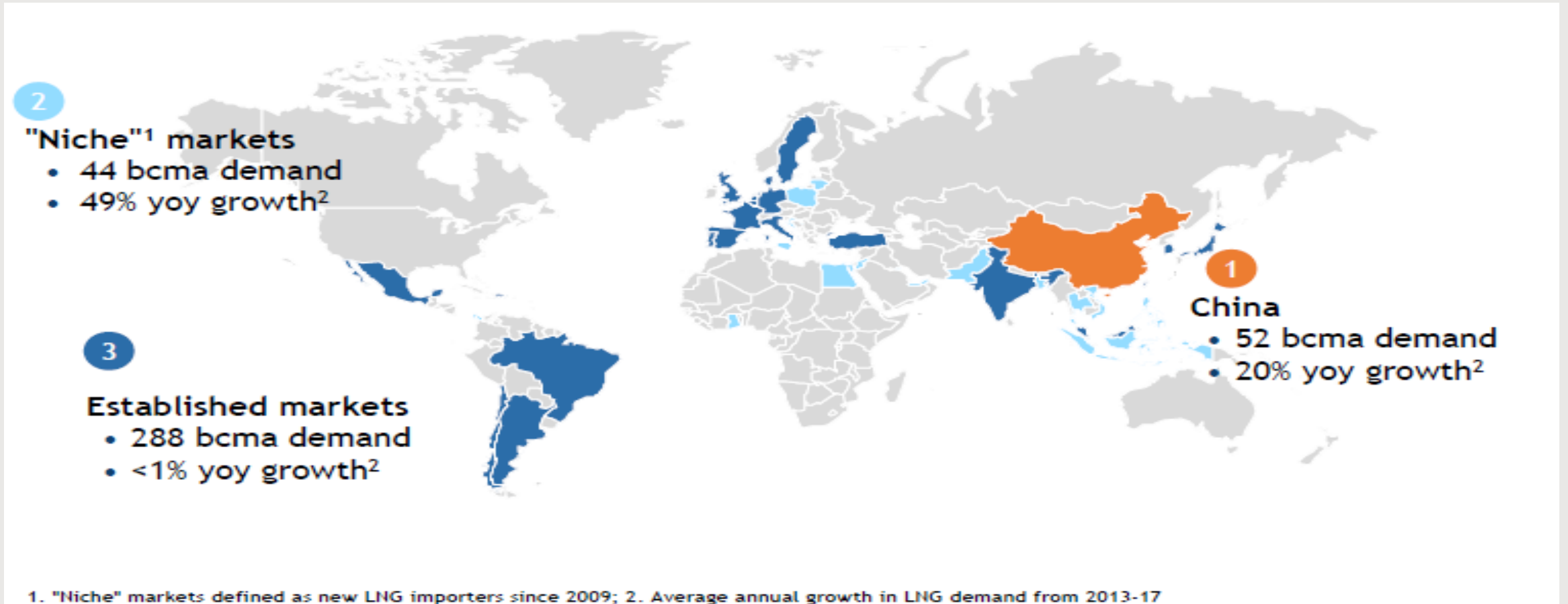


# THE LNG DIVERSIFICATION (1990-2017)

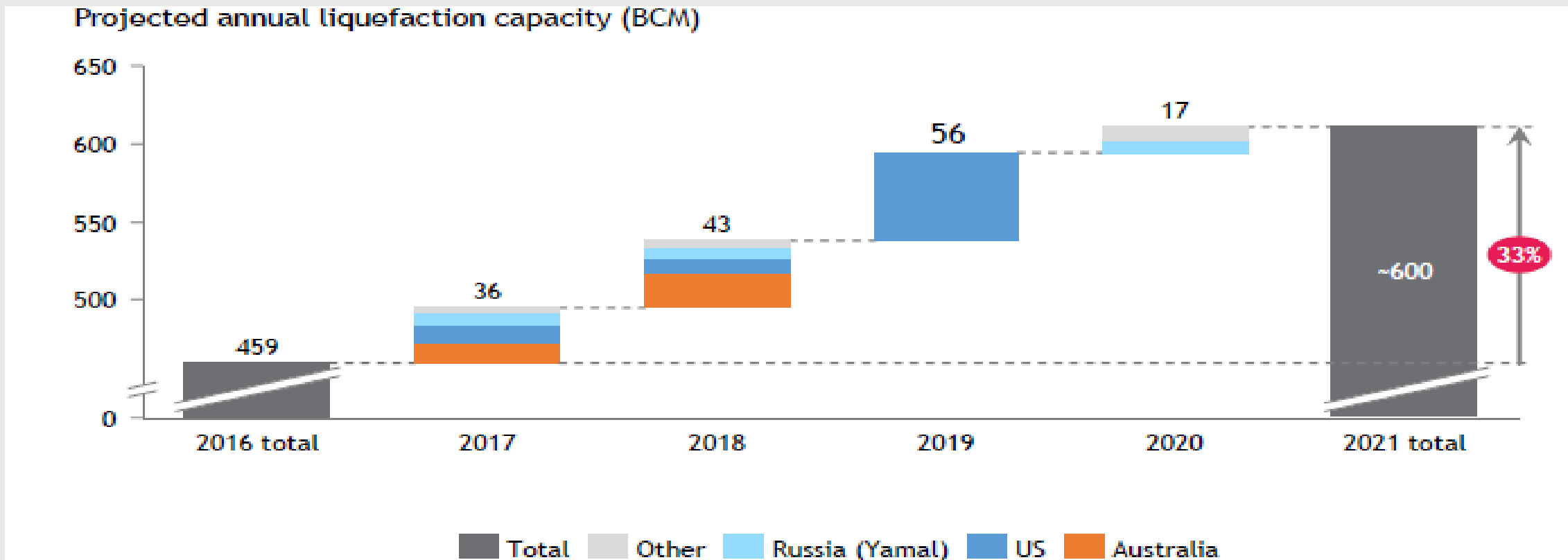


Source: IHS Markit, IEA, IGU

