

**H.E. Dr. Mohammad Bin Saleh Al-Sada's
Speech**

At

7th Asian Ministerial Energy Roundtable

Plenary Session - 2

**Natural Gas: Market and Policy Hurdles to the
Golden Age of Gas**

Bangkok, Thailand

Date: Thursday, 2nd November 2017

Time: 11:30 AM

Venue: Shangri-La Hotel

**[Thank you Your Excellency Dr. Adeli,
for the eloquent scene setting.**

**Honorable Ministers,
Excellencies,**

Distinguished Heads of Delegation,

Ladies and Gentlemen,

Very good day to you All

**It is once again my pleasure and honor
to participate in the Asian Ministerial
Energy Roundtable. I am pleased to
share with your goodselves my views
on “Natural Gas: Market and Policy
Hurdles to the Golden Age of Gas”.**

As you are no doubt aware, it is widely accepted by prominent world energy analysts that global gas consumption will increase by over 50% between now and 2040, and is becoming the fastest growing fossil fuel, and the centerpiece of the energy equation.

As an ideal and practical bridge to the lower carbon future, it is steadily becoming the fuel of choice across the globe as consumers seek an energy source that supports economic development while adequately addressing environmental concerns.

Within the natural gas sector, ladies and gentlemen, LNG demand is expected to grow at 4.6% per annum, growing from 260 to over 600 Mtpa

between 2016 and 2035. Market share of LNG in international gas trade is expected to grow significantly from about 33% in 2015 to more than 50% by 2035, equaling the gas supply by pipeline. The market for LNG is expanding beyond the Power sector to include long-haul road transport and marine sectors as well.

It is well acknowledged Ladies and Gentlemen, that the emerging economies of Asia have come to the forefront with regard to energy demand, underpinned by economic growth along with a demographic boom.

Currently, the demand for LNG in the traditional Asian consuming markets

like Japan, South Korea and Taiwan is mature and stable.

China and India on the other hand, are fast emerging as important LNG markets in Asia. China is expected to raise the share of natural gas in its energy mix to around 15% by 2030.

The outlook for expansion of LNG consumption and imports in other Asian countries such as Pakistan, Thailand, and Bangladesh is also very promising. In the near future we expect to see other countries such as Sri Lanka, Vietnam, and the Philippines joining the Asian list of LNG importers.

As we evaluate the perspective of liquefied natural gas, we observe the following picture:

In the Medium Term (2017-20), strong growth is expected to push total global LNG demand to about 314 Mtpa by 2020. This will be driven by energy policies favoring gas, structural changes in power markets, and concerns over nuclear power generation. LNG supply is set for a substantial rise and production capacity is expected to reach 400 Mtpa by 2020 as additional U.S. and Australian supplies enter the market. Despite the strong demand growth, oversupply looks inevitable over the

next few years, though not as previously perceived.

In the Longer Term, through the next decade, demand will continue to grow and reach nearly 500 Mtpa by 2030 as large opportunities in new markets materialize. These include the development of new power markets, greater use of gas in renewables integration, and the opportunity to use gas as a replacement fuel as many coal and nuclear plants retire. Supply is expected to peak in 2020 and very few new LNG projects are to come in the earlier part of the next decade. As a result, the global LNG market will start to tighten potentially facing a supply shortage by 2025 onwards.

Ladies and Gentlemen,

Qatar puts a very high value to its relationship with its customers, and will not compromise its image of being a reliable supplier. Qatar has not missed a single shipment to its valued customers world-wide even when faced with adverse situations.

Qatar's history of being a reliable LNG supplier over the past two decades is well established, and intends to remain a leading player in the future as well, meeting the market demand, hence the recent visionary directive of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, to further develop Qatar's LNG production by 30% to reach one hundred million

tons per annum and be fully operational by 2024.

With regard to market fundamentals, ladies and gentlemen, the global LNG market is undergoing significant changes. The challenge for the LNG industry today is to find a balance between buyers' pursuit of competitiveness and flexibility and producers' need to maintain a healthy cash flow, out of the exploitation of their natural resources.

The LNG resource holders and investors need to be comfortable with the level and sustainability of future prices to determine the viability of their projects.

This will prevent supply shortages and subsequent price shocks down the line.

Qatar seeks to work with buyers as a “complete energy solution provider” by embracing long-term sustainable relationships.

With these words I would like to conclude and take this opportunity to thank the Ministry of Energy, Government of Thailand and IEF for organizing this successful event and for the excellent arrangements.

Thank you for your attention.