International Energy Agency

Gas Market Report 22Q4

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The invasion of Ukraine drove European and Asian prices to record highs

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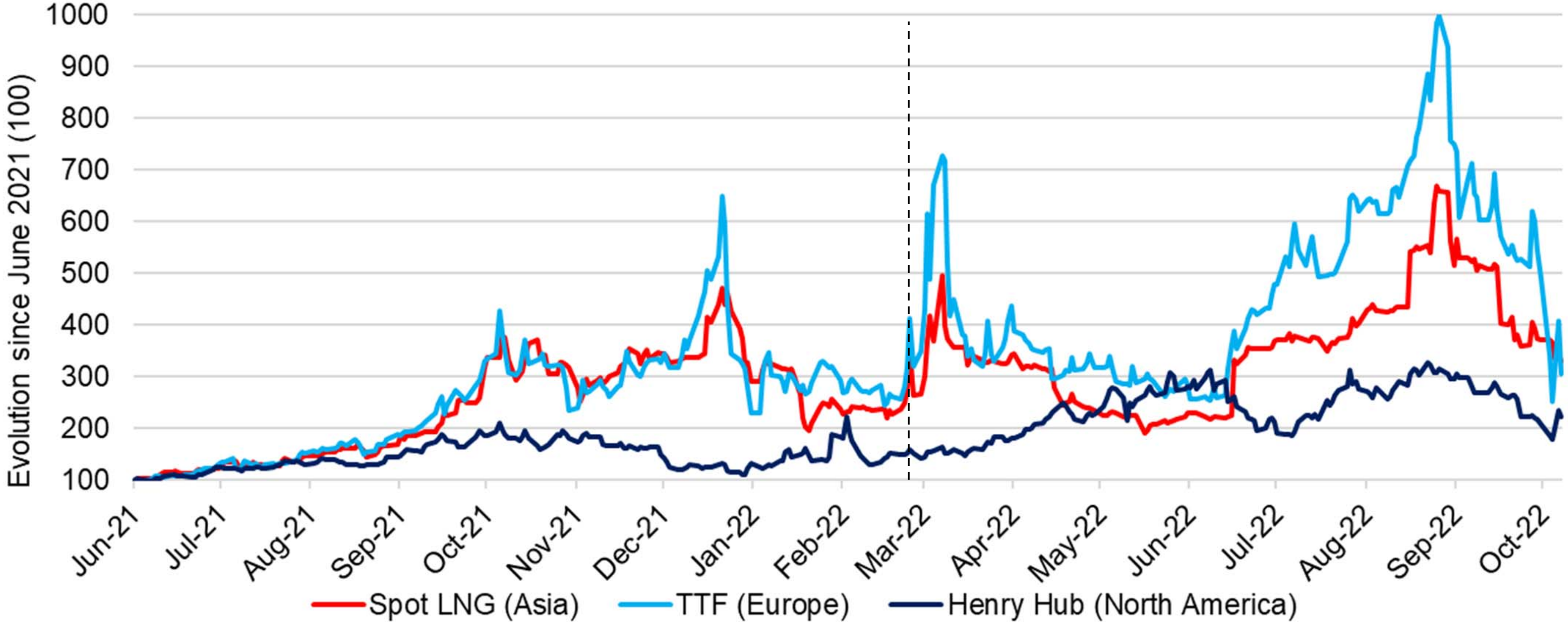

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High prices erode gas demand across the main markets

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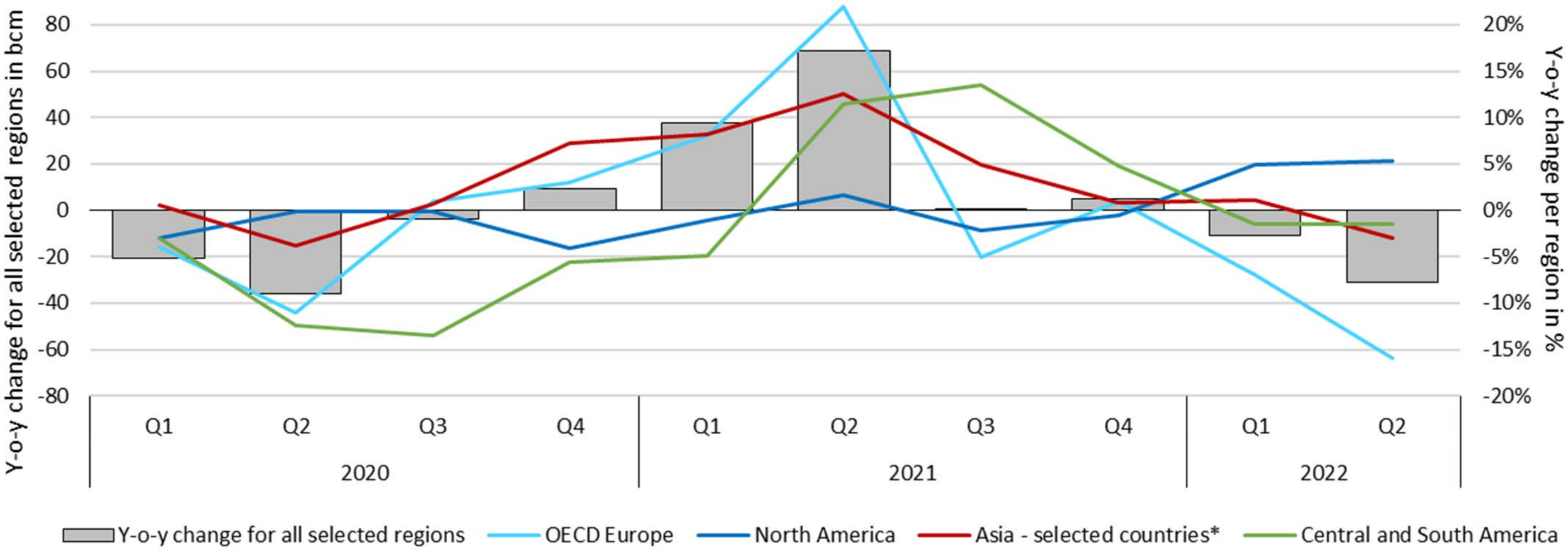

