



Current & Future Perspective for the Natural Gas Sector

S. M. Hossein Adeli, Ph.D.

Secretary General, GECF

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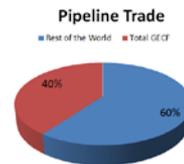
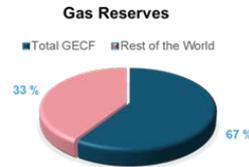
What is GECF - GECF Member and Observer Countries

GECF



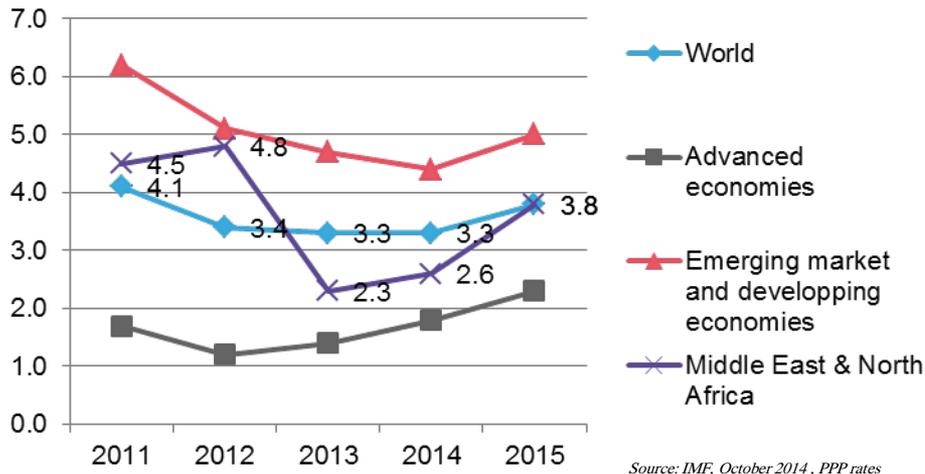
MEMBERS

-  **Algeria**
-  **Bolivia**
-  **Egypt**
-  **Equatorial Guinea**
-  **Iran**
-  **Libya**
-  **Nigeria**
-  **Qatar**
-  **Russia**
-  **Trinidad and Tobago**
-  **United Arab Emirates**
-  **Venezuela**

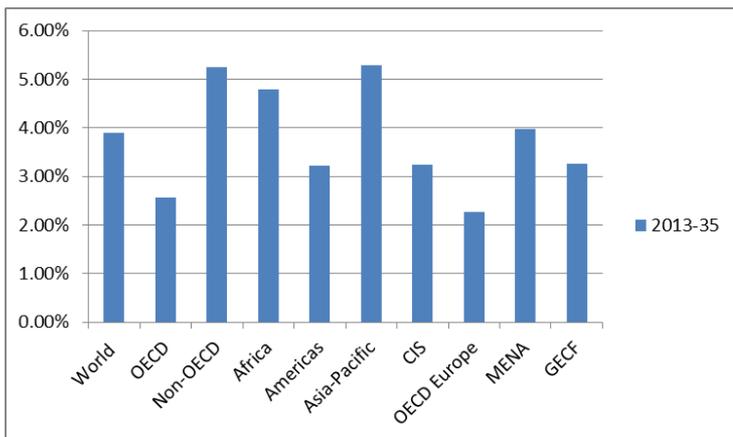


OBSERVERS:  **Iraq**  **Kazakhstan**  **The Netherlands**  **Norway**  **Oman**  **Peru**  **Venezuela**

