

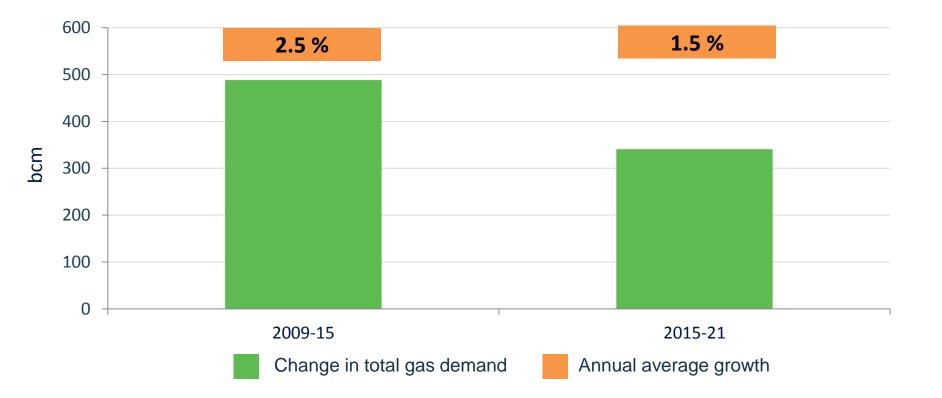
Global Natural Gas Markets in Transition

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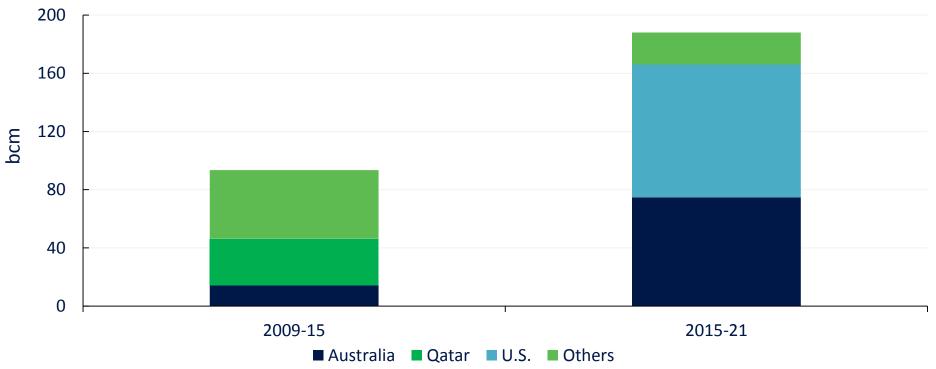


Growth in gas demand slows as it faces greater competition in the power sector; yet it is the only fossil fuel that does not suffer a decline in its share of the energy mix

Transformation of LNG markets



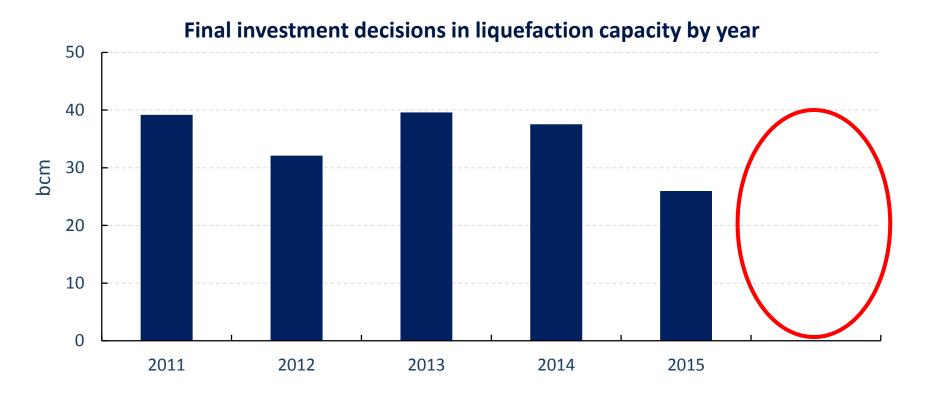
Liquefaction capacity additions



LNG capacity additions will be led by the US & Australia over the next five years; projects in Canada & East Africa could also move ahead if demand & prices recover

Investment in new LNG export capacity has ground to a halt

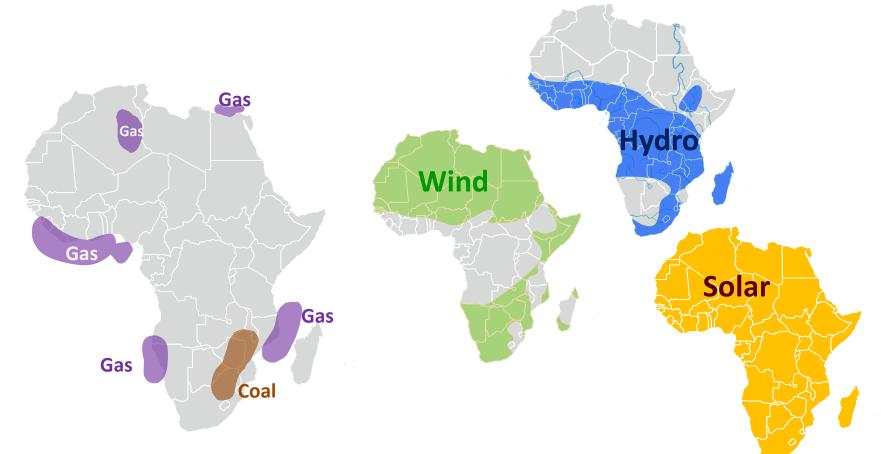




The collapse in investment increases the risk of tighter markets in the next decade; concerns about gas supply security could quickly re-emerge