*China, India, Indonesia, Japan, Korea and Thailand

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Europe turns into a premium market for LNG as Russian flows tumble

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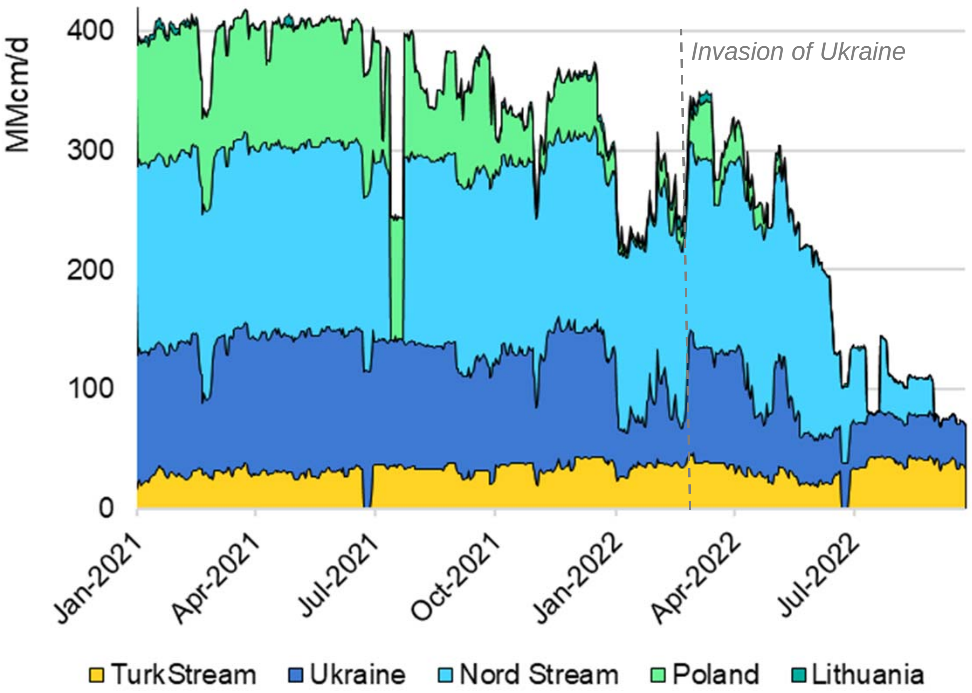

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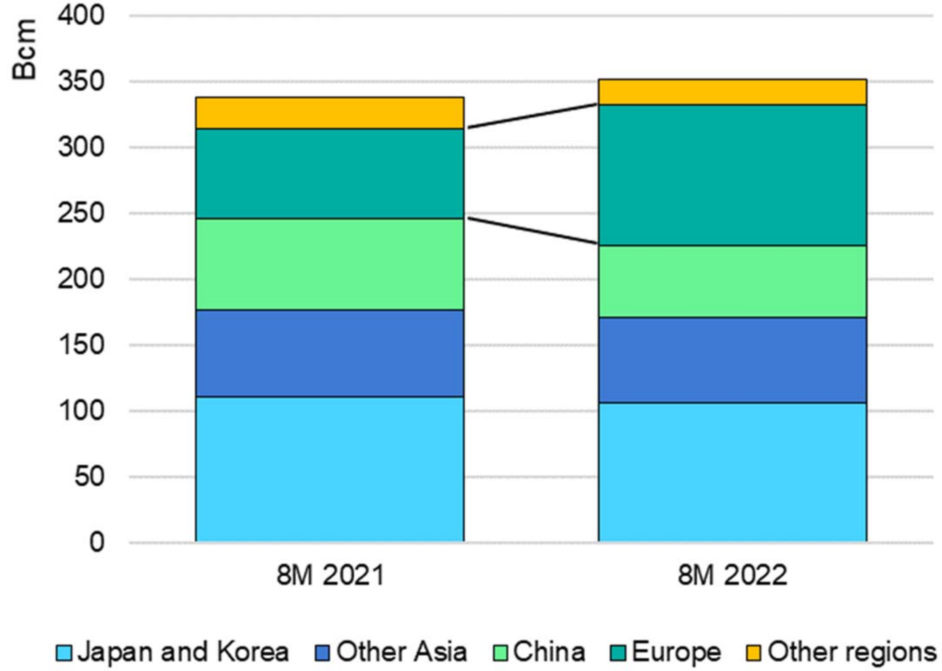

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Global LNG market tightness induces shifting trade patterns in Asia

