



# Gas Market Report 2023-Q1

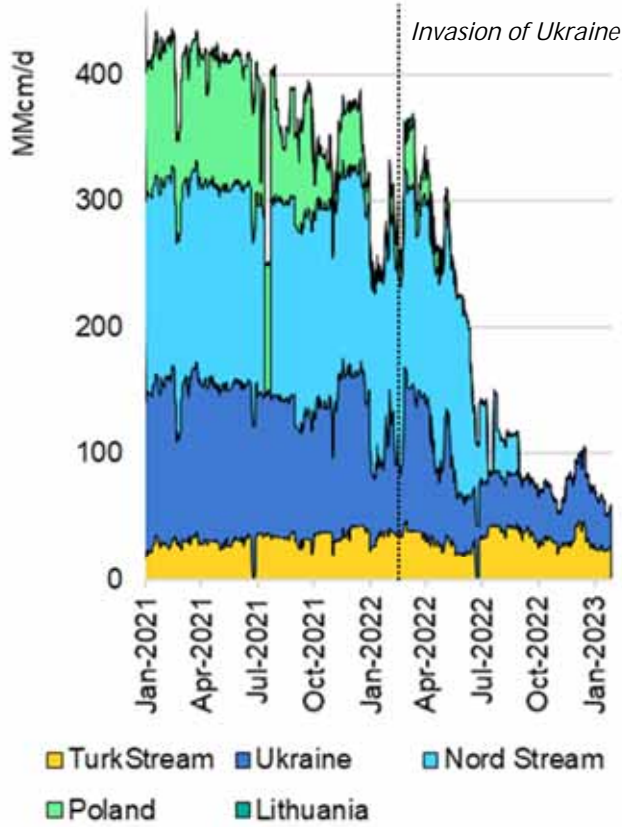
Jean-Baptiste DUBREUIL, Senior Natural Gas Analyst

Presentation to the Spanish Energy Club, 23 March 2023

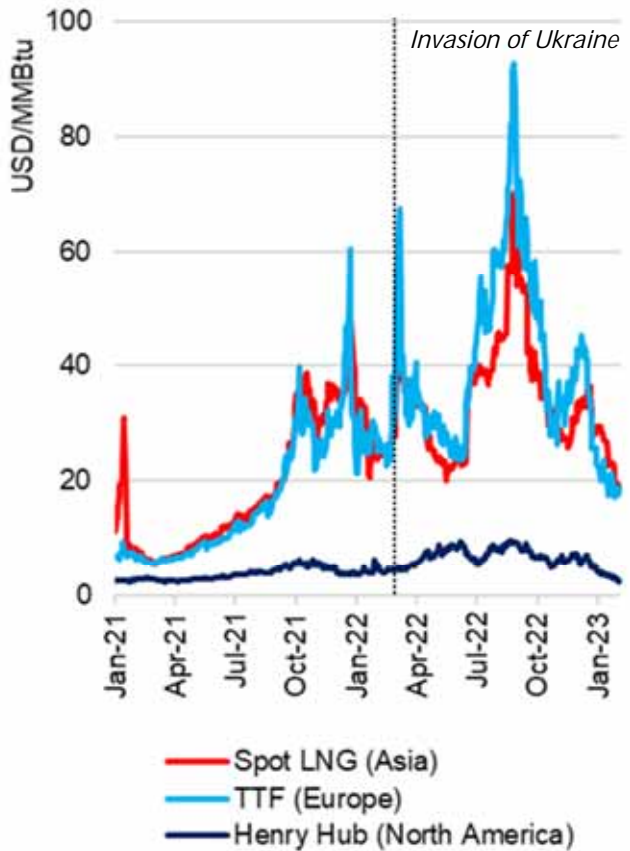
# Russia's invasion of Ukraine triggered a global natural gas crisis



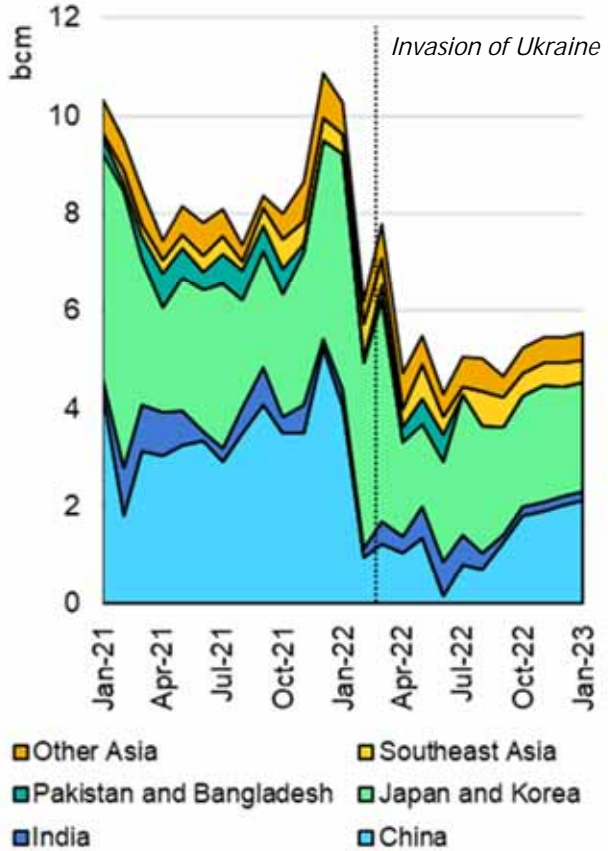
Russian pipeline gas deliveries to Europe, 2021-2023