World GDP Growth in the short - term



Real GDP Growth long term outlook



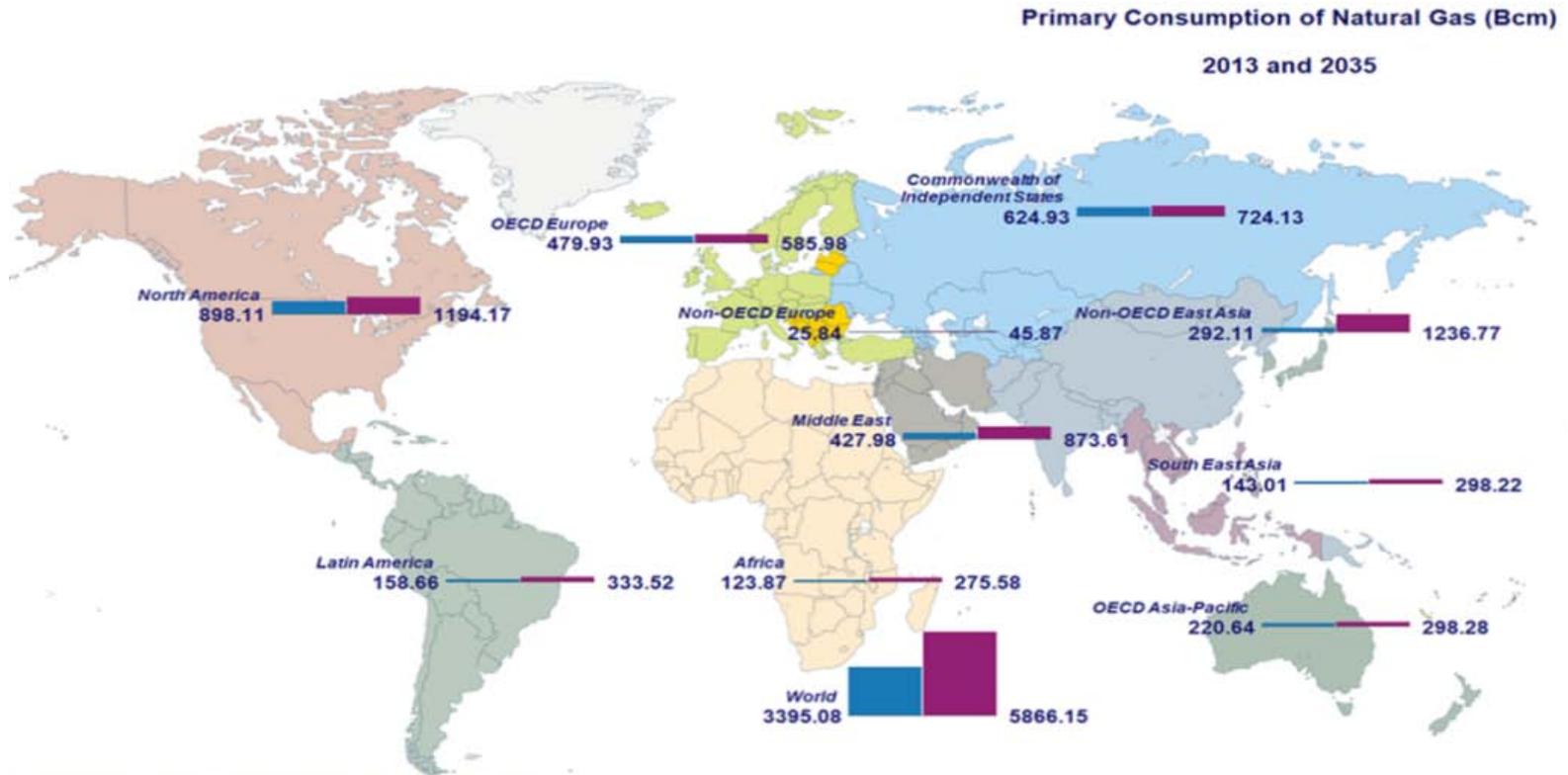
Current Situation & Short Term forecast

- Stagnation in Eurozone and risk of deflation is a major threat to global economy: contraction in Italy, near zero growth in France, weaker than-expected growth in Germany.
- Slower Growth the Latin America, CIS, and Japan than forecasted.
- MENA region growth weaker than expected earlier.
- Oil price tumbled about 40% from it's summer peak, putting stress on petroleum exporters
- Overall global GDP forecast for the 2014 – 3.3%,
- Global growth in 2015 is projected at 3.8%, which is a downward revise from 4% envisaged in July forecast.

Challenges in the Short – Medium term

- Low oil prices can adversely impact global economy as it creates uncertainties and send repercussions across the globe impacting demand and markets sentiment.
- Various Geopolitical tensions across the Globe.
- China growth forecast is 7.4% for 2014, but questions on performance in the short - medium - term remain.