# DIFFERENT GROWTH RATES AMONGST LNG IMPORT MARKETS



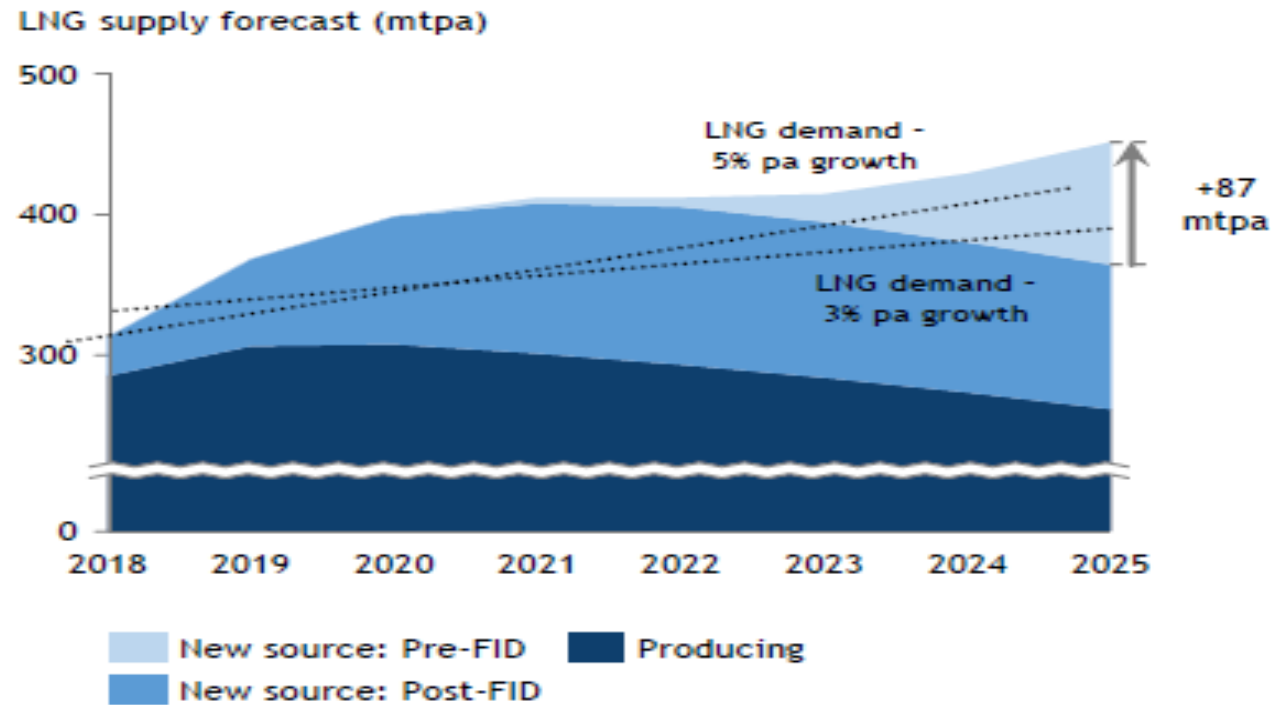
# LNG LIQUEFACTION CAPACITY TO INCREASE BY A THIRD IN 2016-21...