Benchmark gas prices, 2021-2023



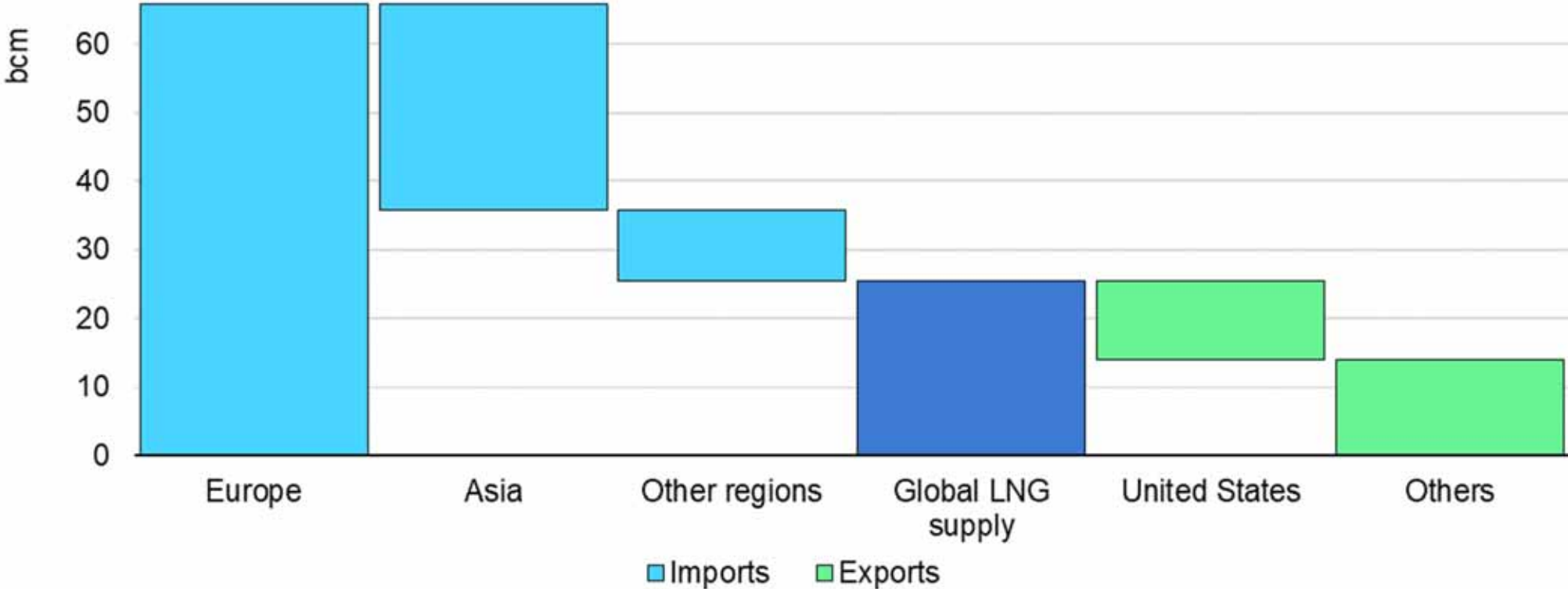
Asian spot LNG trade, 2021-2023



# Europe's incremental gas needs drove LNG growth and tightness

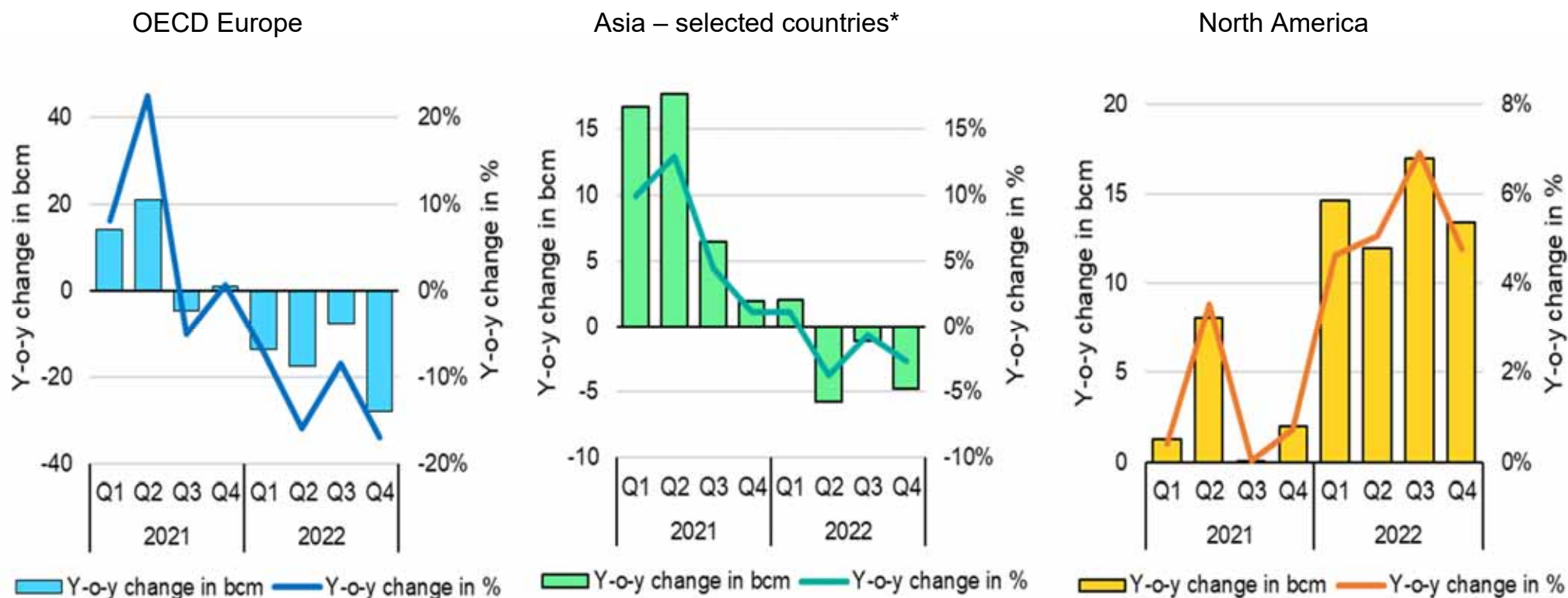


Global LNG balance, y-o-y change, 2021-2022



# High prices eroded gas demand across Europe and Asian markets

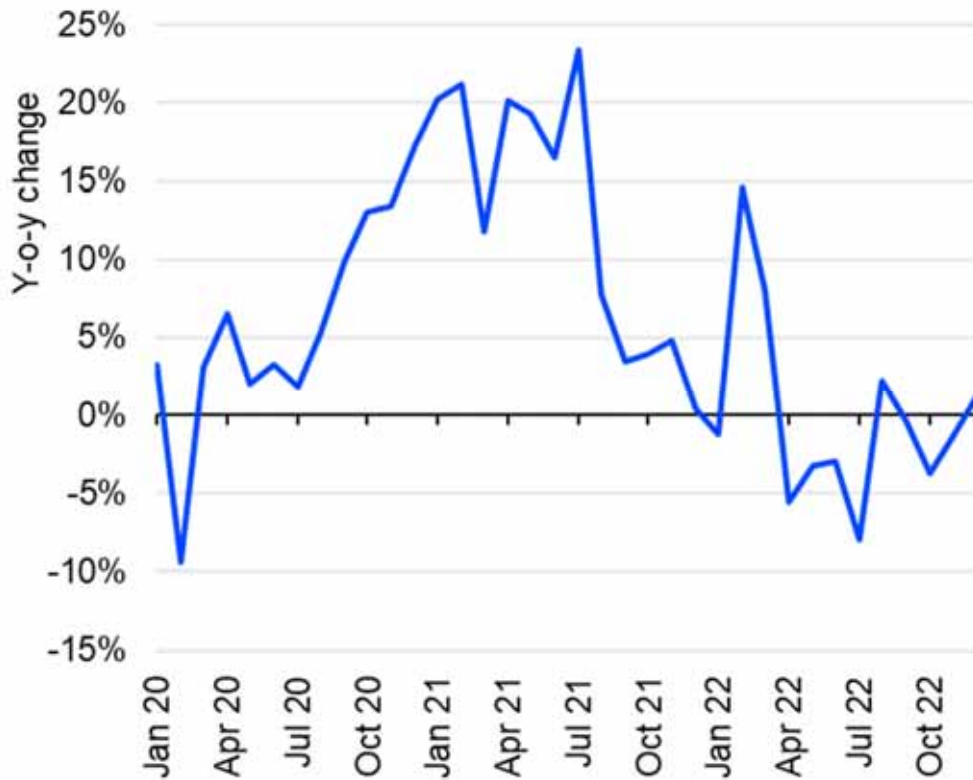
Estimated change in gas demand, selected regions, 2021-2022