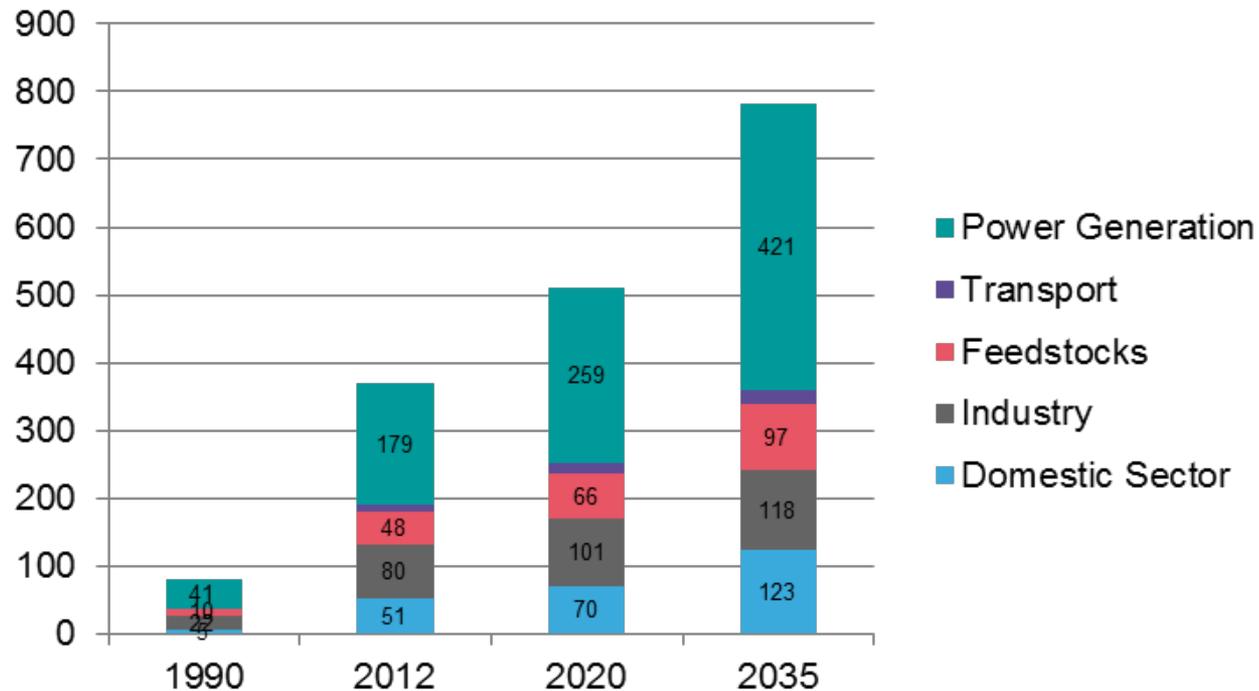
Global Primary Gas Demand (Bcm)



Original Values for 'Primary Consumption of Natural Gas (Bcm)' in 2013 and 2035

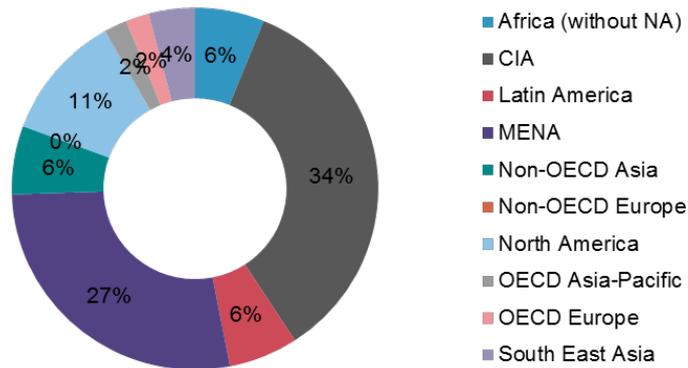
Consumption of Natural Gas, MENA

MENA region gas demand by Sector (MTOE)



