



# Gas Market Report 2018

---

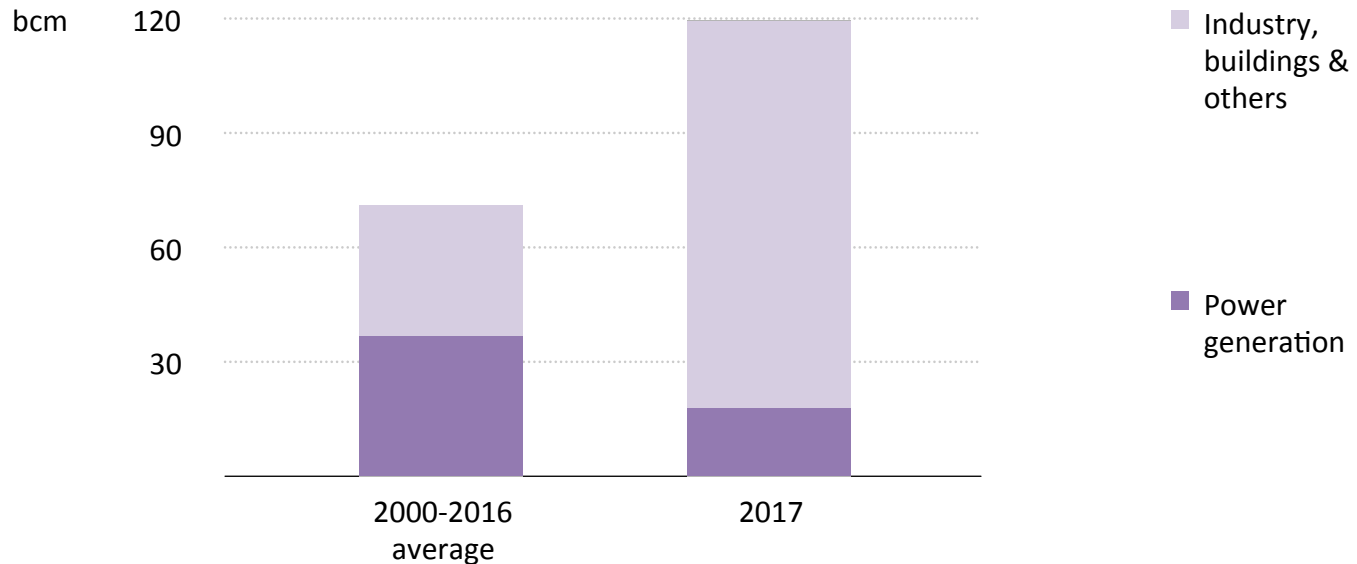
Dr. Fatih Birol, Executive Director, IEA

World Gas Conference, Washington DC 26 June 2018



- Gas demand is in the fast lane, thanks to its flexibility & ability to ease environmental problems
  
- Global gas markets are being re-shaped by three major structural shifts
  - *China becoming the world's largest natural gas importer*
  - *US gas production and LNG exports rising dramatically*
  - *Industry displacing power generation as the leading growth sector*
  
- The gas industry's future remains bright, but it is not without challenges
  - *Gas price competitiveness & market reforms in emerging markets*
  - *Curbing methane leaks along the value chain*

