

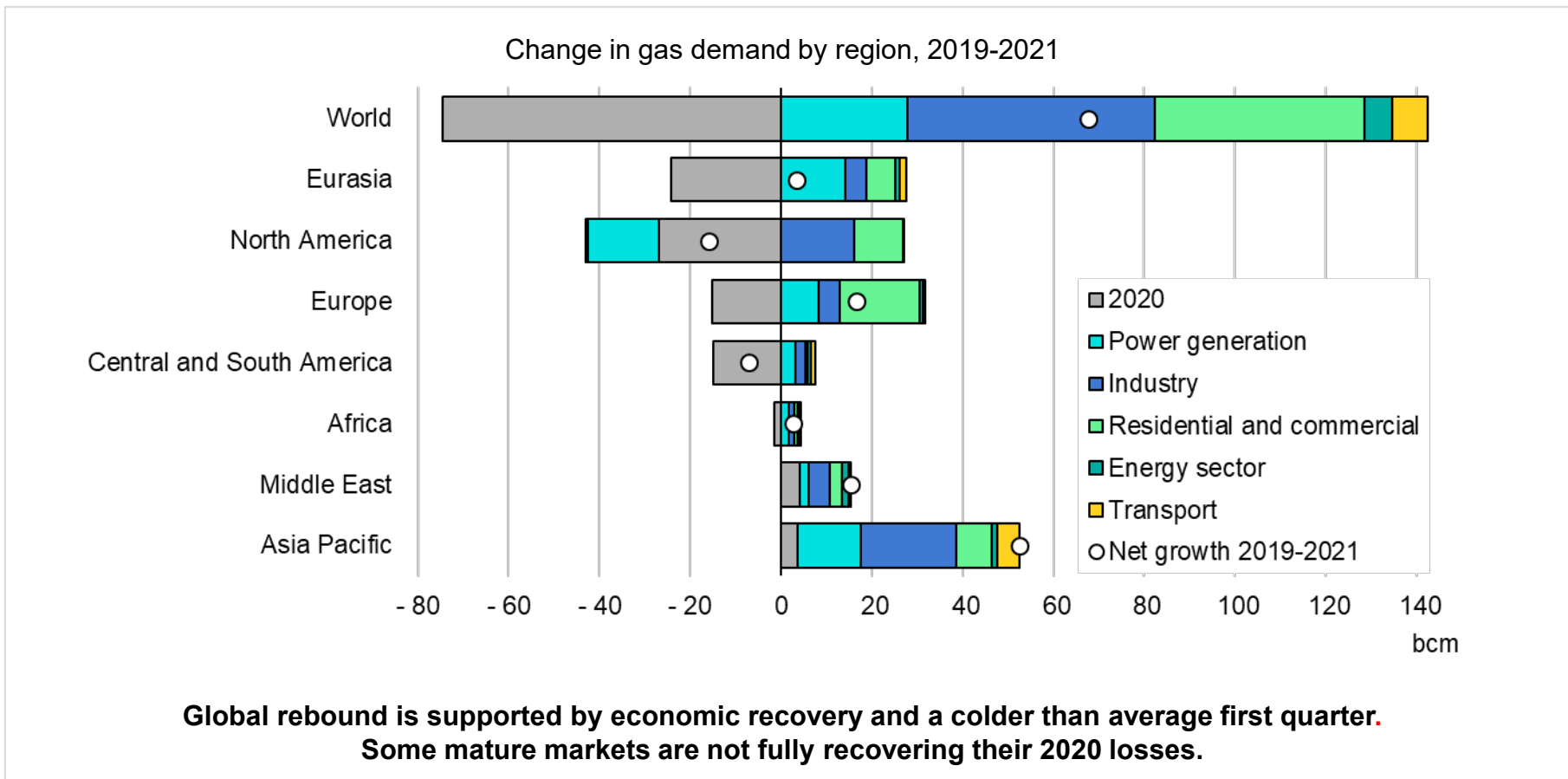


***Gas 2021* report**

Peter FRASER, Head of Division, Gas, Coal and Power Markets

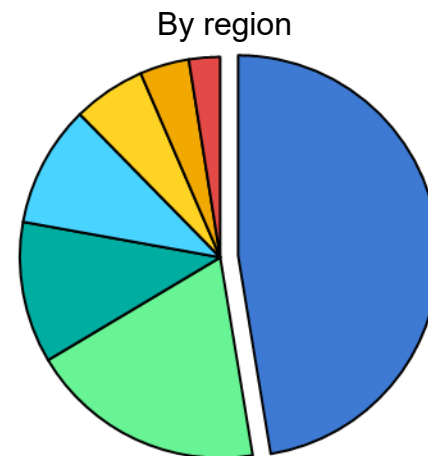
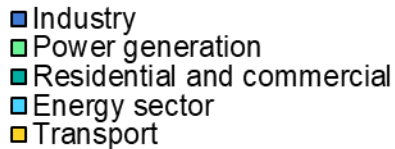
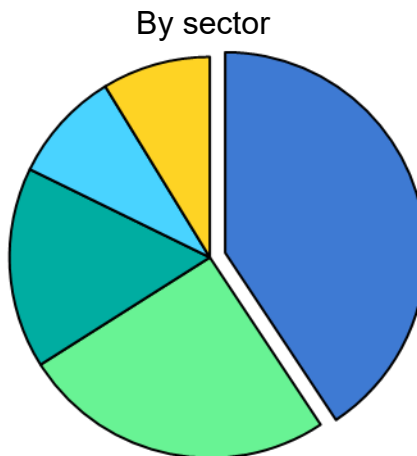