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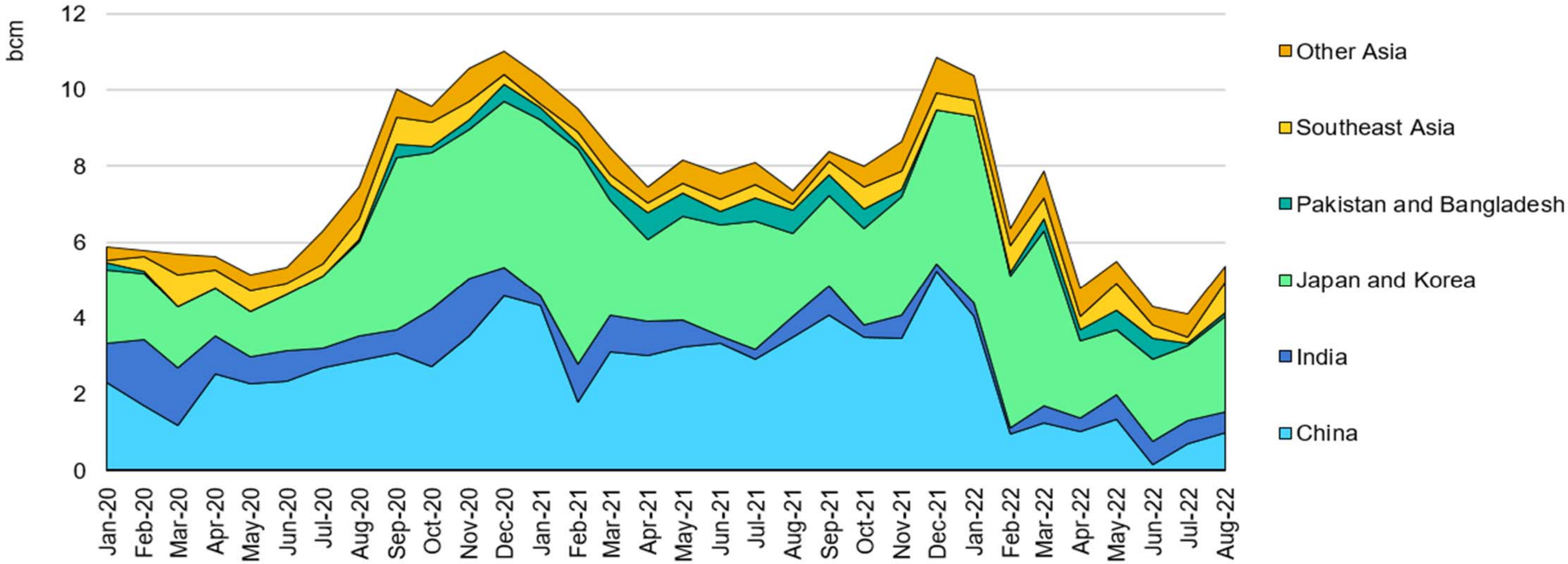

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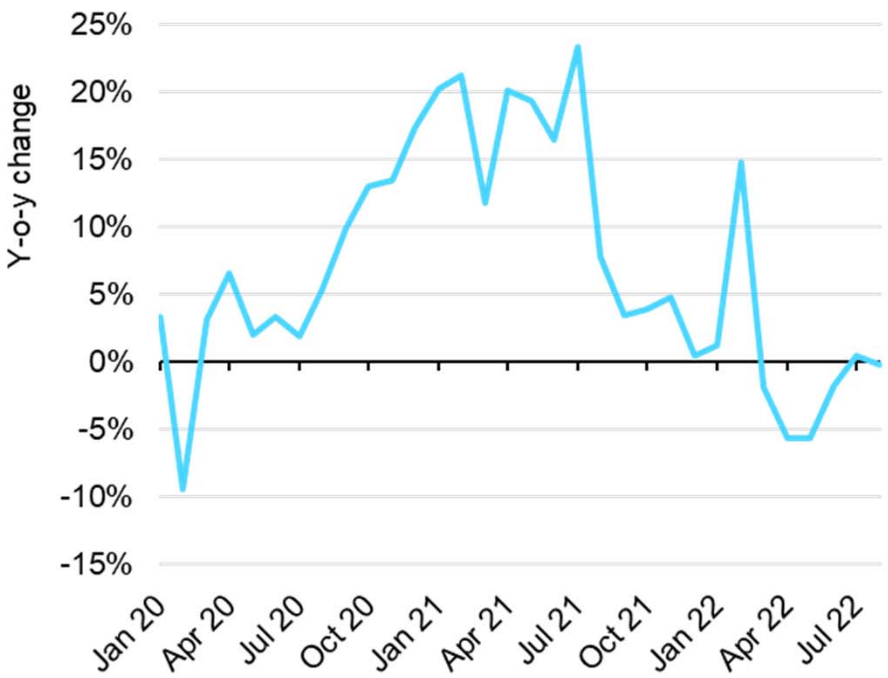
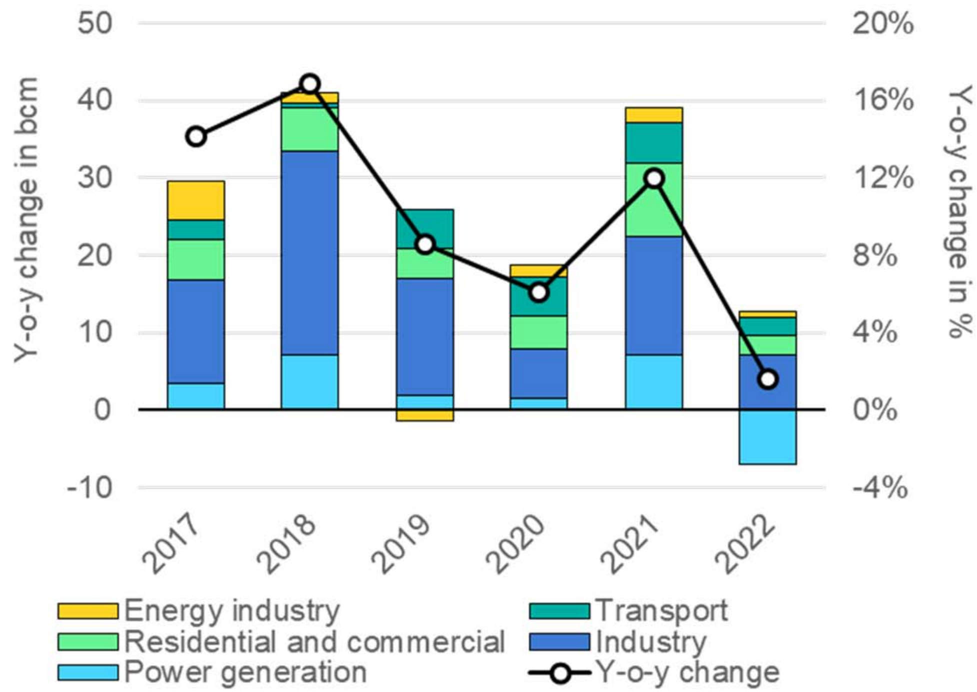
Weak Chinese demand provided relief for the European market

Monthly gas demand, China, 2020-2022



Annual gas demand, China, 2017-2022



China's gas demand is forecasted to increase by less than 2% in 2022, its lowest annual growth rate since the early 1990s.