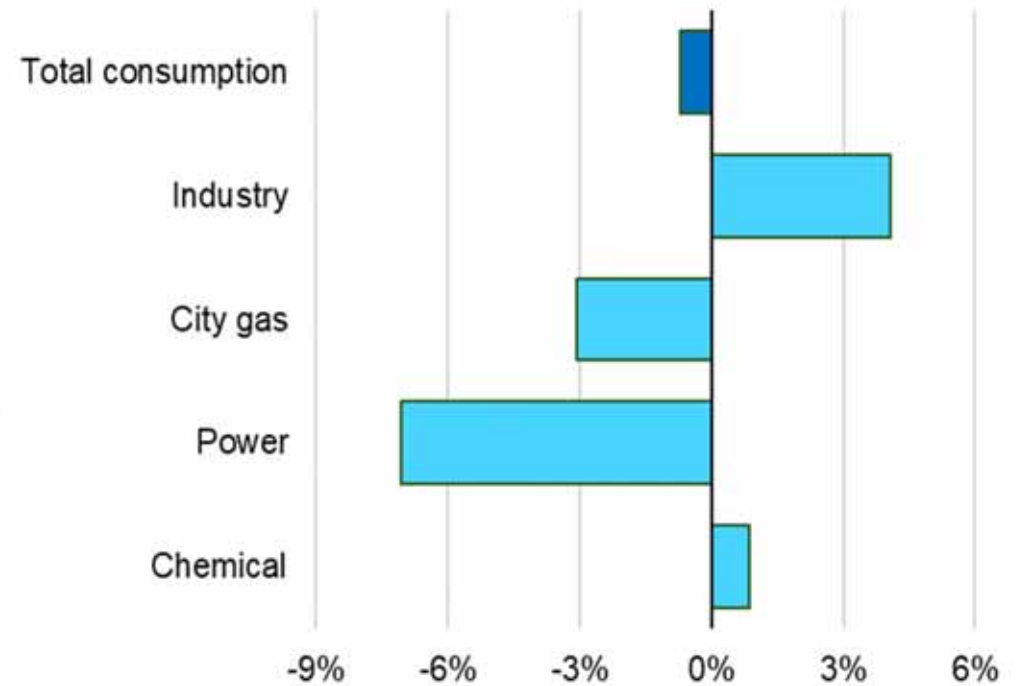
\*China, India, Indonesia, Japan, Korea and Thailand

