IGU World LNG Report 2014 edition

Press Release Issued by the Secretariat of the International Gas Union (IGU)

Oslo, Norway, 25 March 2014

LNG is driving gas globalisation

This second LNG Report of the IGU 2021-2015 Triennium includes a special feature: “Small Scale LNG Value Chain”.

In his foreword to the report, Jérôme Ferrier, President of IGU, observes that “Global gas demand is surging, nurtured by a growing preference for low-carbon energies and uncertainty over possible Korean and Japanese nuclear policies. The world is keenly awaiting new LNG supplies from the US, although some uncertainty remains over the actual number of liquefaction projects that will start delivering soon”

LNG trade in 2013 was 236.8 MT, slightly below the record 241.5 MT in 2011. Supply-side issues, notably Force Majeur in Nigeria and diversions in Egypt, resulted in a tight market. As global gas demand rises, market tightness might continue at least through 2014 until major new sources of LNG supply start to come online next year.

The volume of non long-term traded LNG reached a new high of 77.3MT, amounting to 1/3 of global trade in 2013. 74% of all ‘spot’ LNG was delivered to Asian markets.

The Secretary General of IGU, Torstein Indrebø, welcomed three new LNG importing countries: “In 2013 Singapore, Malaysia and Israel joined the list of now 29 countries with LNG import capabilities, resulting in global regasification capacity now reaching 688 MTPA, a 6.8% increase compared with 2012.”

The report also shows that ten countries now have floating LNG regasification capacity. The LNG fleet continues to expand, with 16 new vessels entering service in 2013 and 31 more scheduled for delivery during 2014.

Global LNG demand is expected to continue to grow with both traditional consumers and new markets and supply routes emerging. These dynamics will continue to drive gas globalization and influence price formation, with regional price dichotomy continuing to provide opportunities for arbitrage trading.
Asia will both attract more diversified suppliers and is expected to be the area of the largest LNG supply growth. Strong demand from China and India, in addition to traditional importers such as Japan and Korea, could ensure that the Asia Pacific market remains profitable for distant LNG suppliers. Based substantially on future shale gas production, the US is set to become a significant LNG exporter.

This report will be followed by another edition in 2015, where you will find a comprehensive update and overviews of LNG market developments. The current report reviews the situation of the global LNG market throughout 2013 up to the beginning of 2014.


**IGU**
The International Gas Union (IGU) was founded in 1931 and is a worldwide non-profit organisation aimed at promoting the technical and economic progress of the gas industry. The Union has more than 120 members worldwide on all continents, representing approximately 95% of the world gas market. The members of the IGU are national associations and corporations of the gas industry worldwide. IGU organises the World Gas Conference (WGC) every third year, with the forthcoming WGC taking place in Paris, France, in June 2015. 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](http://www.igu.org)