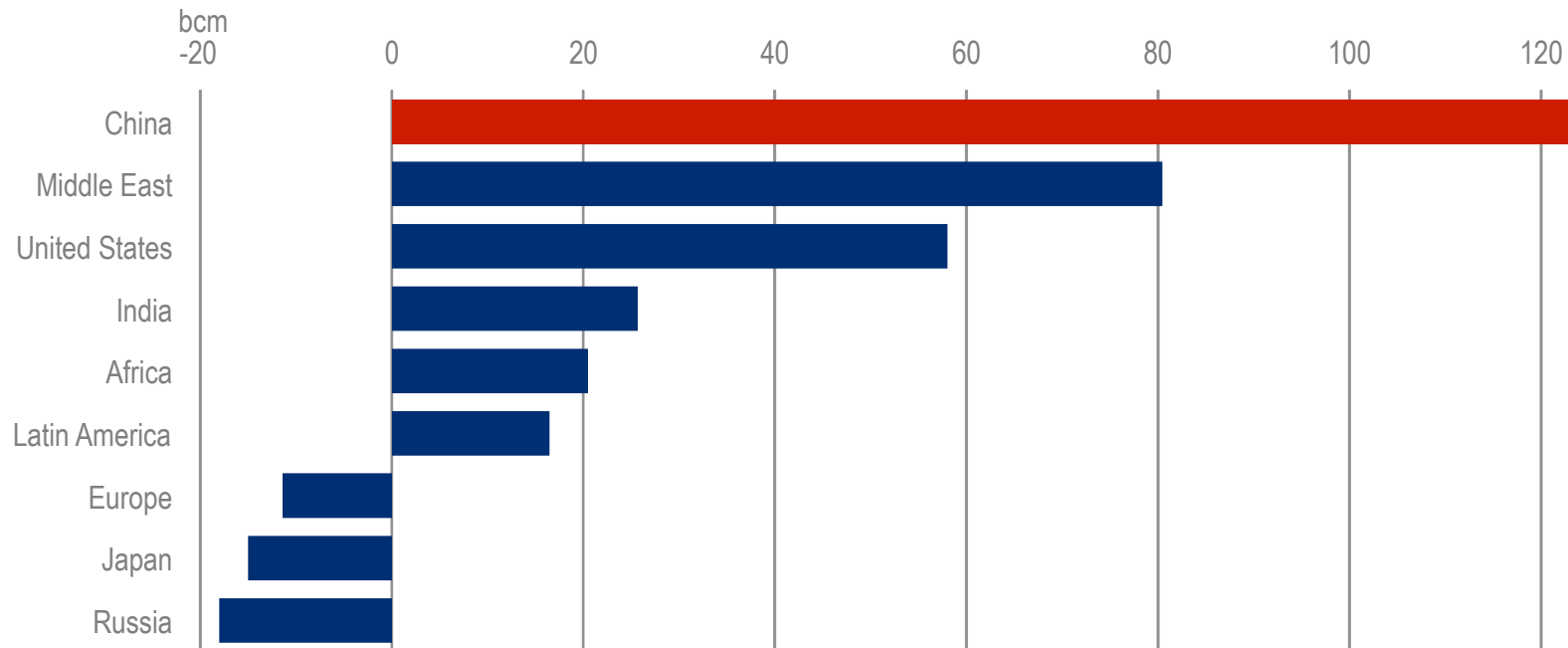
## Growth in global natural gas demand



**Industry & buildings have taken over from the power sector as the drivers of gas demand; China accounted for 30% of the increase in global gas demand in 2017**

# China dominates world gas consumption growth

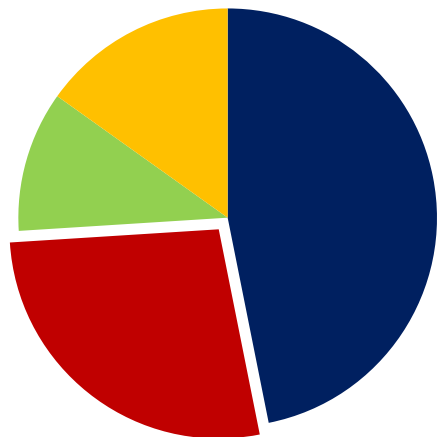
## World natural gas consumption growth for selected countries and regions, 2017-23



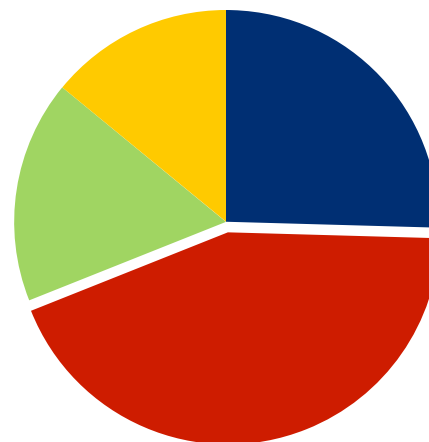
**Global consumption passes the 4 tcm mark by 2022**  
**China to account for almost 40% of growth driven by clean air policy target**