# Weak Chinese demand provided relief to Europe's gas supply

Monthly gas demand y-o-y growth estimates  
China, 2020-2022



Gas consumption estimate in China  
y-o-y growth, 2022

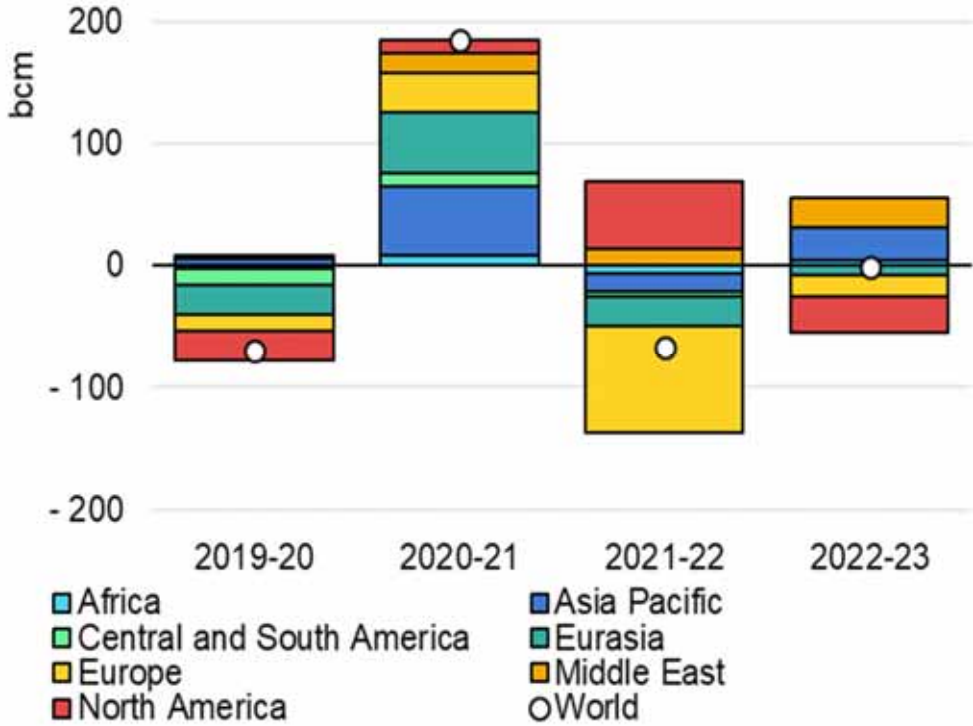


# Global gas growth turns negative in 2022, flat and uncertain for 2023

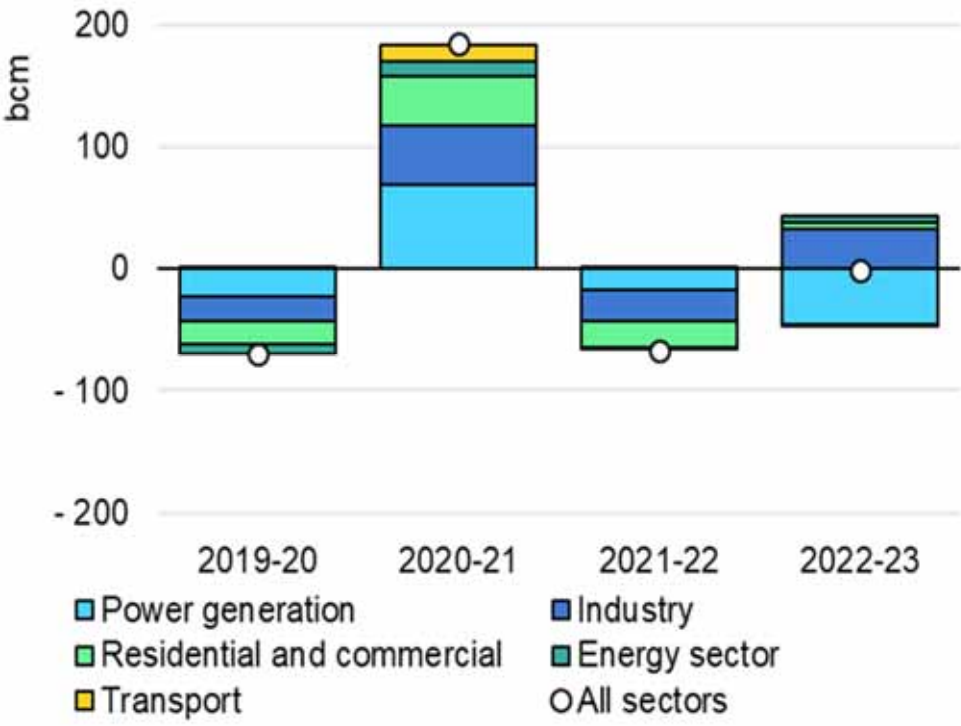


Global gas annual consumption growth, 2020-23

Breakdown by region



Breakdown by sector

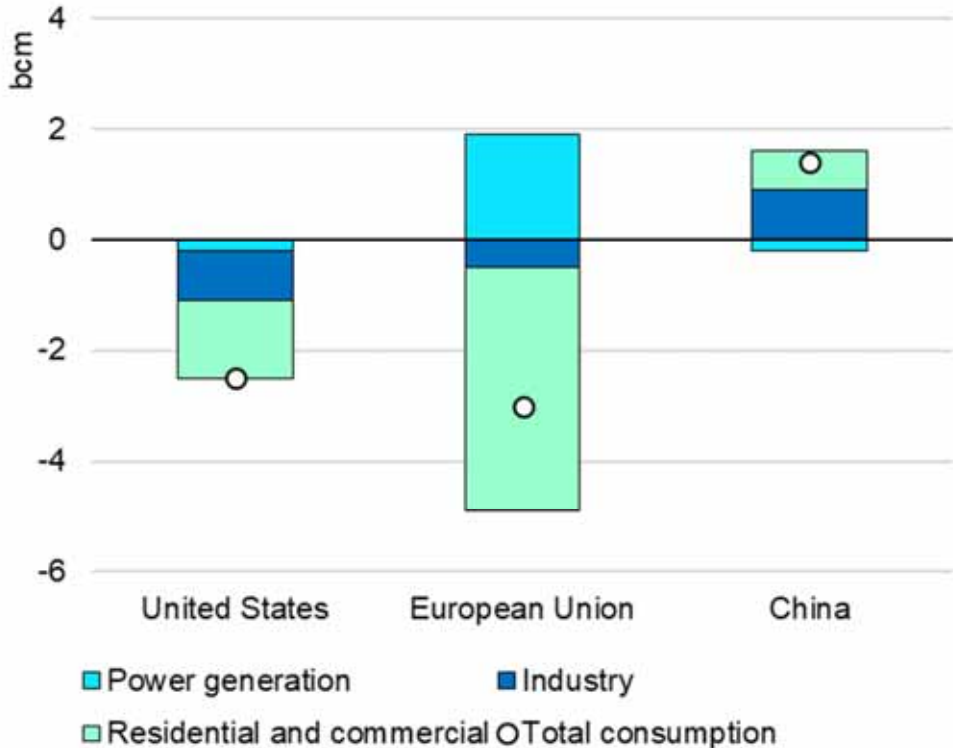