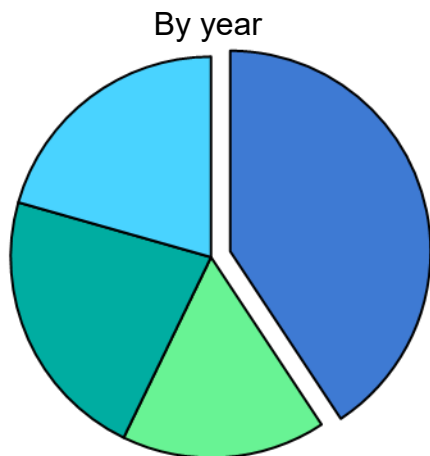
14th IEEJ Global Energy Webinar, July 13, 2021

Gas growth in 2021 offsets 2020 losses globally



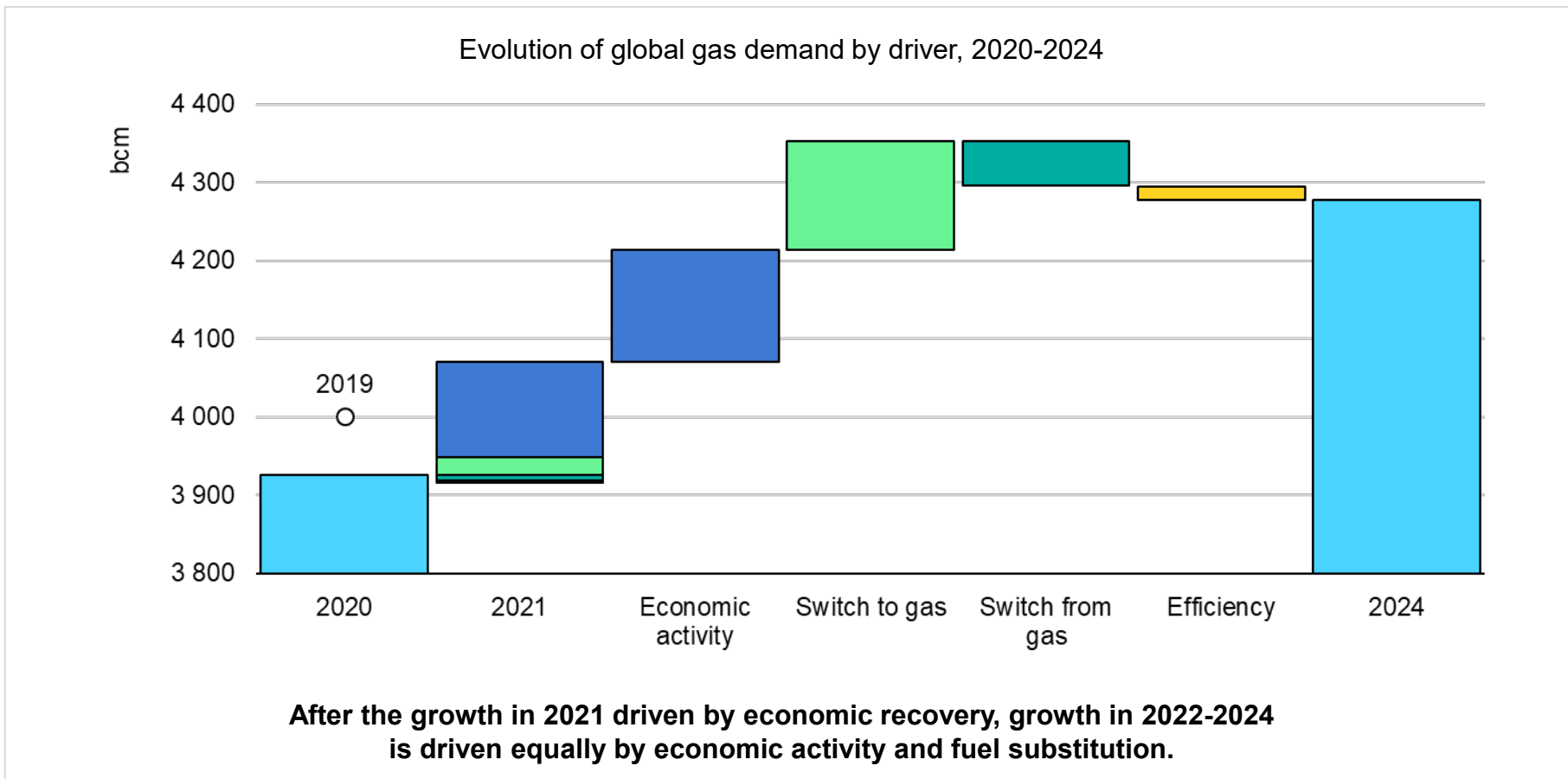
Global gas demand growth slows down after 2021