## Natural gas consumption growth by sector (%)

2011-17



2017-23



■ Power generation

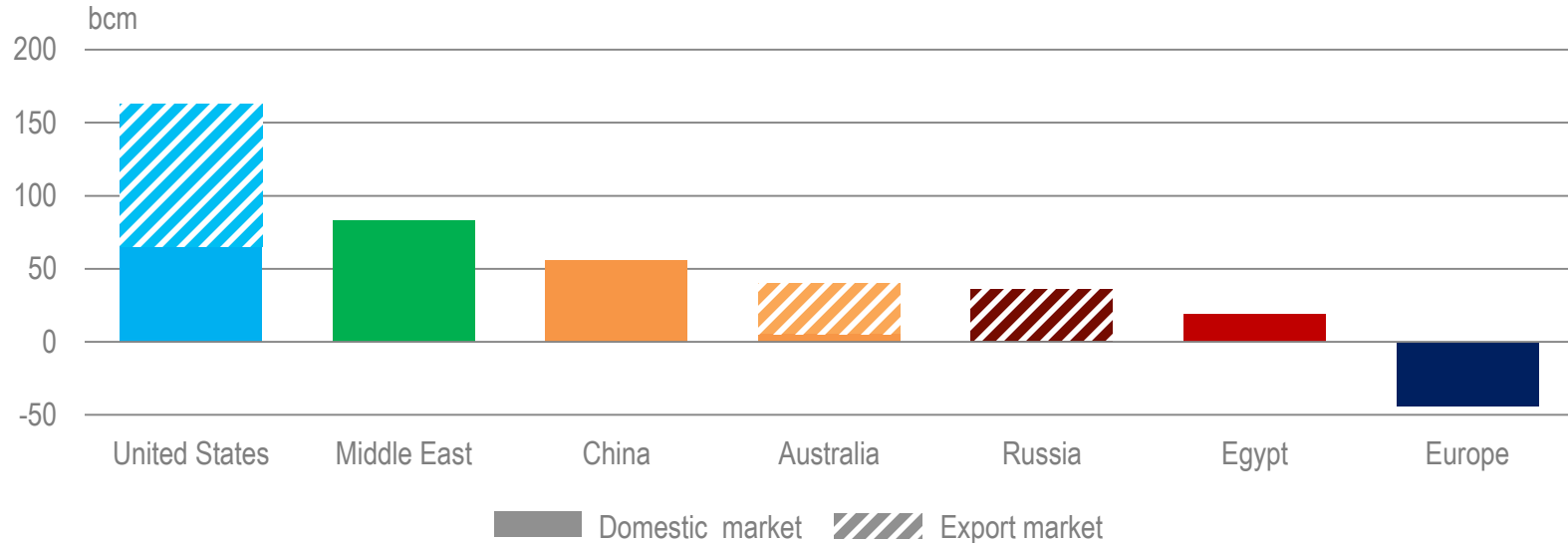
■ Industry

■ Residential and commercial

■ Other sectors

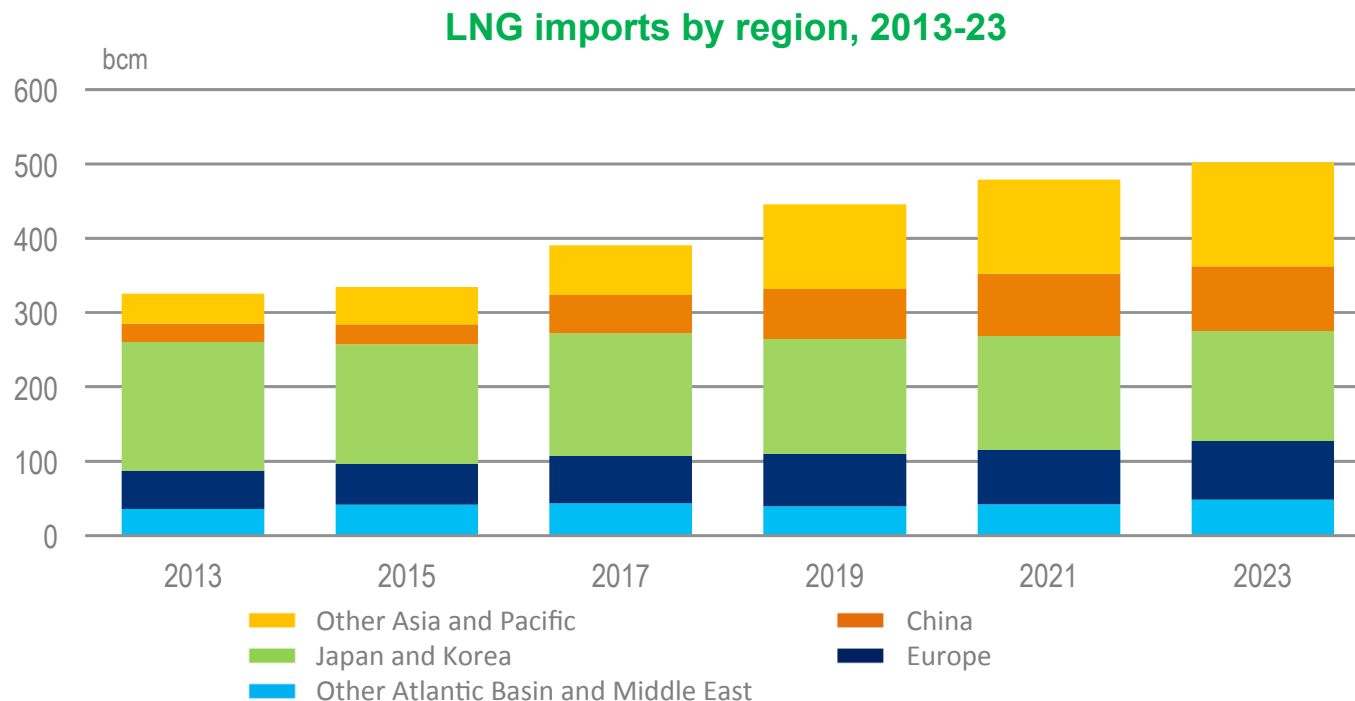
**Industry accounts for over 40% of the growth in global gas demand to 2023, mainly on greater use for petrochemicals and fertilizers**