# Gas consumption declines in early 2023 on mild temperatures

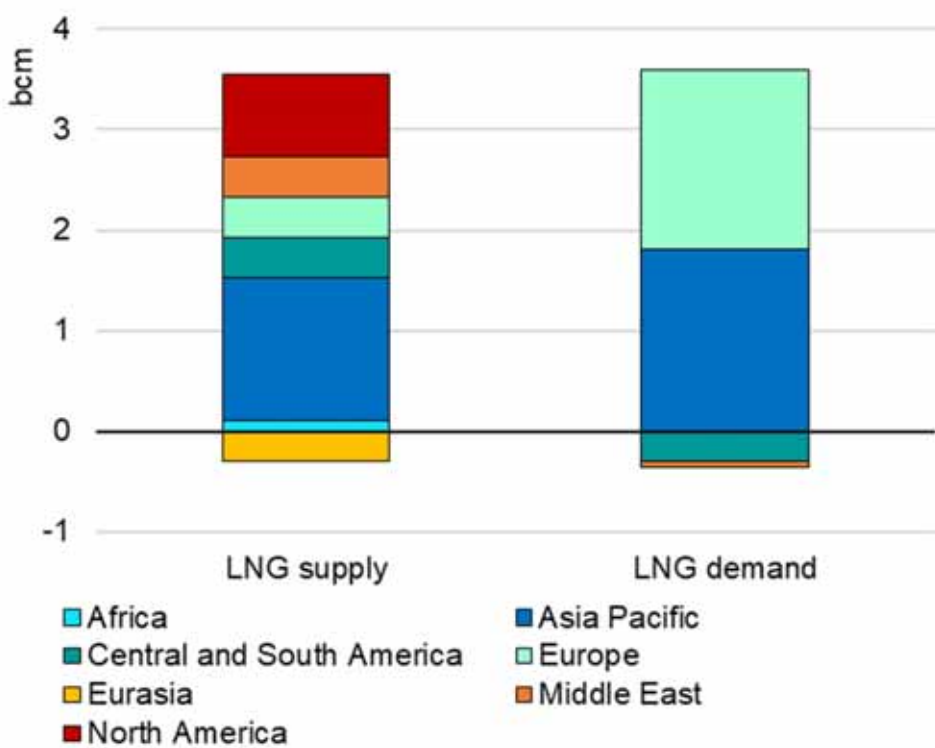


Estimated year-on-year change in gas consumption and LNG trade, February 2023

Consumption



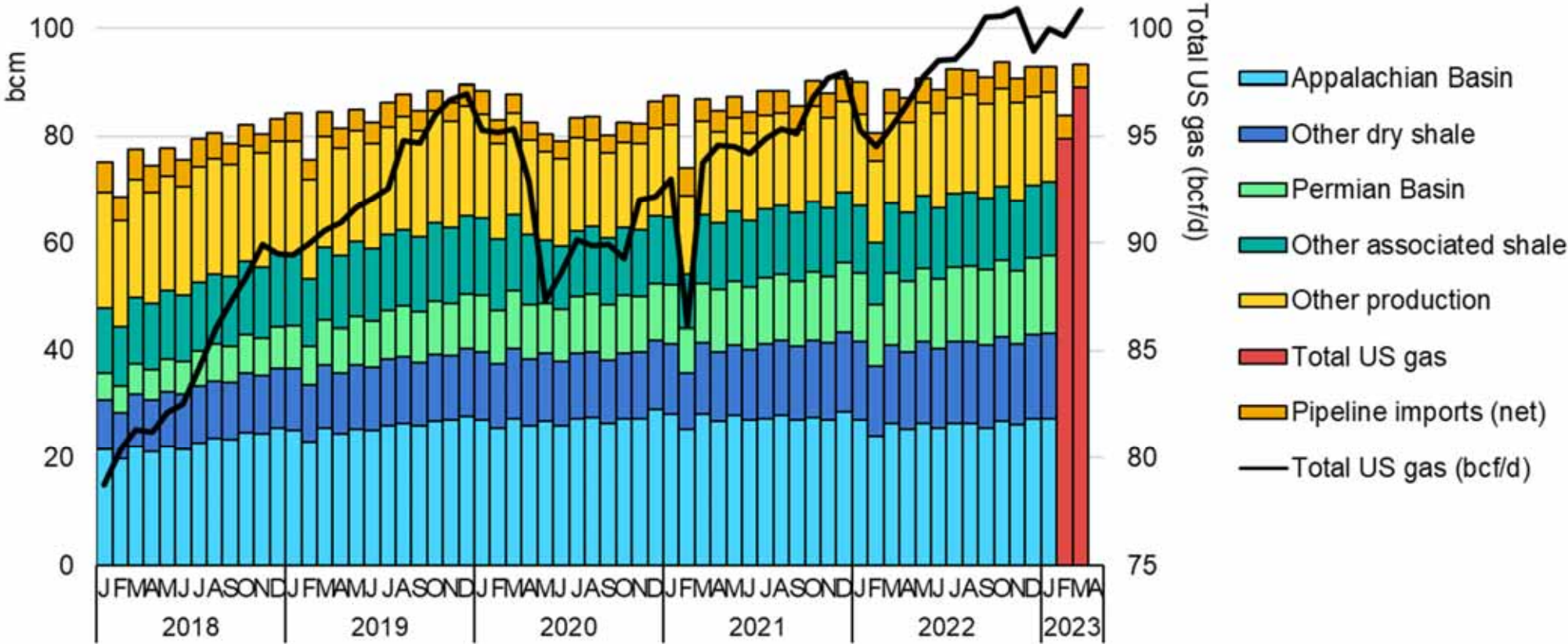
LNG trade



# US production remains strong in spite of limited developments



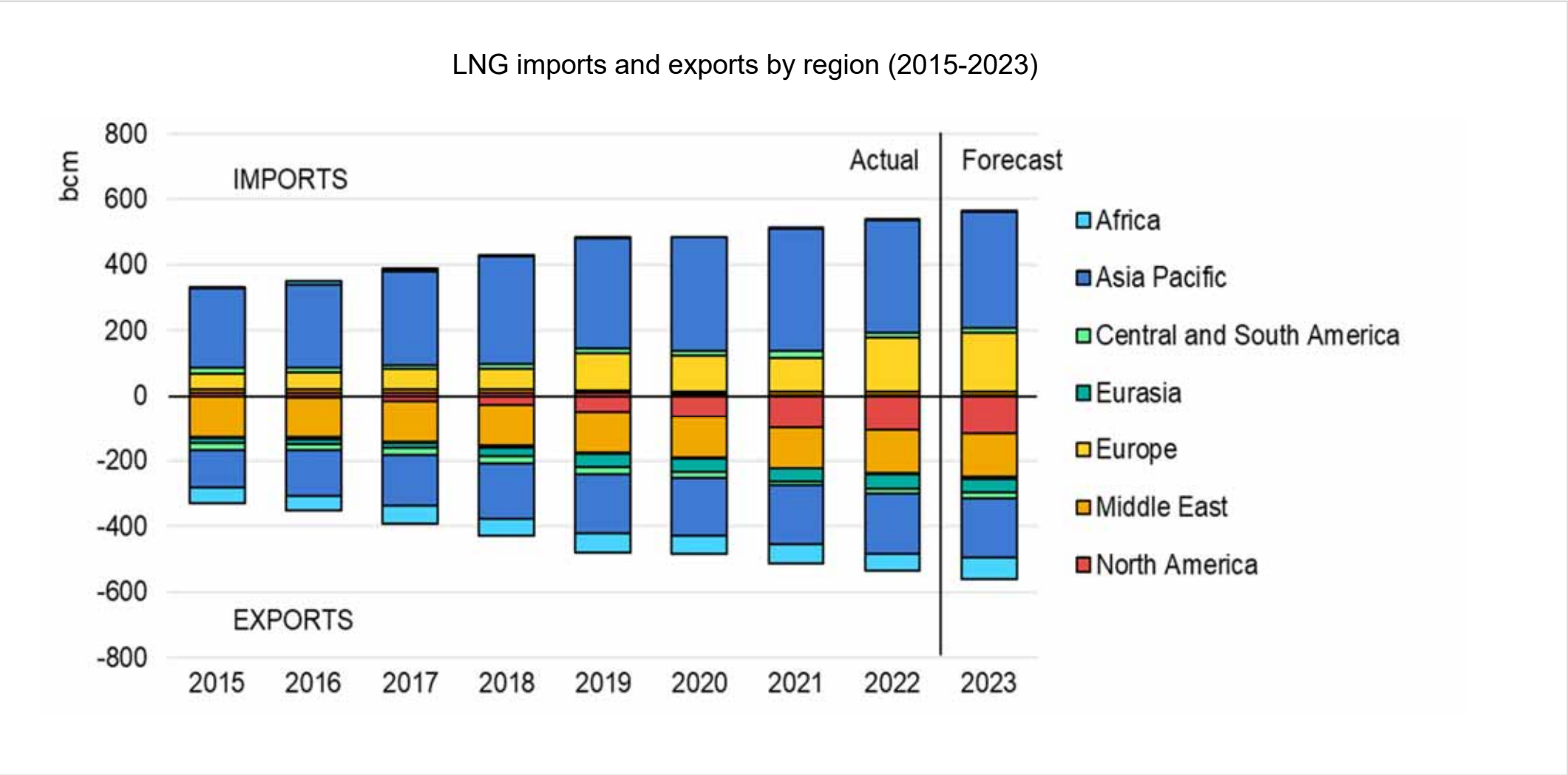
Estimated year-on-year change in gas consumption and LNG trade, February 2023



