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Discussion on Global Energy Landscape in Qatar, A Global LNG Superpower

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On December 10–11, I had the opportunity to visit Doha, Qatar, and engage in discussions with experts and stakeholders in the energy industry in the country. Notably, on December 11, I participated as a panelist in the Doha Energy Roundtable, where we exchanged views on the energy situation in the Middle East and global energy dynamics from a Middle Eastern perspective.

This Roundtable, co-hosted by Georgetown University Qatar and the Baker Institute for Public Policy at Rice University, was convened under the theme *"Geopolitics and the Energy Transition in the Middle East: Investment Pathways amid Uncertainty."* The conference featured three sessions: *"Global LNG Outlook," "Regional Energy Sector Expansions,"* and *"Technology and the Energy Transition."* Approximately 30 participants, primarily from the Middle East but also from Europe and the United States, engaged in lively panel discussions. Below, I summarize the key points and personal takeaways that left a strong impression during the event.

First and foremost, I was struck by Qatar's profound interest in the outlook and challenges of the global LNG market as the country enters a new era of large-scale LNG expansion. As I noted in the previous issue of my essay series *"A Japanese Perspective on International Energy Landscape"* (No. 771), the global LNG market is expected to grow substantially toward 2030, driven by significant supply increases. The largest expansion will occur in the United States, where current production capacity—approximately 100 million tons—could nearly double. Following this, Qatar will spearhead another major expansion. Based on planned projects, Qatar's LNG production capacity is projected to rise from the current 78 million tons to 142 million tons, an increase of 64 million tons.

In the United States, where the largest increase in LNG supply capacity is anticipated, numerous private enterprises are independently launching a substantial number of LNG projects. Collectively, these initiatives are expected to add nearly 100 million tons of LNG supply capacity. While it is true that President Trump has emphasized LNG from the perspective of U.S. national interests and has actively supported its development, LNG projects in the United States are fundamentally advanced as "private-sector ventures." In contrast, Qatar's approach differs markedly. Although international oil companies (IOCs) and state-owned enterprises from countries like China participate as investors in Qatari projects, the overall LNG development strategy is primarily led by QatarEnergy, the state-owned enterprise. This underscores a defining characteristic of Qatar's LNG expansion: it is pursued under Qatari national strategy. This state-driven model represents a significant distinction from the U.S. LNG development paradigm.

Furthermore, the feed gas for Qatar's LNG originates from the North Field, which boasts the largest proven reserves in the world. As a result, Qatari LNG is widely regarded as among the most cost-competitive globally. In addition, Qatar is geographically well-positioned as a relatively proximate supply source for the Asian markets—such as India and ASEAN—where LNG demand growth is

expected to be most pronounced in the coming years. Given these distinctive advantages and strengths, Qatar's entry into a major phase of LNG expansion is certain to exert a profound impact on the global LNG market.

Since 2020, as the world accelerated its pursuit of carbon neutrality, there was a period when natural gas and LNG—being fossil fuels—faced heightened uncertainty and concern regarding their future role. However, from my perspective, Qatar consistently maintained confidence in the long-term prospects of LNG and, in particular, remained steadfast in its belief in the inherent strengths of its own LNG resources. More recently, expectations for LNG's role within the extended global energy transition have resurged. It is reasonable to assume that Qatar, having preserved a firm strategic position on LNG throughout this period, now finds its confidence further reinforced by these global developments.

At the same time, Qatar now faces the reality of a substantial expansion in U.S. LNG supply. This situation likely prompts Qatar to undertake a comprehensive analysis of the global LNG market outlook, identify emerging challenges, and formulate appropriate countermeasures. For instance, while expectations for LNG demand growth in Asian markets have risen significantly, considerable uncertainty remains regarding the extent to which such growth will materialize in concrete terms. Broadly speaking, there appears to be consensus among market participants that increased supply from the United States and Qatar will exert downward pressure on LNG prices, thereby stimulating new demand. However, the precise price threshold at which demand activation becomes evident—and the degree to which such price-driven stimulus will translate into sustained demand growth—remains unclear. During the recent discussions in Qatar, I found the heightened interest in these issues particularly noteworthy and intellectually stimulating.

The future trajectory of China's LNG import demand—the largest in the world—was also highlighted during the Roundtable as an area fraught with uncertainty from multiple perspectives. Fundamental questions remain regarding the role of natural gas within China's overall energy mix and, more specifically, the position of LNG within its gas supply portfolio. These factors will significantly shape future LNG demand. The outlook for coal, which remains China's dominant energy source and benefits from abundant domestic reserves, as well as the trajectory of renewable energy—whose rapid expansion has been driving global trends—will critically influence the role of gas. From the standpoint of energy security, domestic gas production will continue to be prioritized, followed by pipeline gas imports from Central Asia. Prospects for expanded pipeline gas flows from Russia—such as the future of the *Power of Siberia 2* project—will be determined largely by Sino-Russian energy geopolitics, and these developments will have a profound impact on China's LNG import requirements. Furthermore, China's strategic posture toward U.S. LNG, which represents a key competitor to Qatari supply, will exert considerable influence on demand for Qatari LNG. These issues will remain matters of paramount interest/concern for Qatar in the years ahead.

I also observed considerable interest in Japan, which represents another major LNG market following China. A key topic of discussion at the Roundtable was how to interpret the policies and energy mix outlined in Japan's Seventh Strategic Energy Plan, and what these imply for the future of LNG demand in Japan. Under the "ideal scenario" presented in the plan, Japan's LNG demand is projected to decline; however, under the alternative "Plan B," LNG demand is expected to increase in the future. The contrasting visions offered by these scenarios attracted significant attention, particularly regarding how they should be understood.

In addition to developments in renewable energy and nuclear power, the recent discussions also

revealed a strong interest in the potential of innovative clean fuels such as hydrogen and ammonia. Although various initiatives have been undertaken in the Middle East to advance the supply and production of these innovative clean fuels, their high cost has made securing off-takers difficult, leaving market development largely stagnant. Under these circumstances, expectations for LNG's role have been reinforced, a point that attracted considerable attention. Conversely, amid this market stagnation, Japan's efforts to establish concrete markets—such as through the introduction of Contract for Difference schemes—were met with significant interest, a fact that I found particularly meaningful during the discussions.

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