



IEF-IGU
Ministerial
Gas Forum
KUALA LUMPUR, 2020



TOWARDS RECOVERY AND SHARED PROSPERITY NATURAL GAS OPPORTUNITIES FOR A SUSTAINABLE WORLD

Virtual Ministerial Roundtable

Hosted by the Government of Malaysia

**Kuala Lumpur, Malaysia
3 December 2020**

4.00pm - 6.30pm & 9:30pm - 12.00am MYT

Corresponding Session Durations in Other Time Zones

Americas:	3:00am - 5:30am & 8:30am -11:00am EST
Europe:	8:00am -10:30am & 1:30pm- 4:00pm GMT
Middle East Africa:	11:00am - 1:30pm & 4:30pm - 7:00pm AST



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THURSDAY, 3 DECEMBER 2020

4:00 PM	INAUGURAL ADDRESS <ul style="list-style-type: none">• H.E. Tan Sri Muhyiddin Yassin, Prime Minister, Malaysia
4:15 PM	WELCOME AND OPENING REMARKS <ul style="list-style-type: none">• H.E. Dato' Sri Mustapa bin Mohamed, Minister in the Prime Minister's Department (Economy), Malaysia• Tengku Muhammad Taufik, President & Group CEO, PETRONAS• Joe Kang, President, International Gas Union• Joseph McMonigle, Secretary General, International Energy Forum
5:00 PM	PANEL SESSION 1 ASIA - EUROPE, THE MIDDLE EAST, AND AFRICA Opportunities in Growing Gas Markets: Producer-Consumer Perspectives on New Realities Moderated panelists presentations by invited Ministers and gas industry leaders
5:45 PM	Participant interventions
6:30 PM	PAUSE & VIRTUAL PRESS CONFERENCE
9:30 PM	WELCOME REMARKS <ul style="list-style-type: none">• H.E. Dato' Sri Mustapa bin Mohamed, Minister in the Prime Minister's Department (Economy), Malaysia
9:45 PM	PANEL SESSION 2 ASIA - THE AMERICAS, EUROPE, THE MIDDLE EAST AND AFRICA Market Signals & Policy Pathways: Investment and Innovation on the Road to Recovery Moderated panelists presentations by invited Ministers and gas industry leaders
10:30 PM	Participants Interventions
11:30 PM	CONCLUDING REMARKS <ul style="list-style-type: none">• H.E. Dato' Sri Mustapa bin Mohamed, Minister in the Prime Minister's Department (Economy), Malaysia• Luis Bertran, Secretary General, International Gas Union• Joseph McMonigle, Secretary General, International Energy Forum



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PANEL 1 SESSION INTRODUCTION

Opportunities in Growing Gas Markets: Producer-Consumer Perspectives on New Realities

According to major scenarios, natural gas demand will continue its growth trajectory and is poised to be the fastest growing fossil fuel in the energy mix over the coming decades. Liquefied Natural Gas (LNG) continues to diversify natural gas supply, trade flows, and investment patterns. Much of the natural gas demand growth is expected to come from Non-OECD Asia where consumption may well outpace domestic supply largely due to gradual depletion of local reserves. This means that an increasing share of imported gas will be required to meet the region's robustly growing energy demand. The impact of the COVID-19 pandemic has led to an unprecedented fall in regional gas demand and strengthened global convergence on short-term price signals of existing and newly emerging gas trading hubs.

Abundant and more competitively priced gas supplies provide consumers with an unparalleled opportunity to accelerate recovery based on clean, affordable, and more diverse natural gas supplies. Governments may choose to place greater emphasis on climate and clean air requirements, inclusive energy transitions, and universal energy access in post pandemic recovery strategies. That would require the development of new cross-border gas trade facilities involving gas pipelines, LNG regasification, as well as small scale LNG networks, storage, and distribution infrastructures.

Producers must overcome market hurdles to reach demand centres and require predictable market rules, and enduring partnerships to mobilise the investments required while reducing costs in 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 capitalize on new opportunities and overcome hurdles emerging in the post pandemic era. This includes initiatives on the reduction of greenhouse gas emissions inclusive of methane, harmful air pollutants, that will enable abundant natural gas resources, and related infrastructure and technologies to deliver clean and competitive energy to all.

Key Questions

1. What new opportunities emerge to achieve more robust, transparent, and integrated regional gas markets in the post-pandemic environment?
2. How do we ensure cost competitiveness of natural gas and avoid price shocks when supply-demand balances tighten?
3. What impact does greater natural gas export competition have on producer-



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consumer relations; what factors matter most?