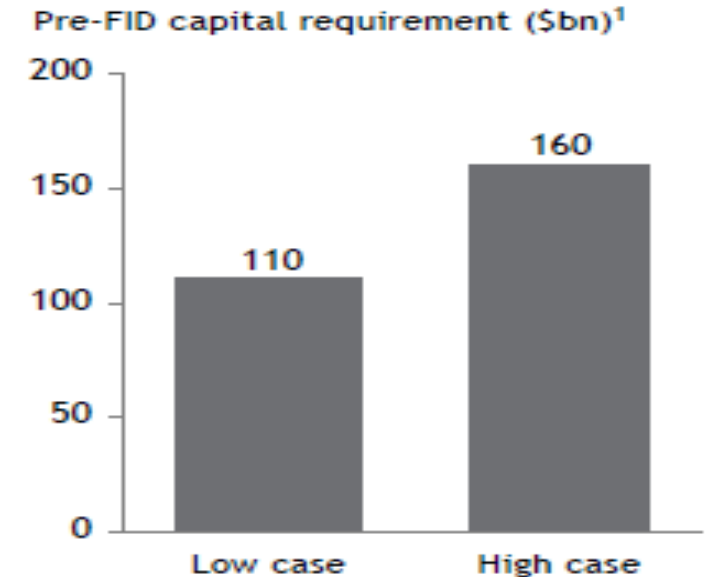
Source: Cedigaz, Platts, BCG analysis

# ... BUT MORE IS REQUIRED BEYOND 2022

## Post-2022 LNG supply growth yet to be sanctioned...



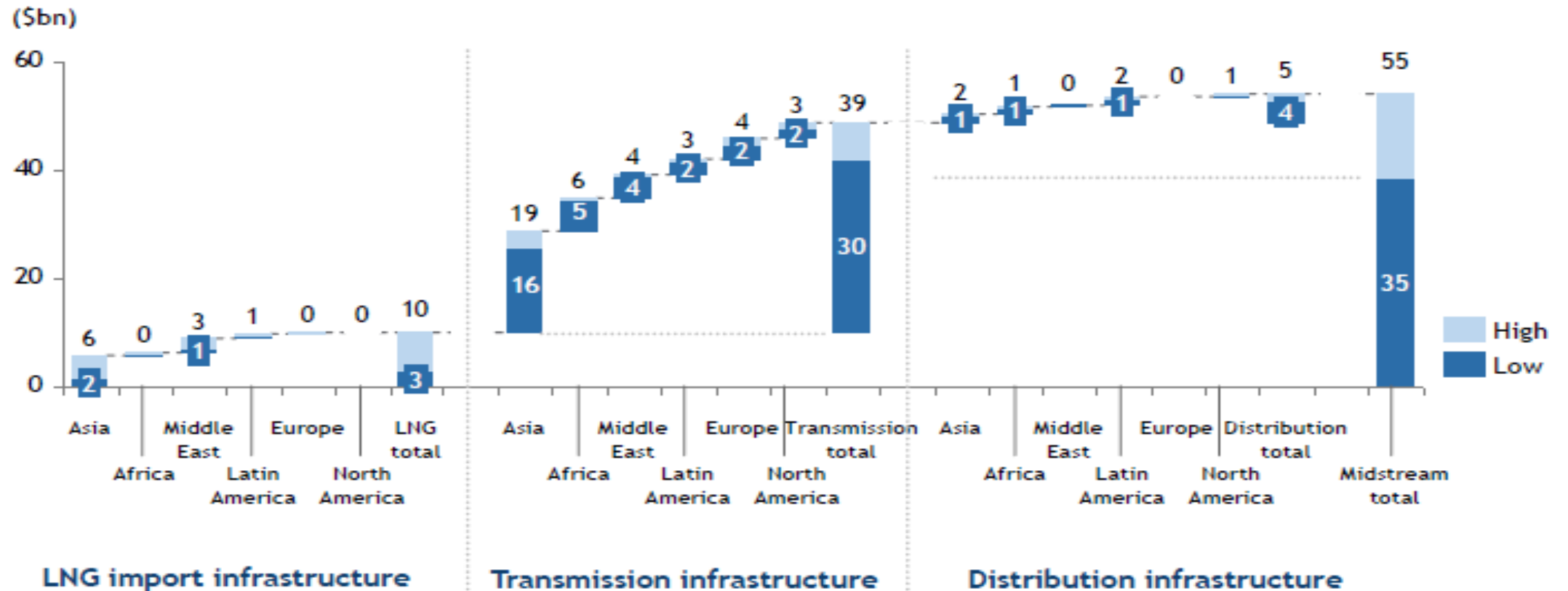
## ... Requiring \$110-160bn capital



1. Only includes capex for liquefaction capacity - based on estimate range of \$1,000-1,500/mtpa capacity  
 Source: Rystad, IHS, BCG analysis

# A MAJOR INFRASTRUCTURE INVESTMENT IS REQUIRED FOR GAS ACCESS IN CITIES

Annual midstream gas investment required per year through 2040<sup>1</sup>



Source: IEA, BCG, DW

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