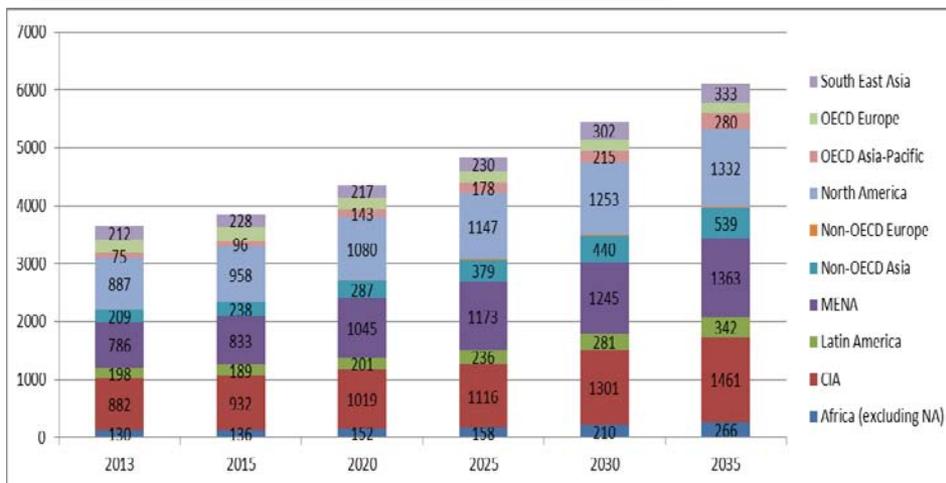
Global Gas Supply Globally & Regionally

Global Gas Resource Base (500 Tcm)

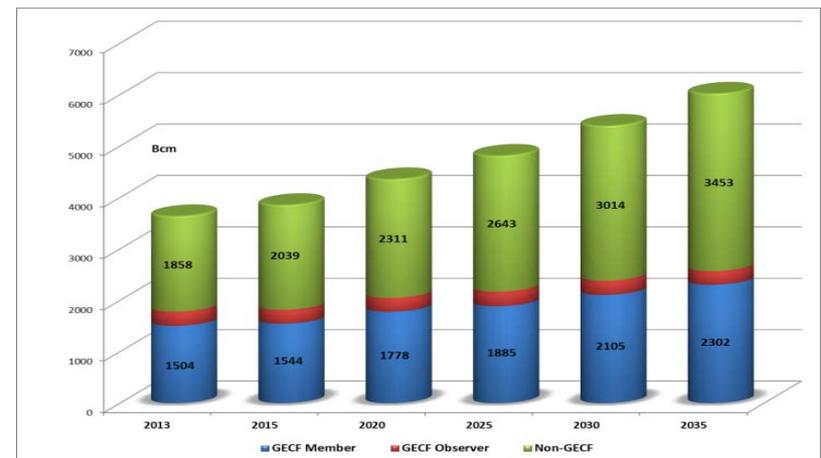


- Gas reserves and resources (Conventional & Unconventional) will be sufficient to satisfy the future gas demand needs worldwide.
- The development of unconventional gas is highly dependent on the above-the-ground and below-the-ground factors, and US shale gas experience will not be easily reproduced in other regions.
- GECF will need significant efforts to maintain its market share (40%) of global marketed gas production.
- The CIS, North America and MENA will remain the dominant gas producing regions and account more than 2/3 of global gas production.

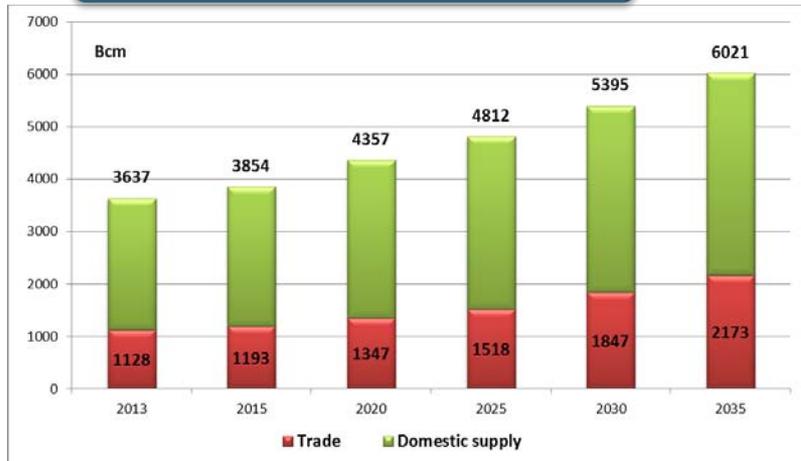
Global Gas Supply Capacity by Region (bcm)