4. In what way can governments accelerate investment in new cross-border and inland natural gas infrastructure to ensure abundant supplies meet rising demand?
5. What market and policy reforms are required to encourage natural gas consumption and production?
6. In what way can technology and innovative solutions play a greater role to create new growth areas for natural gas and LNG, beyond the current traditional markets?
7. How will net-zero carbon strategies collaborative industry efforts to reduce carbon dioxide, methane and other harmful emissions affect consumer preferences and inter-fuel competition?
8. What is the role of natural gas in circular carbon models: how can governments strengthen the economies of Carbon Capture and Storage (CCUS) Hydrogen, with natural gas opportunities?
9. How can consumer-producer dialogue contribute to making natural gas more sustainable as it pertains to carbon intensity and emissions?
10. How does advocacy broaden public acceptance and deliver natural gas opportunities? What should the producer-consumer dialogue in collaboration with IGU and other platforms focus on?



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PANEL 2 SESSION INTRODUCTION

Market Signals and Policy Pathways: Investment and Innovation on the Road to Recovery

The quest to establish transparent and reliable market signals in Asia has advanced as the rise in liquidity of newly emerging gas trading hubs demonstrates. Long-term contracts and well-established partnerships remain important, yet the share of short-term trades and spot market has been growing exponentially. Reducing delivery cost through LNG or pipeline cross-border supply chains as well as fostering greater contract flexibility are important levers for consumers and industry to ensure price dynamics support greater gas market penetration in growth markets. On the other hand, developments in transparent and predictable energy policy and regulation of gas from consuming country governments influence the relative cost of gas. In turn, this enables fuel switching towards more sustainable energy consumption patterns in energy matrices of growth economies.

Much of the LNG's success has come from innovation and improving economics giving rise to an increase in liquefaction, regasification terminals and FSRU's throughout the world. Pipeline investment has moved forward with major investments to diversify supply to Europe and China. Innovation in new small-scale solutions, meanwhile, has opened new markets to diversify energy matrices with natural gas and enabled greater access to modern energy services. New investment and innovation policy for gas infrastructure are helping to unlock synergies between natural gas and other technologies including renewable natural gas, carbon capture use and storage, and hydrogen. In markets with rapid deployment of renewable energies, natural gas ensures that security of electricity supply is maintained.

The natural gas sector must shoulder multifaceted energy sector transformations that are accelerating around the world. Abundant resources and technological know-how of the sector can accelerate fuel-switching and the integration of renewables, green gas, hydrogen, and carbon dioxide solutions to achieve the net-zero emissions that green growth concepts such as the Circular Carbon Economy envision.

Key Questions

1. How are governments and industry working together to seize the opportunities price signals, stimulus measures, and technology solutions offer to leverage the potential of natural gas on the road to recovery towards a more sustainable world?
2. What new partnerships, initiatives for collaboration, and industry business models will emerge to maintain gas market security and accelerate recovery in the post COVID-19 pandemic market environment?
3. What are the barriers and solutions to achieving market liberalization in Asia and reliable price signals through liquid gas trading hubs and contract terms?
4. Which developments in policy and technology pathways affect future natural gas demand in Asia?



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5. In what way can technology and innovative solutions play a greater role to create new growth areas for natural gas and LNG, beyond the current traditional markets?
6. How are governments and industry advancing gas market growth beyond power generation in the petrochemicals, industry, and transport sector?
7. In what manner do IMO 2020 fuel quality requirements and new access enabling technologies affect natural gas demand?
8. What is the future of Floating LNG (FLNG) facilities to target stranded natural gas assets and new demand centers in Asia and beyond?
9. How can the IEF and IGU leverage existing and new industry government partnerships to mobilise investment and advance gas market development; what role does the Joint Organisations Data Initiative play?
10. What are the risks that protectionist measures adversely impact natural gas market security and demand growth in recovery policies of producer and consumer countries?



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BACKGROUNDS

The International Energy Forum works closely with the International Gas Union on matters of mutual interest in accordance with the IEF Charter (Riyadh, February 2011). The role of natural gas in secure and sustainable energy markets has increased significantly since the 1st IEF-IGU Ministerial was held on 24 November 2008 in Vienna, Austria. Since then, the importance of natural gas has grown exponentially. Major forecasts show natural gas has the strongest growth share among fossil fuels and will overtake coal as the second-largest source of hydrocarbons, especially on account of investment and trade in LNG.