Breakdown of forecast growth in global natural gas demand, 2020-2024



Recovery in 2021, the industrial sector and Asia region lead gas demand growth in 2020-24.

Growth slows down. Switching to gas is a strong contributor to growth



Stronger policies are needed to match a net-zero path

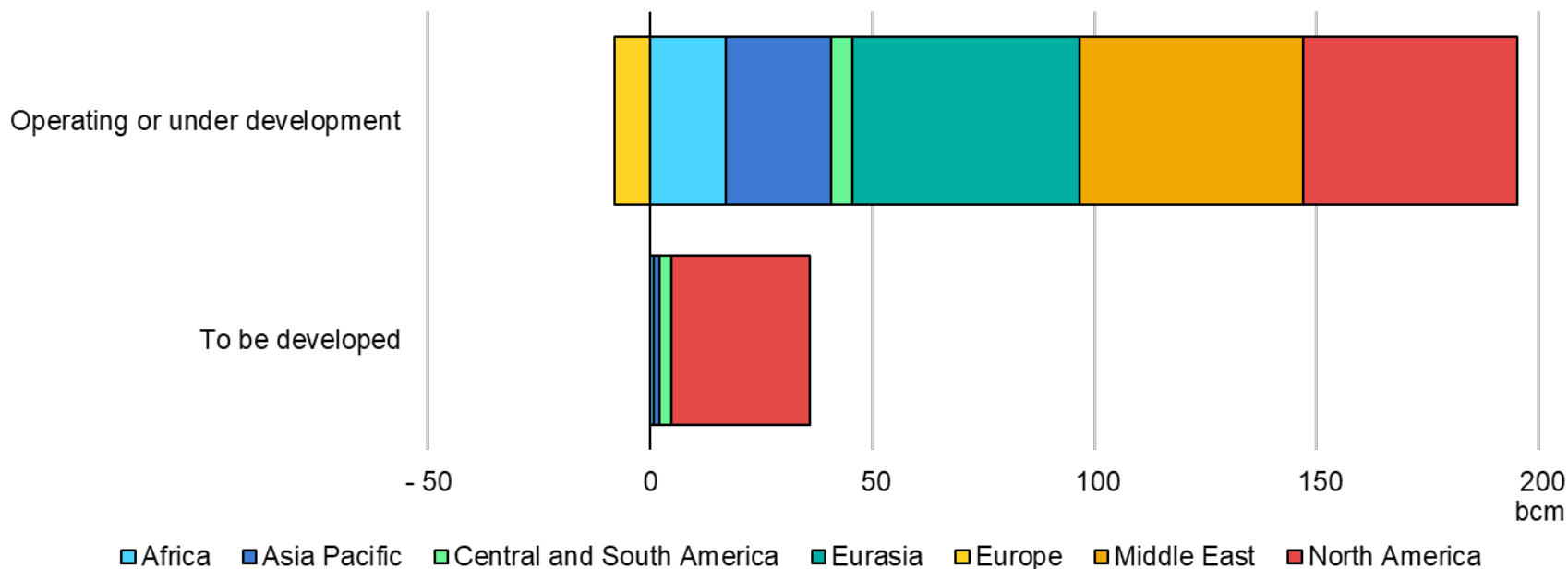
Evolution of global gas demand compared to the WEO Sustainable Development Scenario and Net Zero by 2050 scenario



