



Towards Recovery and Shared Prosperity: Natural Gas Opportunities for A Sustainable World CONCLUDING STATEMENT

3 December 2020 Kuala Lumpur, Malaysia

Inaugurated by the Prime Minister of Malaysia the Right Honourable Tan Sri Muhyiddin Yassin on behalf of the host country, the 7th IEF-IGU Ministerial Gas Forum convened Energy Ministers, Industry Leaders, and Heads of International Organisations, virtually, on 3 December 2020 from Kuala Lumpur, Malaysia.

The International Energy Forum (IEF) and the International Gas Union (IGU) organised this important dialogue platform under the auspices of the Prime Minister's Office of Malaysia to assess COVID-19 impacts on natural gas markets and evaluate new gas market prospects that enable a sustainable future and achieve shared prosperity in the global recovery from the COVID-19 pandemic.

Natural gas resources and technologies can enable a swift and sustainable recovery and will continue to play a leading role in the future as the fastest growing hydrocarbon in main energy outlooks to achieve sustainable growth. Dialogue provided insights on how to move forward sustainably and achieve shared goals in a more competitively supplied gas market and a more dynamically evolving policy and risk environment.

Strengthening existing partnerships and forging new bonds in the exceptional circumstances of the global pandemic, the 7th IEF-IGU Ministerial Gas Forum structured dialogue in two plenary roundtables:

- **Opportunities in Growing Gas Markets: Producer-Consumer Perspectives on New Realities**
- **Market Signals and Policy Pathways: Investment and Innovation on the Road to Recovery**

Participants included 12 Ministers representing gas producers and consumers across world regions, 10 Industry Leaders from national and international energy companies, including new market entrants, Heads of International Organisations including the United Nations, and invited senior energy thought leaders:

- HE Parviz Shahbazov, Minister of Energy, Azerbaijan
- HE Shaikh Mohammed bin Khalifa Al-Khalifa, Minister of Oil, Bahrain
- HE Dr Tawfiq e-Elahi Chowdhury Bir Bikram, Adviser (Minister) to the Prime Minister for Power, Energy and Mineral Resources Affairs, Bangladesh
- HE Dato Mat Suny Hussein, Minister of Energy, Manpower and Industry, Brunei Darussalam
- HE Tarek El Molla, Minister of Petroleum and Mineral Resources, Egypt
- HE Shri Dharmendra Pradhan, Minister of Petroleum and Natural Gas, Minister of Steel, India
- HE Ihsan Abdul Jabbar Ismaael, Minister of Oil, Iraq
- HE Dato' Sri Mustapa Bin Mohamed, Minister in the Prime Minister's Department (Economy), Malaysia
- HE Timipre Sylva, Minister of State Petroleum Resources, Nigeria
- HE Saad Sherida Al-Kaabi, Minister of State for Energy Affairs and CEO of Qatar Petroleum, Qatar
- Dr Aabed Alsaadoun, Deputy Minister for Oil and Gas, Saudi Arabia
- HE Dan Brouillette, Secretary of Energy, United States of America

- Mr Shawn Tupper, Associate Deputy Minister of Natural Resources, Canada
- HE Mohammad Ghazali, Secretary General, Minister of Energy, Mines, and Environment, Morocco
- Ms Armida Salsiah Alisjahbana, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP
- Professor Joe Kang, President, International Gas Union (IGU)
- Mr Joseph McMonigle, Secretary-General, International Energy Forum (IEF)
- HE Dr Yuri Sentyurin, Secretary General, Gas Exporting Countries Forum (GECF)
- Professor Hidetoshi Nishimura, President, Economic Research Institute for ASEAN, and East Asia (ERIA)
- Mr Adam Seimenski, President, King Abdullah Petroleum Studies and Research Center (KAPSARC)
- Mr Charif Souki, Chairman, Tellurian
- Mr Tengku Muhammad Taufik, President & Group CEO, PETRONAS
- Mr Patrick Pouyanné, Chairman and CEO, Total
- Dr Patrick Allman-Ward, CEO, Dana Gas
- Mr Kees van Seventer, President LNG, Royal Vopak
- Mr Cristian Signoretto, Deputy COO Natural Resources, Director Global Gas & LNG Portfolio, Eni
- Mr Andrew Walker, VP Strategy, Cheniere
- Mr Jaime Ruiz-Cabrero, Managing Director & Senior Partner, Boston Consulting Group
- Mr Maarten Wetselaar, Integrated Gas and New Energies Director, Royal Dutch Shell