Europe’s incremental supply needs drive LNG growth and tightness

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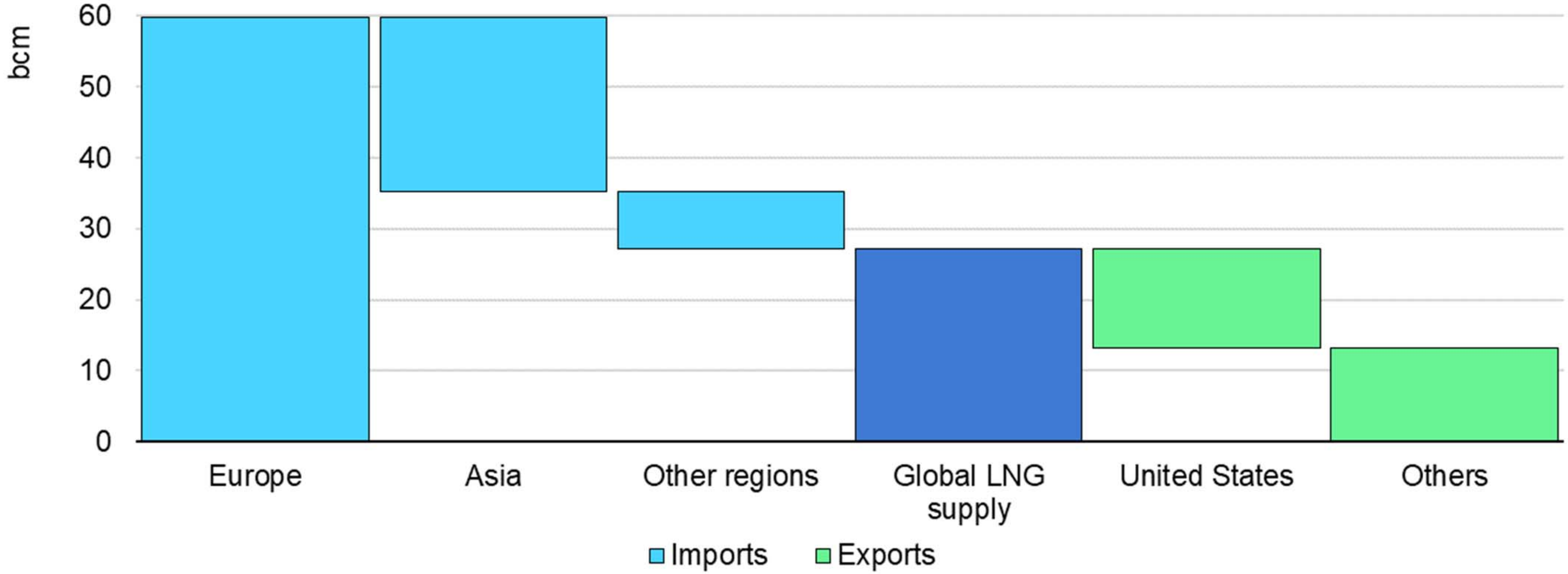

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Global gas growth turns negative in 2022 after a 4.5% jump in 2021

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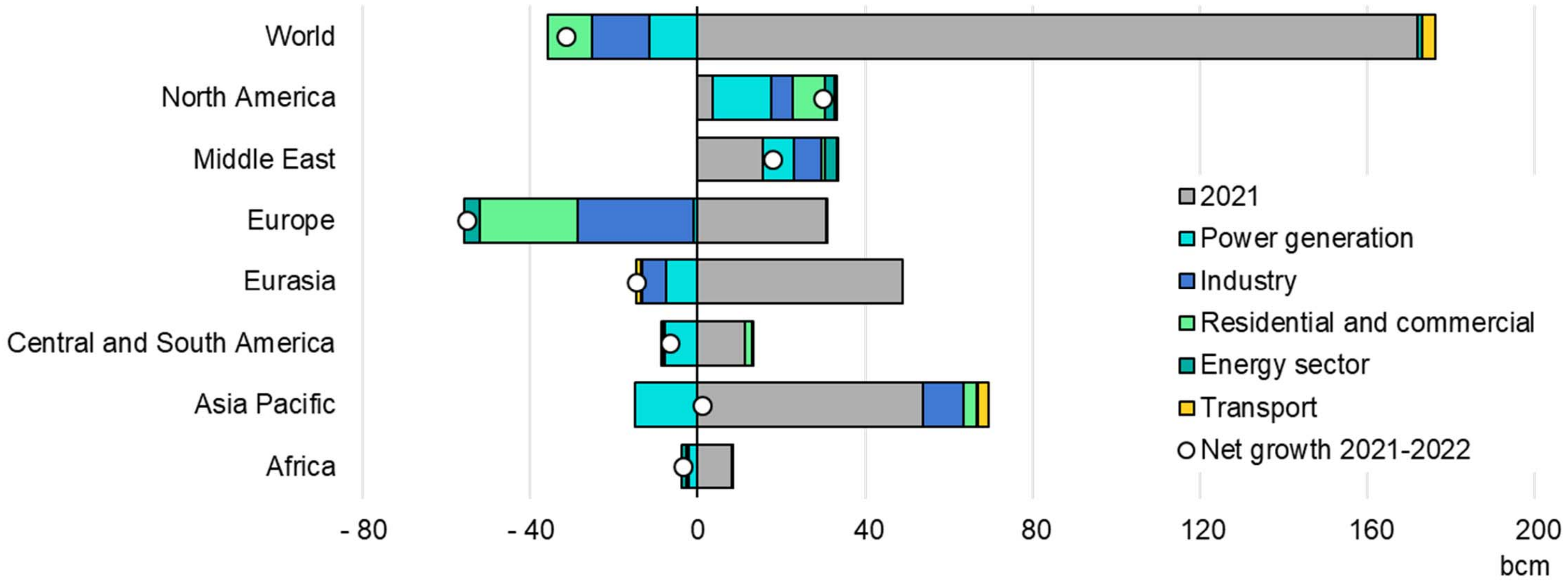

