

IGU Proclamation on G20 Natural Gas Day

The International Gas Union (IGU) would like to thank the Chinese G20 Presidency, and the National Energy Administration for the opportunity to co-host the G20 Natural Gas Day. We also extend our gratitude and appreciation to our Chinese Industry Host Organizations and the Host Chair.

Energy has been and will remain a critical and necessary driving force for human development, improvement to the quality of life and prosperity. The strategic planning of access to and supply of energy must focus on long term economic and environmental sustainability. It must also be practical and balance the needs of affordability, security and environment. The world should be capable of meeting current energy demand and take into consideration the needs of future generations as well.

While higher energy consumption typically brings more economic prosperity, it often brings challenges such as polluted and dirty air and increased greenhouse gas emissions – with significant costs to both public health and industrial productivity over the medium to long term. We cannot ignore the challenges of industrial development and the need to balance public health constraints with sustainable economic growth.

While developed and emerging economies benefit from greater access to energy, many regions around the world are either suffering from energy shortages or simply deprived of it all together.

Although there is general consensus that greater adoption and deployment of renewable energies are critical in the transition to a sustainable energy future, we will still rely on hydrocarbons to power our lives for years to come.

Natural gas will play an unprecedented role in the global energy transformation as a vital source on its own and in its unique ability to enable and support the greater deployment of renewable energies. The versatility, price, and efficiency of natural gas make it the best fuel to partner with renewable energy sources in multiple ways.

- Natural gas can help address the challenge of seasonal and daily output variability of wind and solar energy.
- Distributed natural gas-based energy systems can be integrated with renewable thermal and electric generating systems to offer another type of hybrid system.
- Natural gas infrastructure enables the broader use of biogas.
- Natural gas infrastructure can also enable the use of renewably generated hydrogen or synthetic natural gas as a storage medium for renewable energy or an alternative method of using renewable electricity.
- Natural gas systems can provide the backbone for delivering clean and reliable energy to homes, as an energy and feedstock fuel for businesses and industry, and as an alternative fuel for land and marine transportation. Natural gas infrastructure brings renewable gas directly in the existing heating market.

Natural gas' pivotal role in the world energy transformation will go far beyond its position as a bridge fuel – it will be a critical element of the world's energy future. Enhanced use of natural gas in energy generation, heating and industry will not only drive economic growth, it will reduce carbon emissions, air pollutants such as SOX, NOX and particulate matter, thereby providing enhanced quality of life for people living in urban areas. The IGU also supports efforts to reduce methane emissions because they support greater efficiency to the recovery of a valuable resource. We encourage efforts to better measure, document and reduce methane emissions. We will continue to share best practices within the industry and with external stakeholders in support of these efforts.

Natural gas is also becoming a truly global commodity, which will enable increased trading routes and efficient usage due to more predictable flows of liquidity and pricing. Ever-growing newly discovered reserves in all regions of the world enable ample natural gas supply more than ever; ever-improving LNG developments facilitate the integration of a global natural gas market; ever-improving infrastructure helps natural gas gain unprecedented access; technological innovations makes natural gas safer, more efficient, constantly breaking through limitations of application and use, and becomes an active 'global energy resource'. With its economic advantages, natural gas has become a "world energy" that is available, affordable, economical, clean and sustainable.

It is more urgent than ever for governments to differentiate natural gas from other fossil fuels with effective and favorable policies. There is a clear need for industry participants and policy makers to collaborate to clear up this misunderstanding and correct public perception to allow for a greater promotion and development of natural gas.

The IGU and the China National Energy Administration view this challenge as a shared task in facilitating the global energy transition and encouraging all countries to adopt a clean, balanced, and sustainable energy development roadmap. China is doing its best to restructure its own energy mix and thus to promote that of the world's. In the next 5 years, China's energy mix will experience a distinct "coal-reduction" process and natural gas and renewables will be crucial partners in this transformation. By 2020, non-fossil fuels will account for up to 15% of the primary energy mix in China. The use of natural gas will increase from its current level of less than 6% to approximate 10% of the primary energy mix.

Natural gas currently makes up 25% of the global energy mix and the world would greatly benefit with the sustainable growth of market share. As an organization representing over 97% of global natural gas production and utilization the IGU calls for decisions on the energy mix of the future to be based on the full underlying cost of all supply alternatives. We believe that natural gas can make a positive impact on energy security, economic development and environmental targets.

Lastly, please allow us to again express our gratitude to the organizers and the chair country. Thank you for offering the global natural gas industry such a great opportunity to communicate, and thank China's contribution to the successful organization of the Natural Gas Day