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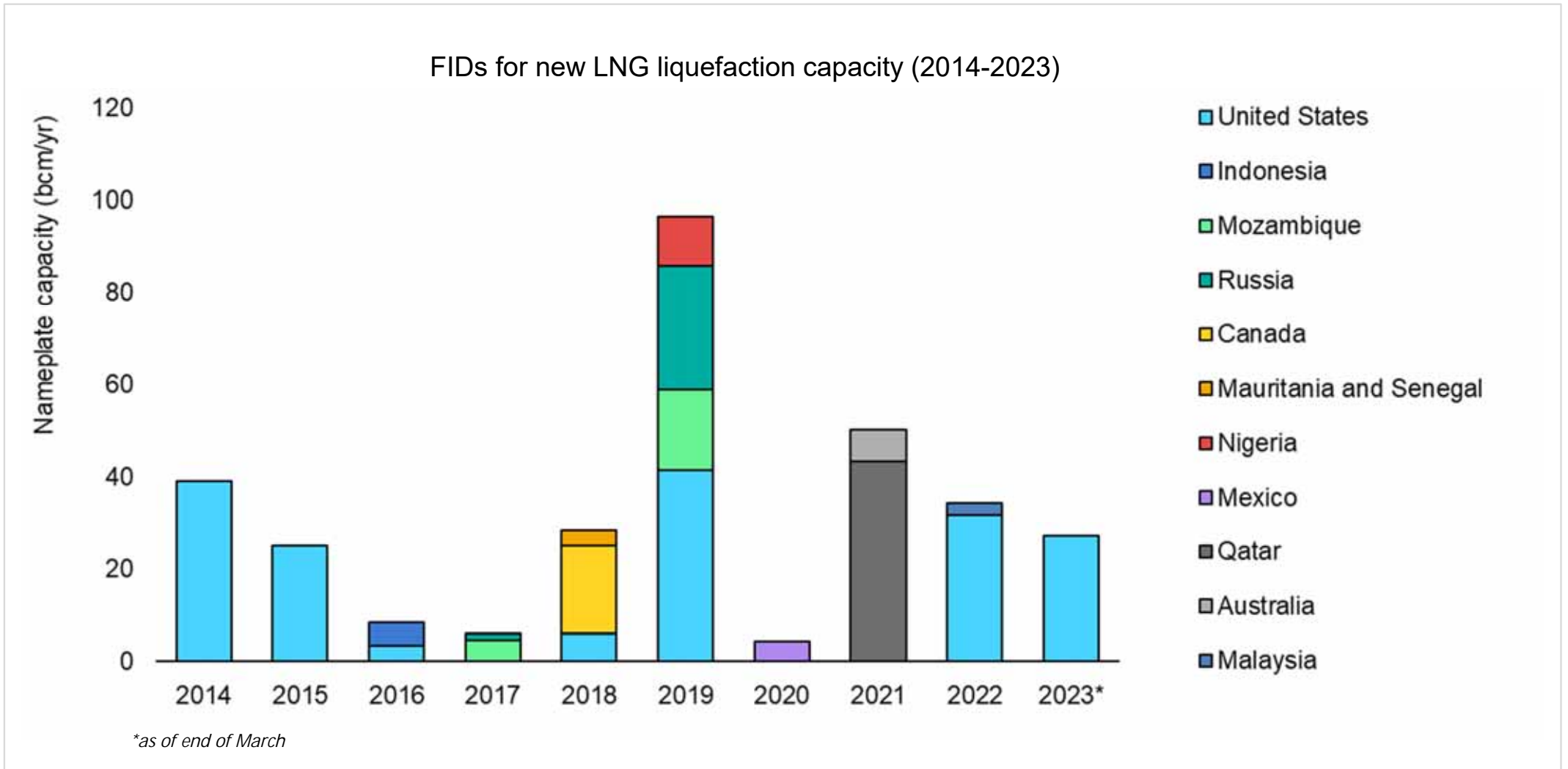