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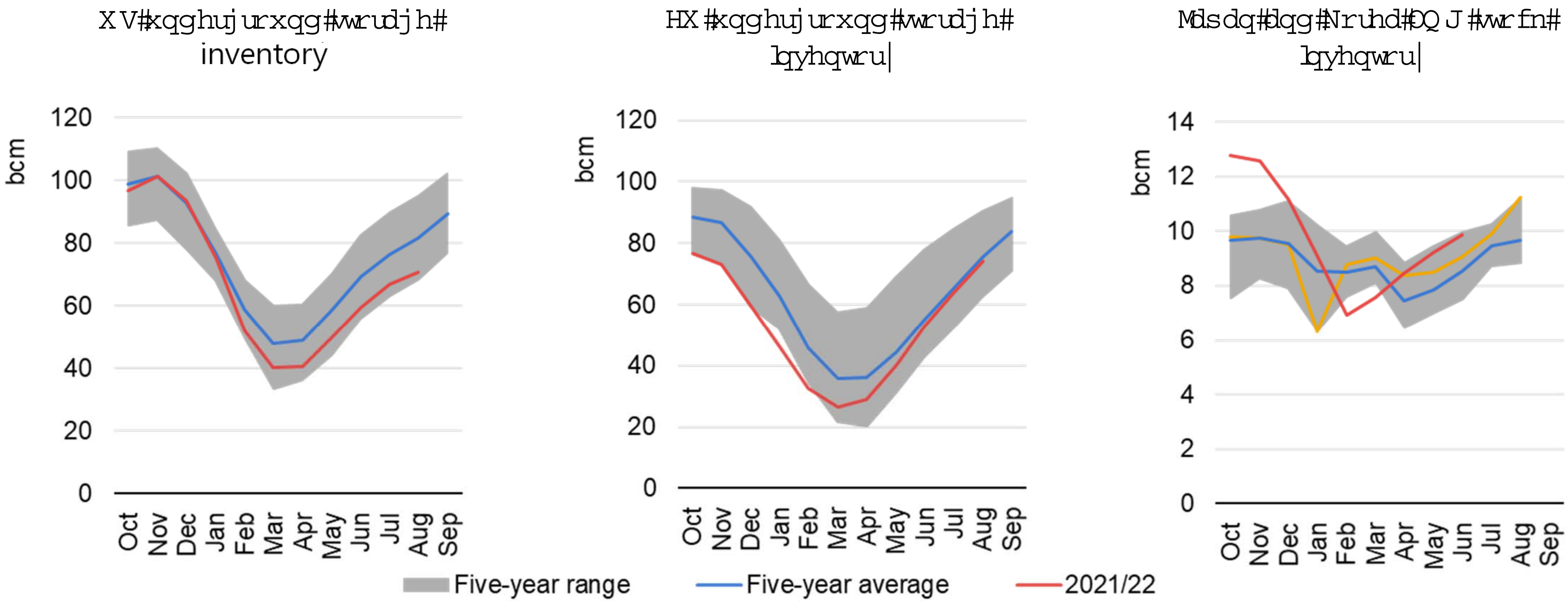
EU storage inventory is 90% full



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EU resilience analysis in case of a complete Russian pipeline cut from 1 Nov

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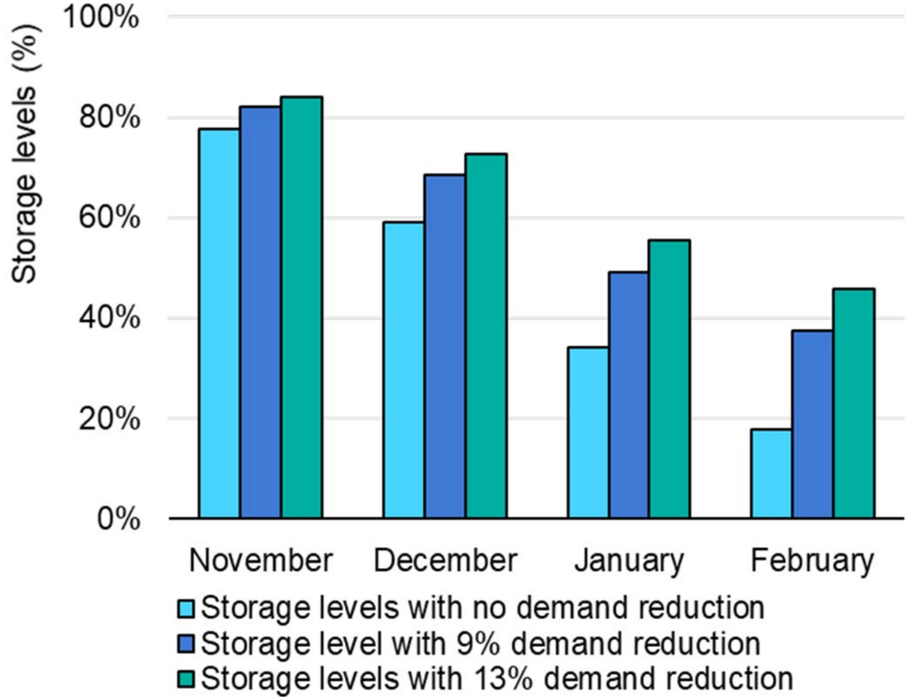