**Global gas demand by 2024 would already be 2% above the 2025 level in the SDS.
More substitution and efficiency are needed to curb demand to a net-zero trajectory.**

Existing and under-development supply meets most needs to 2024

Evolution of gas production per type of asset and per region, 2021-2024

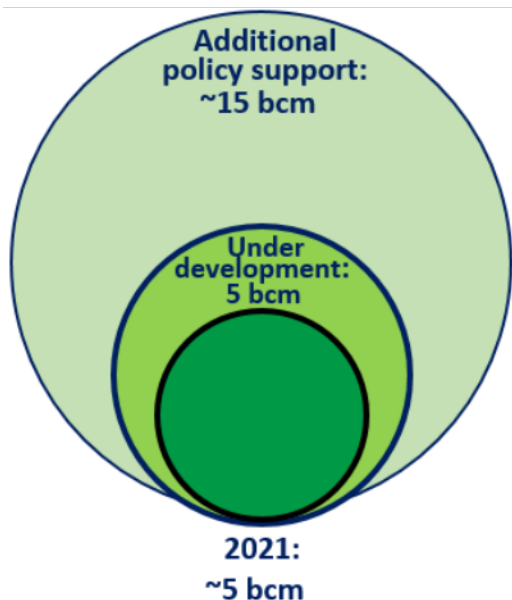


**Thanks to the investments decided before 2020, projects already under-development meet most needs to 2024.
Most of additional upstream capacity is associated to US LNG projects under construction.**

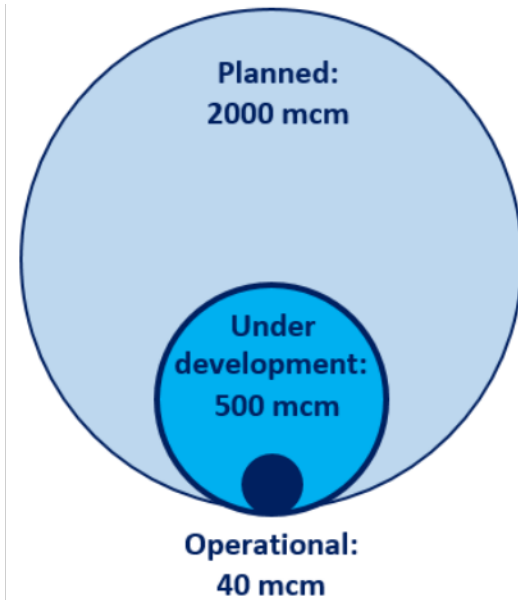
Green gases are taking off

Estimated low-carbon gas supply and forecast (2020-2024)