# Global LNG trade growth is expected at 4.3% in 2023

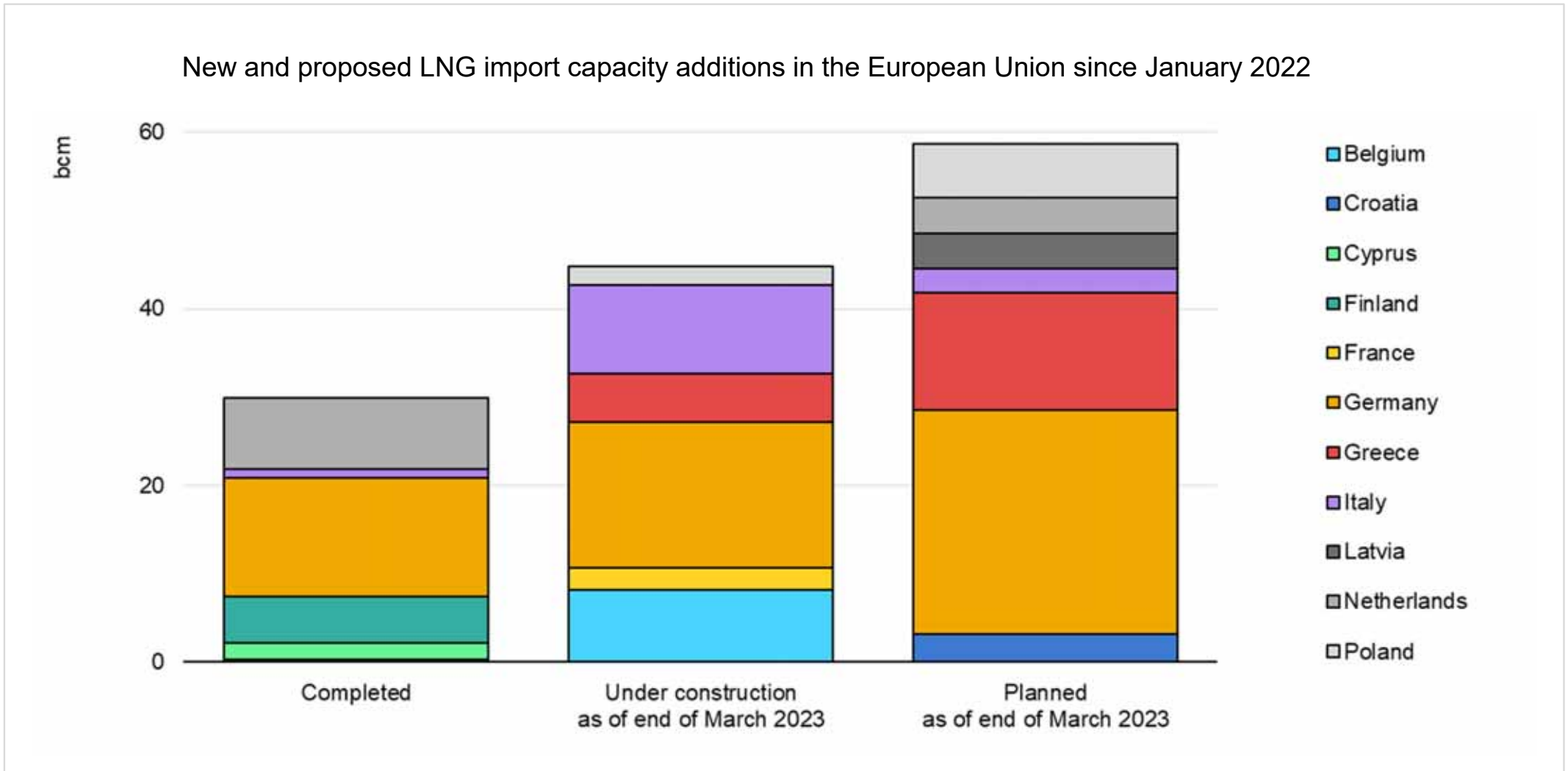


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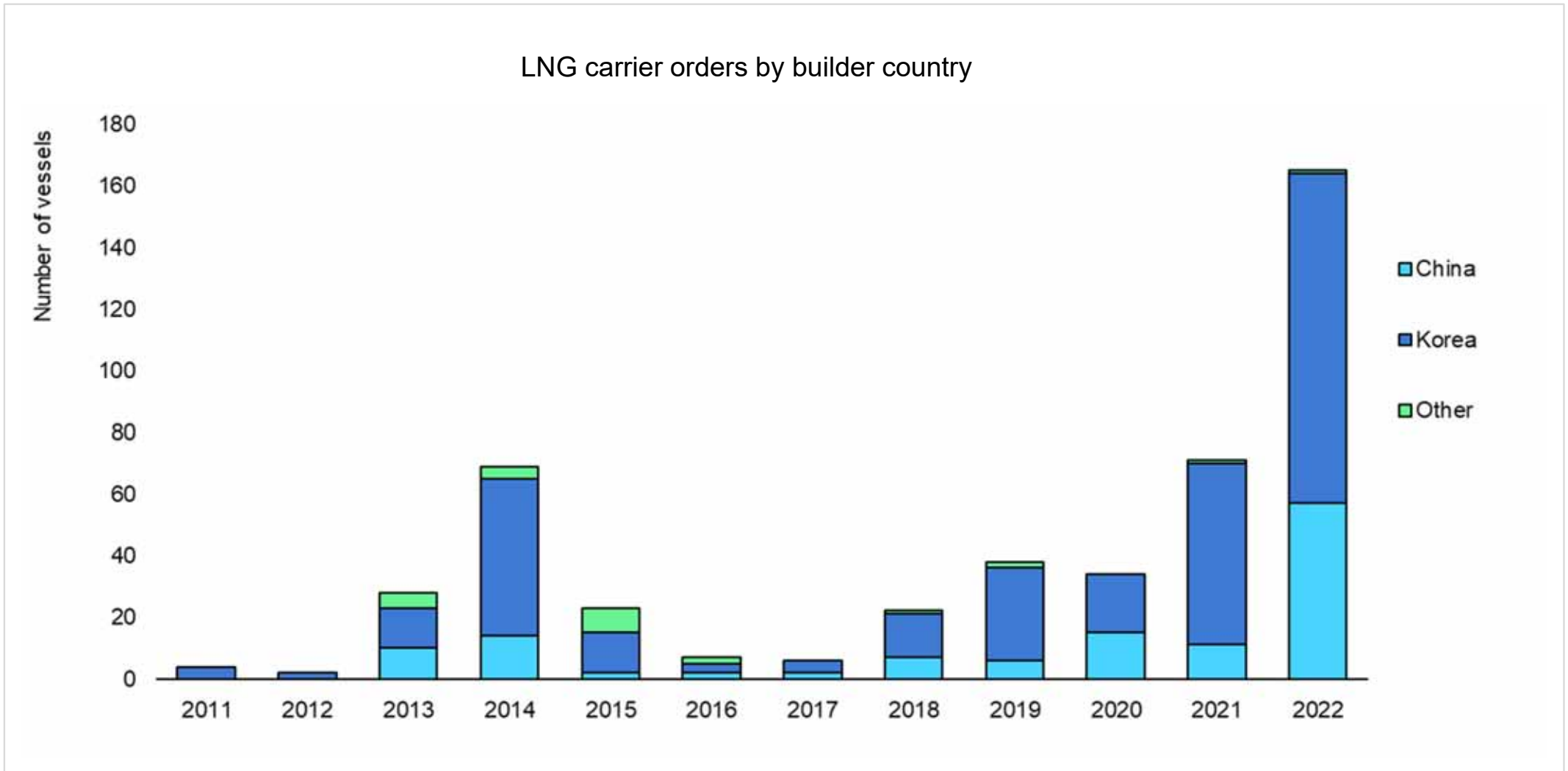
# The wave of FIDs did not happen in 2022, but 2023 shows some strong start