## Natural gas production growth for selected countries and regions, 2017-23



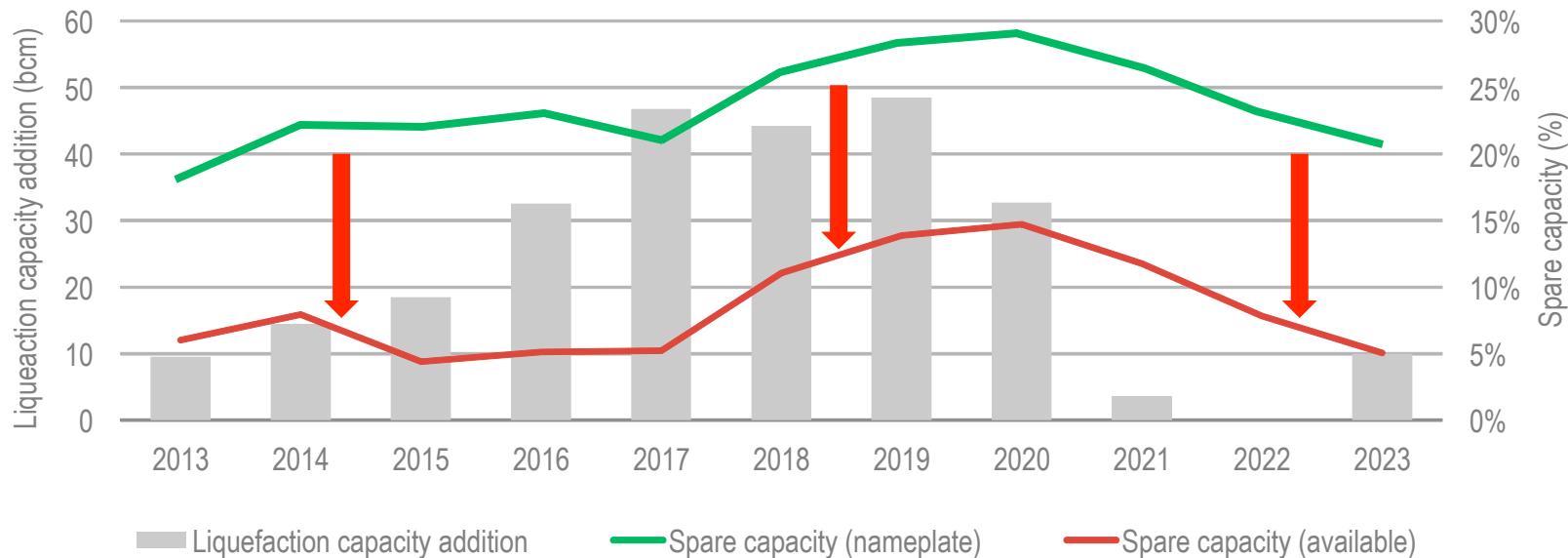
**The United States accounts for almost 45% of global growth in natural gas production and 75% of growth in LNG exports**

# Global LNG market reaches 500 bcm mark by 2023



**LNG trade passes 500 bcm mark by 2023, reaching almost 40% of global gas trade from around a third today; Developing Asian markets account for almost half of LNG market by 2023**

## LNG liquefaction capacity and utilisation, 2013-23



**LNG liquefaction capacity is growing faster than demand, but new projects have ground to a halt**



- Global demand for natural gas to grow strongly over the next 5 years, led by China
- The United States to become a leading player in LNG markets, driven by a 2<sup>nd</sup> boom in US gas production
- LNG trade to expand by 30% over next 5 years, underpinning a shift to a more competitive, global natural gas market
- New investment will be required along the entire natural gas value chain to provide flexibility & security of supply
- For the future of gas to remain bright, prices need to stay competitive in emerging markets & industry needs to continue to improve its environmental performance



[www.iea.org](http://www.iea.org)