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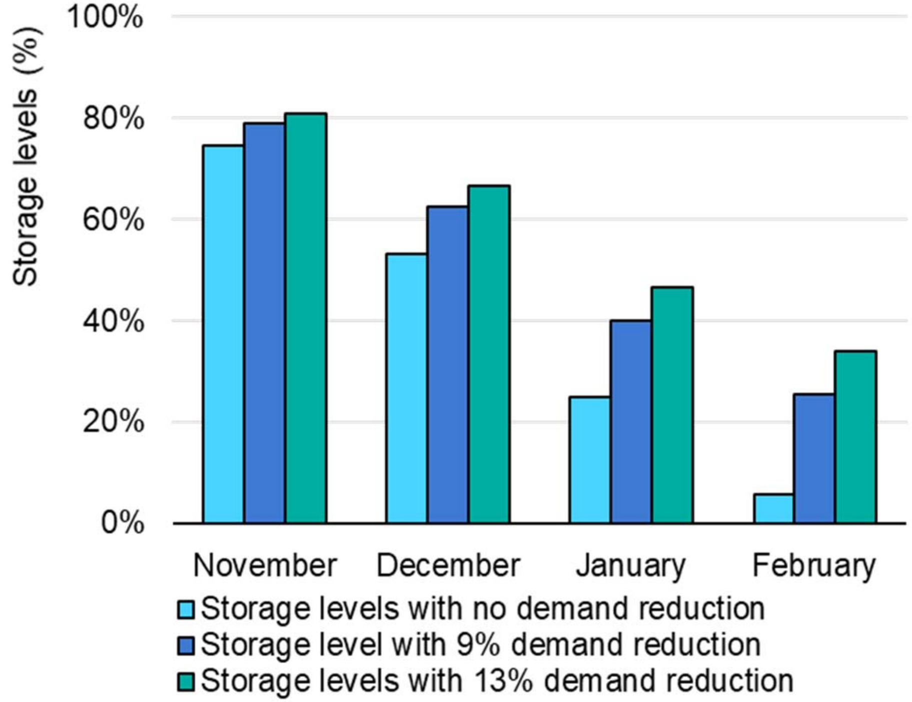

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Short-term growth comes to a halt, uncertainty limits growth potential to 2025

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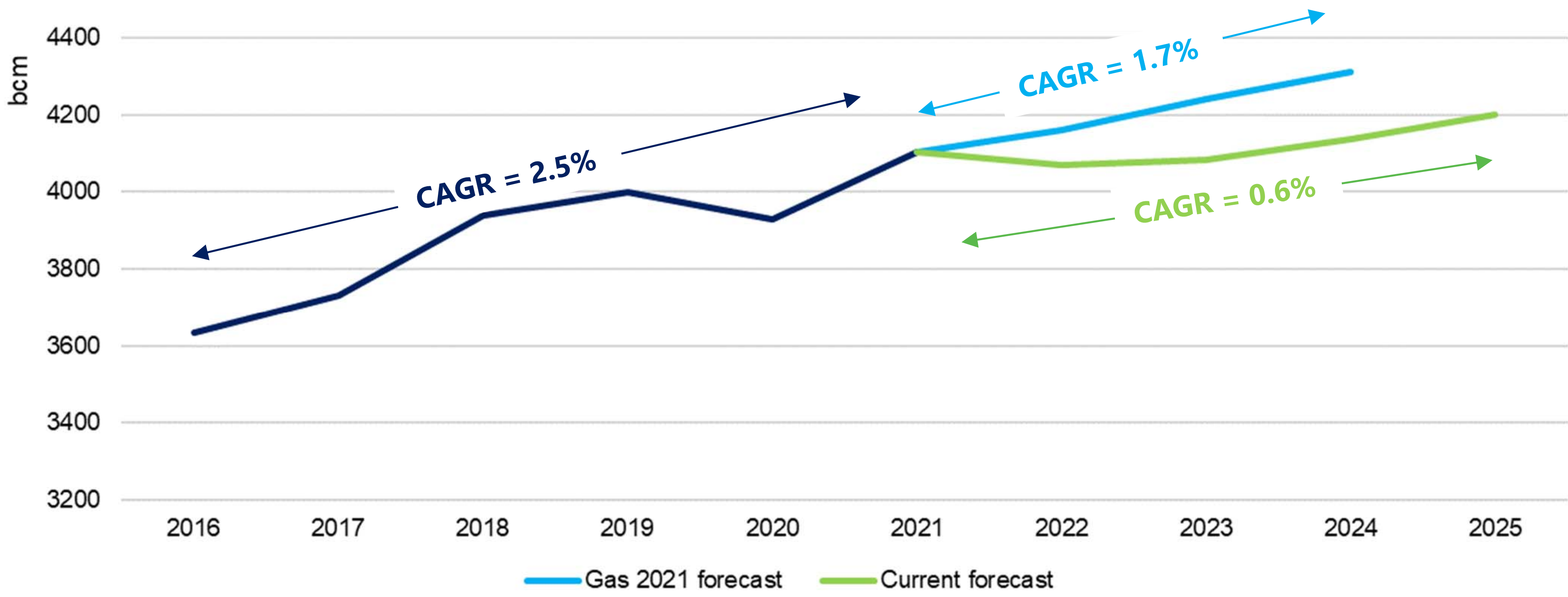

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Gas production growth to 2025 remains limited and concentrated