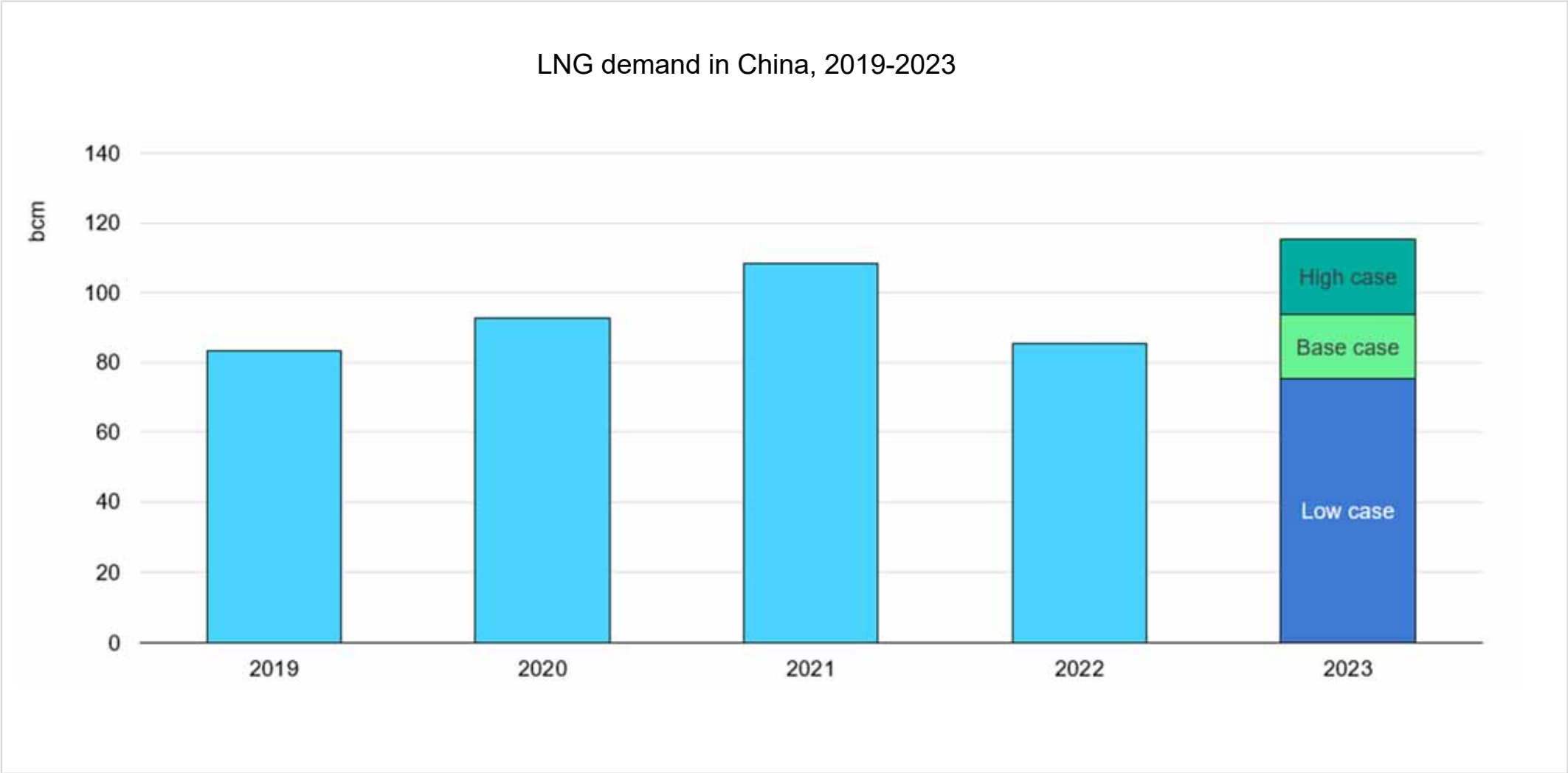
# Interest in new LNG import infrastructure has surged within the EU



# Chinese shipyards accounted for more than a third of orders in 2022

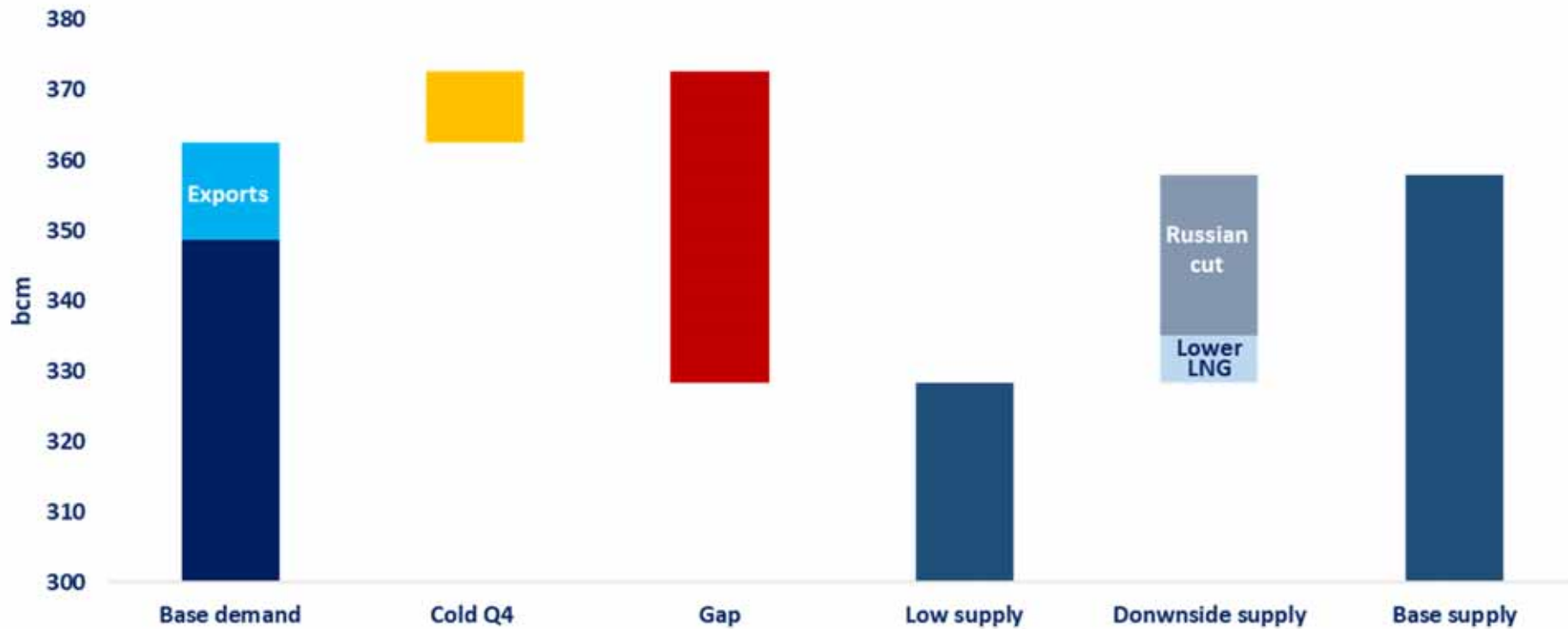


# China's LNG demand is a major uncertainty for 2023



# Stress test for the European gas market in 2023

Potential natural gas balance of the European Union in 2023 in case of full cessation of Russian flows, limited LNG availability and cold Q4 2023



# Four key policy measures to mitigate exogenous risks in 2023



1

**Reduce natural gas demand in a structural manner** through improving energy efficiency, continued expansion of renewables power generation, deployment of heat pumps and behavioural changes.

2

**Optimise the use of existing infrastructure and implement the remaining gas infrastructure priority project needs** in the European Union, by taking into consideration changing gas supply patterns and avoiding carbon lock-in effects.

3

**Enhance solidarity with the Eastern neighbours of the European Union**, including on gas and energy supply security.

4

**Enhance market transparency and facilitate data exchange on energy supply security among IEA members and likeminded countries** by establishing a closer and more regular dialogue between responsible energy producers and consumers.