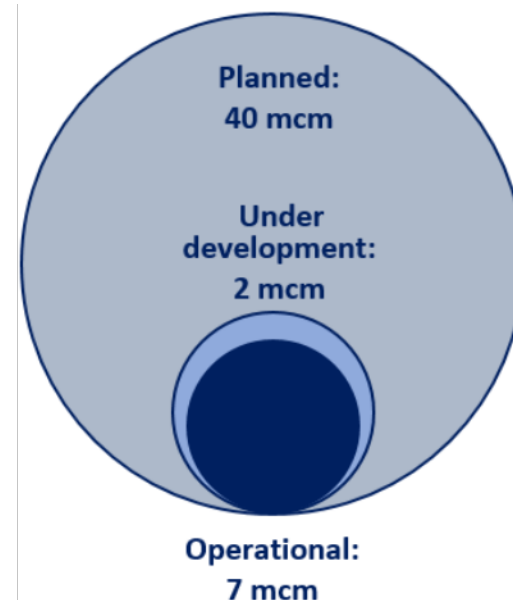
Biomethane



Hydrogen grid injection capacity



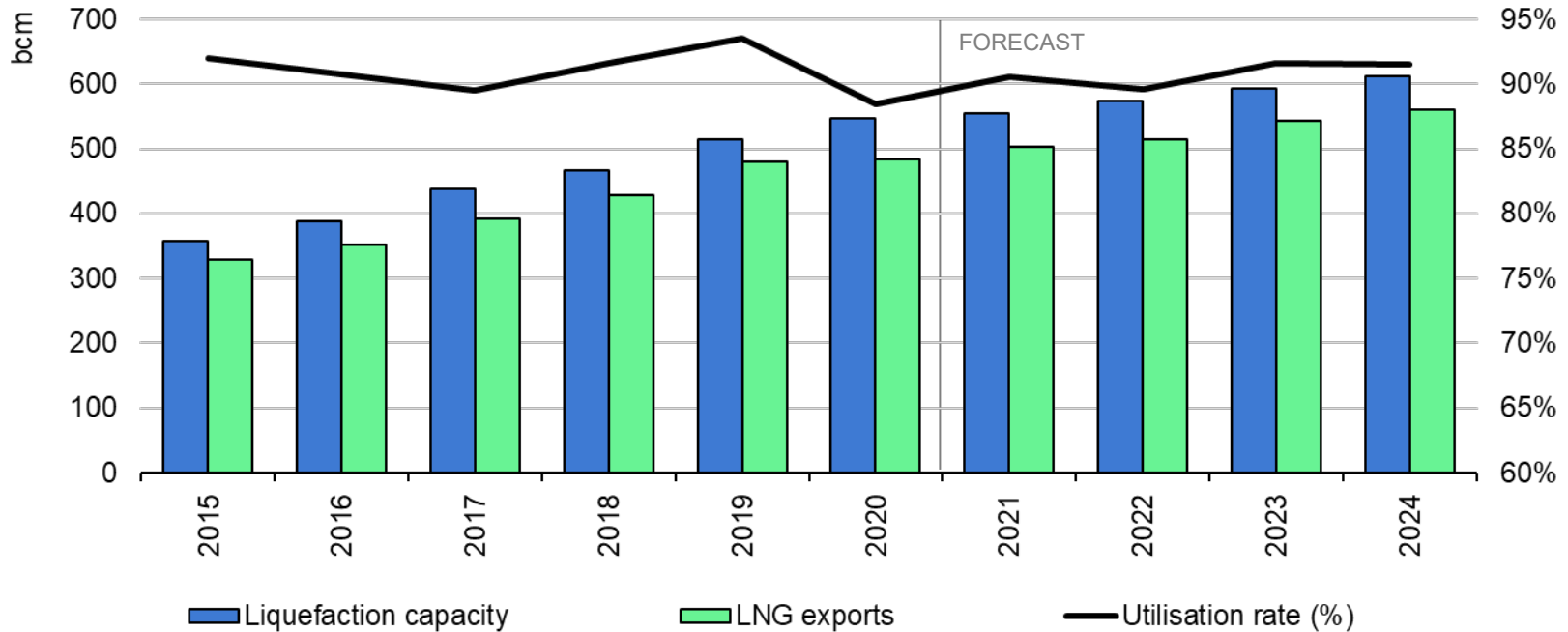
Synthetic methane grid injection capacity



Low-carbon gases will expand rapidly through the medium-term, albeit from a low basis. The right set of policies could provide additional upside potential for their development.

New sources of flexibility reinforce LNG supply security

Global LNG trade and liquefaction utilisation rate, 2015-2024



LNG trade growth only marginally exceeds capacity expansions, leading to a slow increase in utilisation rates.

Key takeaways



- Gas demand grows 3.6% in 2021, supported by economic recovery and a colder-than-average first quarter. Some mature markets are not fully recovering their 2020 losses.
- Post-2021 growth is slower. Industrial buyers and Asian markets lead growth. Growth in 2022-2024 is driven equally by economic activity and fuel substitution.
- In spite of limited medium-term gas demand growth, stronger policies are required to underpin further fuel substitution and efficiency gains and get on track for a net-zero trajectory.
- Thanks to the investments decided before 2020, projects already under development meet most supply needs to 2024.
- The focus on cleaner gas supply – low carbon gases, carbon management solutions and methane emission reduction - is growing.
- LNG trade growth resumes in parallel with capacity expansion. Global liquefaction utilisation rate will return progressively to its pre-2020 level by 2024.