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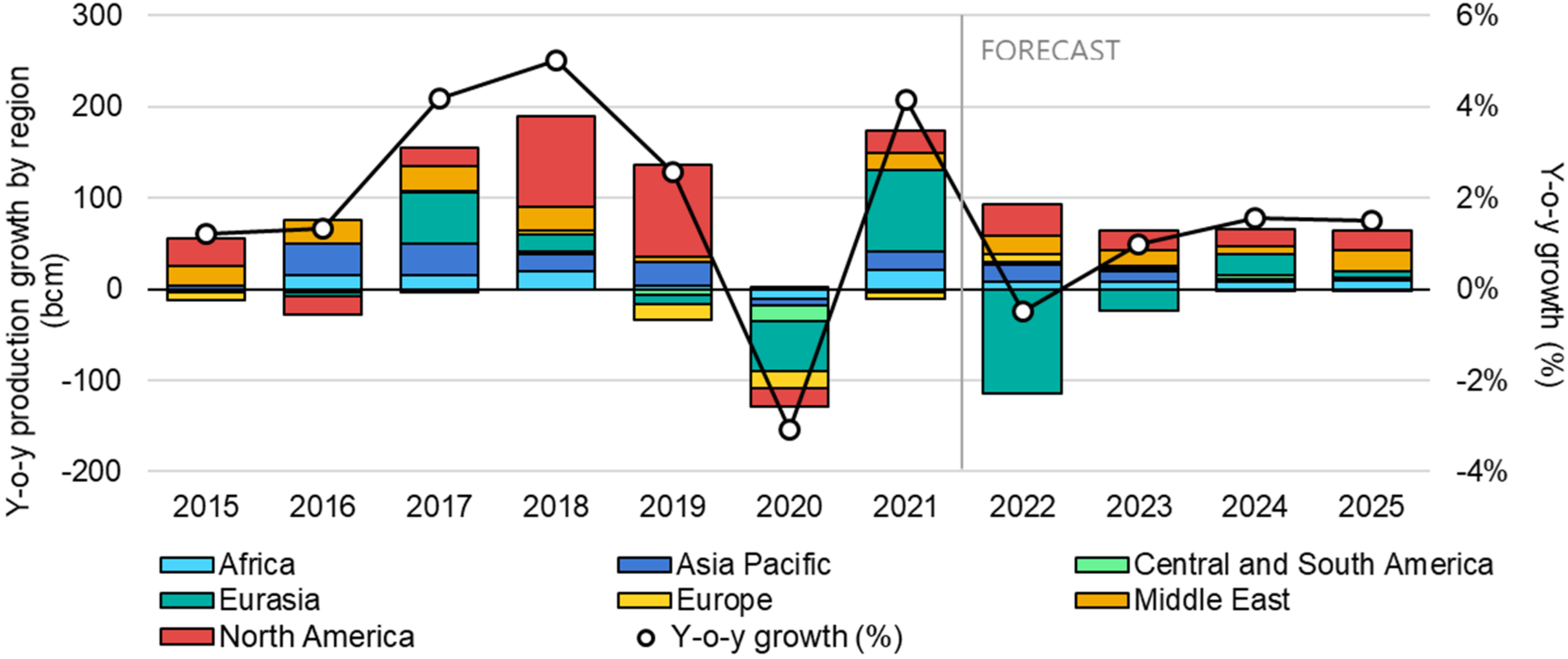

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LNG capacity additions provide limited medium-term support

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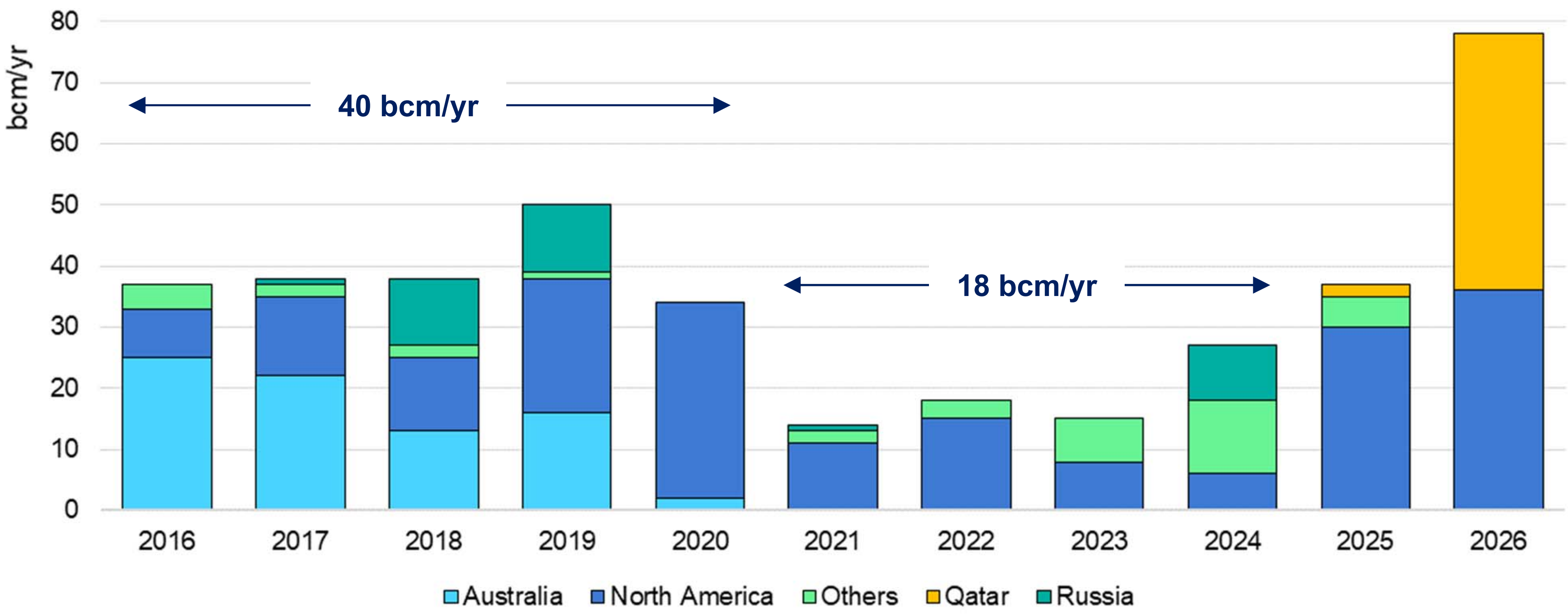

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Recent contracting trends present a shift to less flexible LNG supply