Gas & renewables can play a strong role in electrifying Africa





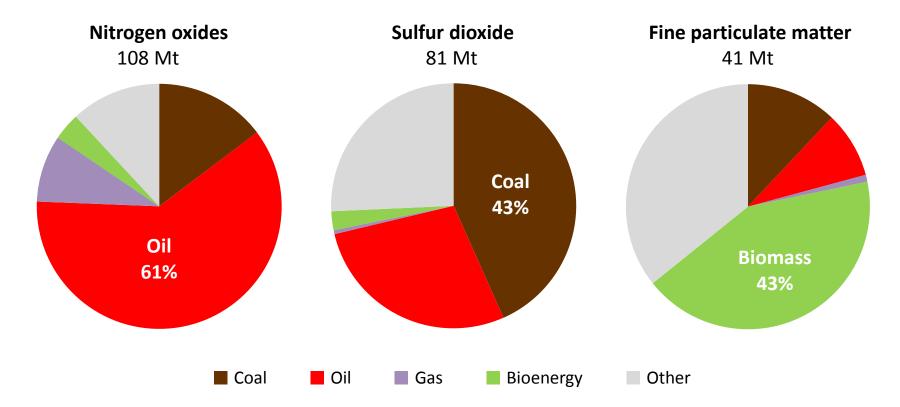
Source: WEO – Africa Energy Outlook, 2014

Gas can complement the region's vast untapped renewables potential, provided that infrastructure is developed in a timely fashion

Air pollution is an energy problem: and gas can be part of the response



Pollutant emissions, 2015

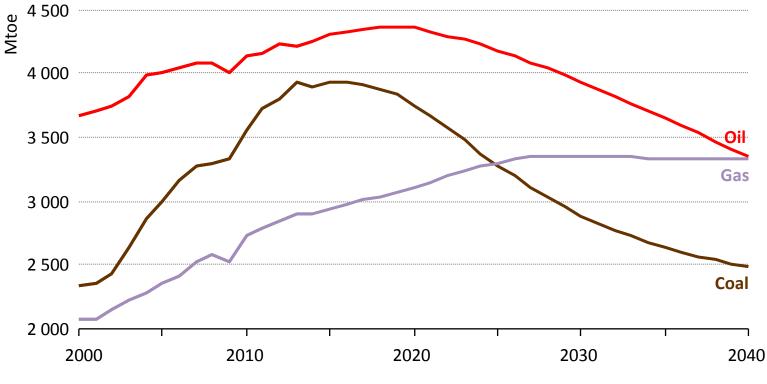


Air pollution is the 4th largest human health risk globally, causing 6.5 million premature deaths annually

Gas in a low-carbon future





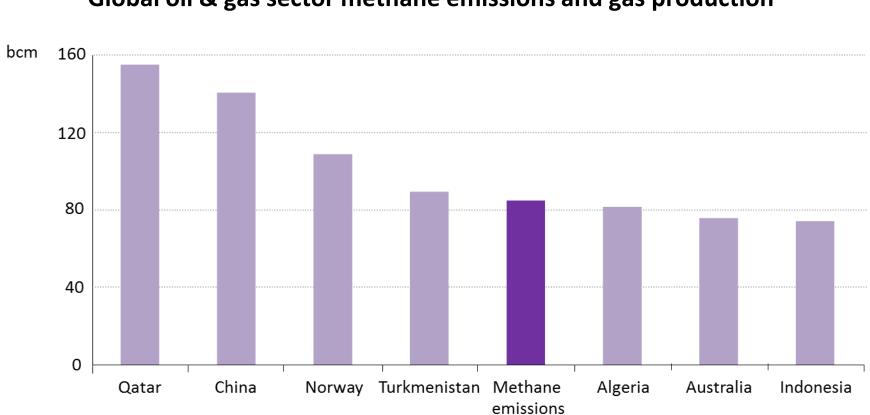


Source: World Energy Outlook 2015, 450 Scenario

Reaching the 2 °C target will see a slowdown in gas demand growth, but gas will still remain a core component of the energy mix

Methane leaks pose climate risks and represent \$9 billion per year in lost revenues





Global oil & gas sector methane emissions and gas production

Methane is a potent greenhouse gas; failing to take action to reduce these emissions is a major missed opportunity to tackle near-term warming alongside long-term reductions in CO₂

Conclusions



- The gas landscape is changing: production growth is increasingly driven by the US & Australia; demand growth by developing Asia
- Global gas prices are set to stay under pressure as a huge amount of LNG export capacity is coming online just as demand slows
- Gas has a key role to play in the low-carbon transition & improving air quality, but methane emissions need to be addressed
- Low prices & well supplied markets give no cause for complacency
 - IEA is taking on a new mandate on gas security