Deepening collective understanding of evolving energy policies and business strategies to accelerate a secure, sustainable, and inclusive recovery and share prosperity globally, delegates noted the following with respect to global natural gas markets:

1. The COVID-19 pandemic has resulted in the largest recorded demand shock in the history of natural gas markets. Initial assessments suggest that natural gas demand will decline by around 4 percent in 2020, and LNG trade by a similar amount. Governments and industry leaders are taking proactive steps to ensure market stability and facilitate a swift and sustainable recovery including through dialogue on the neutral IEF platform in partnership with the IGU and gas market stakeholders.
2. LNG will be the main driver of international gas trade as prior investments bear fruit. However, uncertainty on demand and supply trends impacts natural gas markets. This requires exporters to incorporate a more thorough evaluation of their competitive position versus other producers.
3. Greater contract flexibility and new natural gas marketing opportunities that innovation and evolving business models offer can help access new growth markets. Buyers can explore ways to increase natural gas storage capacity to lock in low-cost supply for the medium term and access to infrastructure that connects to new demand growth centers. A more competitive gas market environment also creates more room to cater to individual producer consumer needs which enhances flexibility across gas value chains globally.
4. In this new environment Asian growth economies and the global gas industry appear well-positioned to help facilitate a sustainable economic recovery. As emission reductions in developed economies demonstrate, gas technologies accelerate fuel-switching and deeper

penetration of renewables. This will enable affordable and resilient energy systems integration coupled with hydrogen technologies that are essential for sustainable growth.

5. Natural gas continues to contribute to emission reductions, affordable access, and jobs in OECD economies, and remains the transition fuel of choice in non-OECD growth economies where switching from coal is essential to reduce greenhouse gas emissions. Gas technologies can abate up to 30% of global energy sector emissions and provide access to clean cooking fuel for up to one billion additional people by 2040 delegates noted.
6. Competitive natural gas prices will enable new demand, particularly in Asia. However, a collapse of upstream investment and project delays in a more uncertain market and policy environment limit options to unlock available natural gas resources and advance new export, transport, and clean gas technology solutions.
7. Limited import options for consumers will adversely affect global energy security and market stability and keep the fastest growing hydrocarbon in main energy outlooks from delivering on its promise. This will delay economic recovery and weaken sustainable and inclusive growth pathways offered by natural gas technologies.
8. Abundant and more competitively priced gas supplies provide consumers with an opportunity to accelerate recovery based on clean, affordable, and more diverse natural gas supplies. That would require the development of new cross-border midstream facilities such as gas pipelines, LNG regasification, as well as small scale LNG networks, storage, and distribution infrastructure.
9. Producers must overcome market hurdles to reach demand centres and require predictable market rules, and enduring partnerships to mobilise the investments needed while simultaneously reducing costs to access liberalising growth markets. Producer-consumer dialogue on policy, technology, and innovation agendas as well as advocacy to increase awareness on the role of natural gas and new technologies are key to capitalising on new opportunities and overcoming hurdles emerging in the new and evolving risk environment.
10. This involves reducing greenhouse gas emissions such as methane and harmful air pollutants that will enable abundant natural gas resources, and related infrastructure and technologies, to deliver clean and competitive energy to all.
11. A more sustainable and secure future requires greater solidarity, and holistic solutions to energy and climate policy challenges. To safeguard robust and predictable trade and investment conditions across densely interconnected regional markets and jurisdictions, there is an urgent need to deepen understanding of evolving policy and market signals to stimulate gas sector trade and investment.
12. This includes improving gas market data transparency in the context of the Joint Organisations Data Initiative (JODI) and enhanced transparency and greater granularity and comparability of data, including on environmental, social, and governance standards to measure global gas industry performance relative to shared energy security, international development, and climate goals.



Background

The 7th IEF-IGU Ministerial Gas Forum builds on previous dialogue outcomes of key IEF Ministerial Meetings including:

- The 6th IEF-IGU Ministerial Gas Forum (November 2018 | Barcelona, Spain)
- The 16th IEF International Energy Forum Ministerial (April 2018 | New Delhi, India)
- The 8th IEF Asian Ministerial Energy Roundtable (September 2019 | Abu Dhabi, United Arab Emirates)

Key dialogue outcomes of the 7th IEF-IGU Ministerial Gas Forum reflected in this Concluding Statement by the host Country Malaysia will help to inform dialogue at future Ministerial and meetings including:

- The 2021 World Gas Conference (WGC) held under the IGU Presidency of Korea in Daegu, Korea and the
- The 17th Session of the IEF International Energy Forum Ministerial, and International Energy Business Forum that Saudi Arabia will host in 2021.