Global Gas Supply GECF/Non GECF

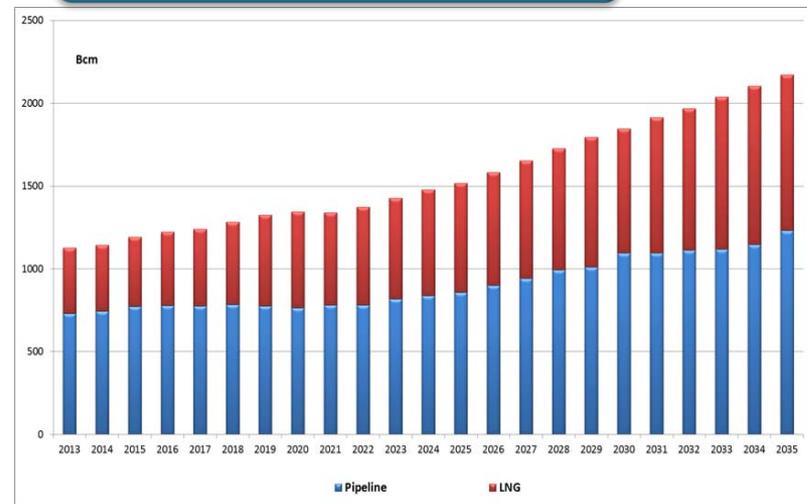


Global Gas Trade

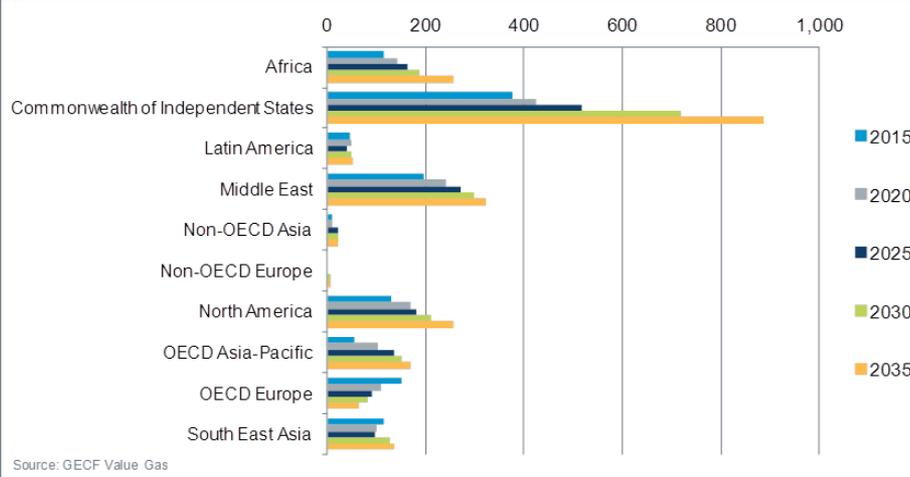


- North America and Australia will emerge as large LNG exporter, but will be constrained by other supplies, price level and global gas demand.
- The emergence of China as the largest global gas consumer and the development of Asia as the major trading region.
- We expect that world gas markets will remain fragmented and no convergence towards a unique gas pricing mechanism.
- The global production spare capacity may increase significantly by 2020, due to the multiple developments worldwide.
- The Middle East is the next largest exporter after CIS.