Ongoing and inclusive dialogue will highlight the role of natural gas as it pertains to strengthening energy security and facilitating orderly energy transitions in an increasingly carbon constrained world. This dual development will unlock new natural gas opportunities for both producers and consumers that will bring shared prosperity through greater sustainability and competition. 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) focused on developing a clear vision on what is needed to roll-out new technologies and step-up innovation that delivers inclusive growth towards a healthy and sustainable energy future. Delegates called on government and industry leaders to build confidence by overcoming obstacles to gas market trade and cross-border interconnections and foster stable and predictable conditions to accelerate the deployment of gas sector technologies.
- The 16th IEF International Energy Forum Ministerial (April 2018 | New Delhi, India) where ministers expressed their continued support for the role that IEF plays in improving energy security, facilitating orderly transitions, and accelerating the achievement of shared goals. This is done through enhanced energy dialogue and energy market data transparency, the trilateral work programme with the IEA and OPEC, and the Joint Organisations Data Initiative.
- The 8th IEF Asian Ministerial Energy Roundtable (September 2019 | Abu Dhabi, United Arab Emirates) noted that consumer and producer countries are deepening dialogue to benefit from the trade and investment opportunities that changing energy markets provide. This includes jointly addressing global challenges to energy security while facilitating orderly transitions at an acceptable cost to societies to achieve globally shared goals faster together. Furthermore, greater efforts need to be made to advance inclusive access to secure, affordable and sustainable energy services. More data is needed to connect the hundreds of millions without access to modern and affordable energy services, foremost to enable clean cooking and reduce the adverse health impacts of the use of traditional biomass.

The 7th IEF-IGU Ministerial Gas Forum will take place in two separate time periods that focus on gas market relations between Asia and the Americas and Asia and Europe, the Middle East and Africa. While



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creating an integrated liberalised market with effective pricing signals and liquidity evolves from North American and European templates, new innovative policies, regulation and partnerships can give rise to alternative approaches that have the potential to redefine natural gas investment and trade in

Asia. Each regional session will be structured in two roundtable dialogues among Ministers and Industry Leaders placing emphasis on:

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

Plenary sessions will enable ministers and industry leaders to delve deep into these issues and contemplate new realities from both a producer and consumer perspective. To ensure the expression of diverse viewpoints, each plenary will be guided by a senior expert moderator to facilitate well focused discussions between ministers and industry representatives. Dialogue will be informed by IEF-IGU Background papers and session documents developed in partnership with IEF Knowledge Partners.

The 7th IEF-IGU Ministerial Gas Forum will facilitate greater engagement among government and industry that will help shape the future of natural gas in Asia and the world. This will enable producers and consumers to improve energy sector resilience in a more competitive and sustainable energy market setting and accelerate investment and innovation on the road to recovery towards shared prosperity and a sustainable world in the post pandemic era.

Participants will be invited to explore the future of natural gas supply-demand dynamics along with policy and technology options. Investment and innovation policies for natural gas infrastructure such as liquefaction or regasification terminals and pipelines will enhance gas trade and interconnectivity among regions and enable synergies with new sources and energy and climate policies. Such efforts will facilitate improving energy security, sustainability, and universal access to modern energy services.

Next Steps

Key dialogue outcomes of the 7th IEF-IGU Ministerial Gas Forum will be reflected in a concluding statement issued by the host country. Policy insights gained 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.



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INTERNATIONAL ENERGY FORUM

INTERNATIONAL ENERGY FORUM (IEF)

The IEF is the neutral facilitator of informal, open, informed and continuing global energy dialogue. Covering all six continents and accounting for around 90% of global supply and demand for oil and gas, the IEF is unique in that it comprises not only countries of the IEA and OPEC, but also key players including China, India, Russia and South Africa. The Forum's biennial Ministerial Meetings are the world's largest gathering of Energy Ministers. Through the Forum and its associated events, IEF Ministers, their officials, energy industry executives, and other experts engage in a dialogue of increasing importance to global energy security. The IEF and the global energy dialogue are promoted by a permanent Secretariat of international staff based in the Diplomatic Quarter of Riyadh, Saudi Arabia. For more information visit www.ief.org



INTERNATIONAL GAS UNION
UNION INTERNATIONALE DU GAZ

INTERNATIONAL GAS UNION (IGU)

International Gas Union (IGU) was founded in 1931 and is a worldwide non-profit organisation. As the global voice of gas, IGU seeks to improve the quality of life by advancing gas as a key contributor to a sustainable energy future. The Union has more than 150 members worldwide on all continents, representing approximately 97 % of the world gas market. The members of IGU are national associations and corporations of the gas industry worldwide. The IGU's working organisation covers all aspects of the gas industry from exploration and production, storage, LNG, distribution and natural gas utilisation in all market segments. For more information visit www.igu.org

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