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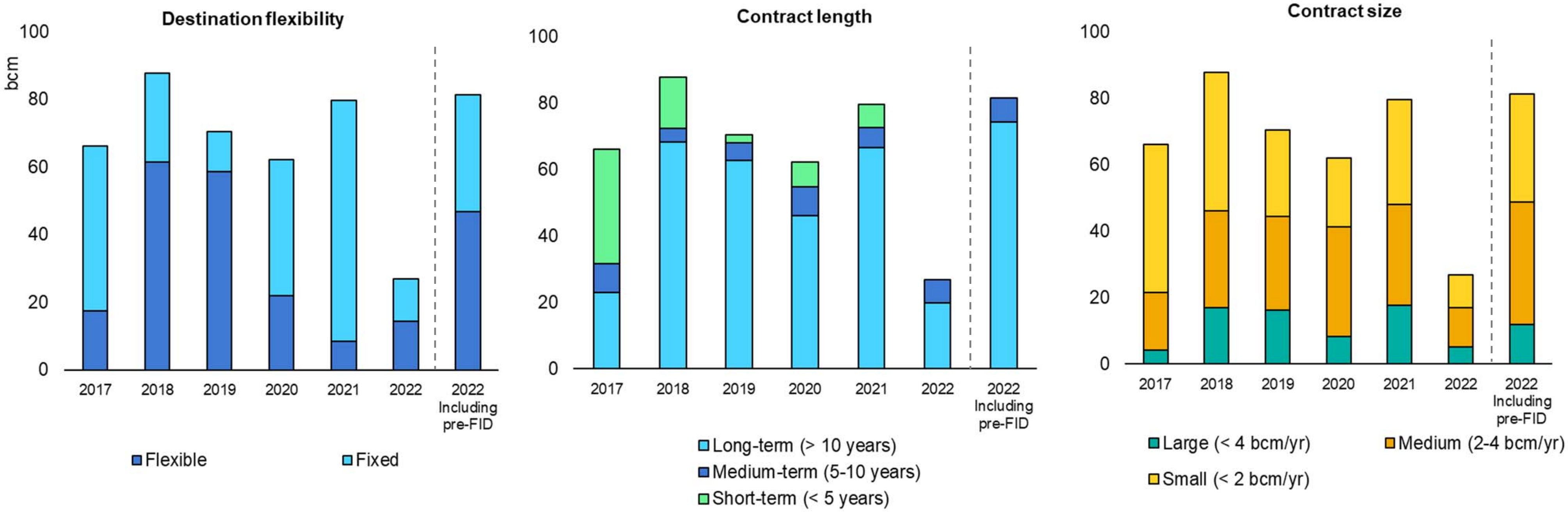

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Most of the FSRU-based projects are at risk in South & Southeast Asia

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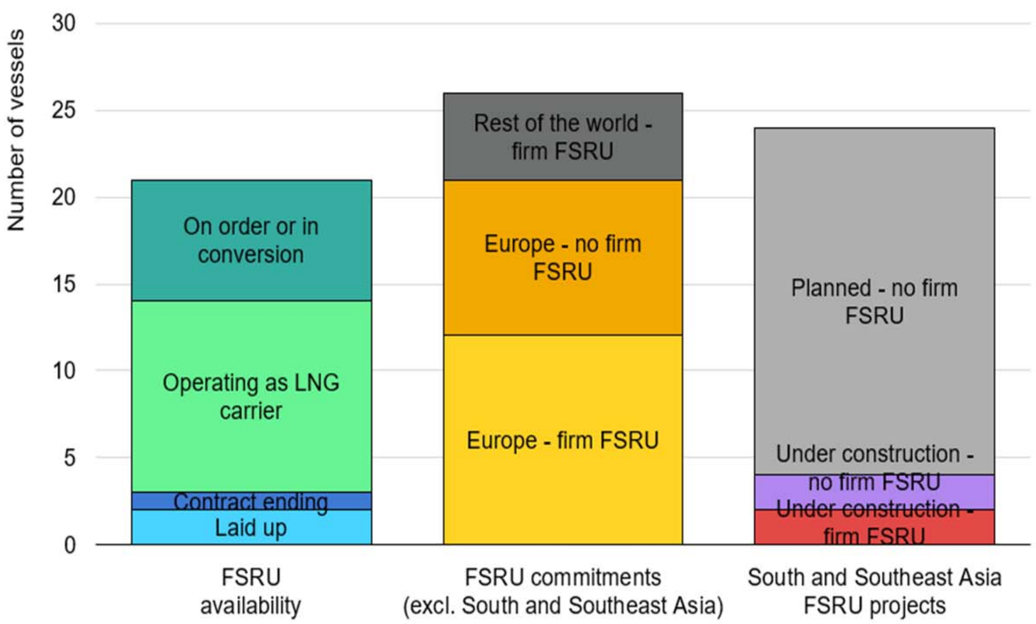

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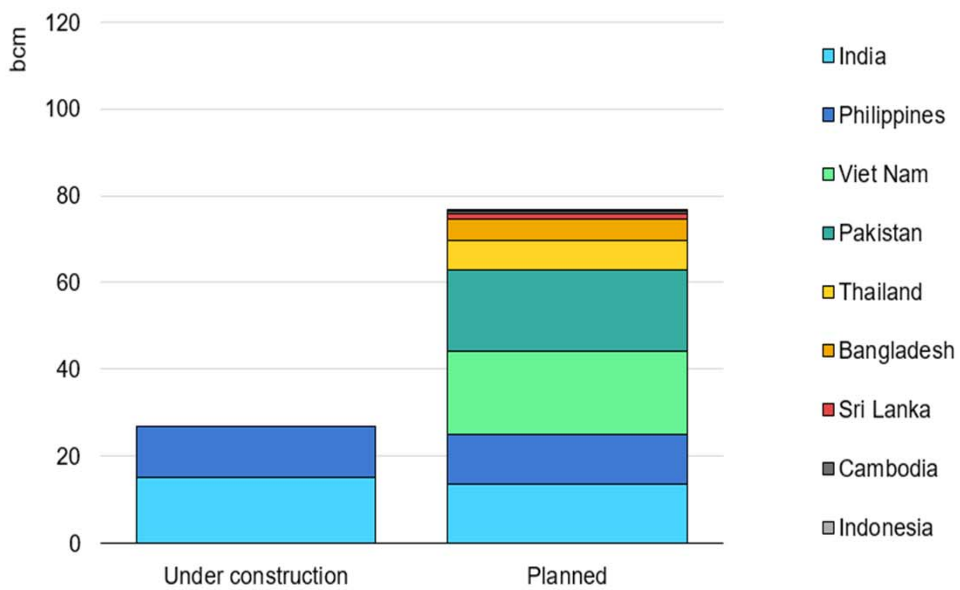

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Conclusions

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