Global Gas Trade by Pipe / LNG



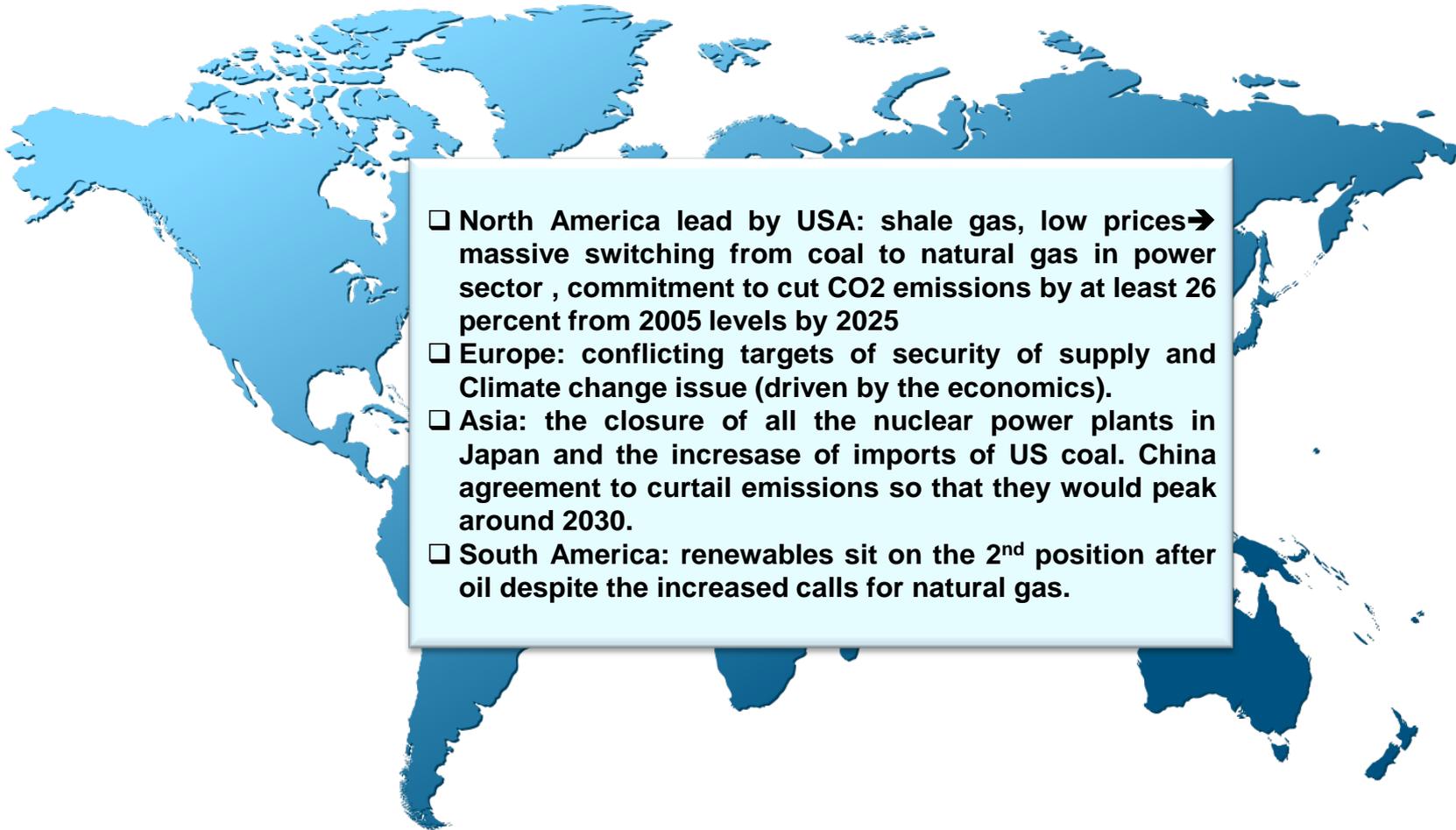
Total natural gas exports by source country/region



Source: GECF Value Gas



Main Energy Policy Drivers: Cost & Energy efficiency, Environmental targets, Security of Supply



- ❑ North America lead by USA: shale gas, low prices → massive switching from coal to natural gas in power sector , commitment to cut CO2 emissions by at least 26 percent from 2005 levels by 2025
- ❑ Europe: conflicting targets of security of supply and Climate change issue (driven by the economics).
- ❑ Asia: the closure of all the nuclear power plants in Japan and the increase of imports of US coal. China agreement to curtail emissions so that they would peak around 2030.
- ❑ South America: renewables sit on the 2nd position after oil despite the increased calls for natural gas.

Sources of Information: IEA, UN



**Thank You
for Your attention**

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