

Energy Trading Week Panel: Europe at the centre of a global LNG market

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The Global Voice of Gas since 1931

- 150+ members in 80+ countries for 90% of the global gas market
- Supports gas as a key contributor to a sustainable energy future
- Represents the entire gas value chain, including production transport, storage, and delivery of natural gas, hydrogen, renewable, and decarbonised gases
- Members are national gas associations and industry representative entities, as well as commercial corporations.



4 Key Words To Describe Global Gas Markets Over the Last 18 Months

Under-Supply

Volatility

Demand
Destruction

Reordering

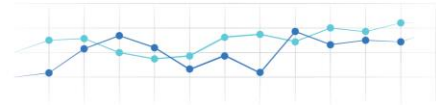
Record Prices and Volatility



Source: Rystad Energy

2022 LNG Trade

Global LNG trade increased to **401.5 MT¹** in 2022, an increase of **25.4 MT**.



Japan regained its place as the largest importer with a total of **73.6 MT** of import (-1.3 MT vs. 2021)



China imported **63.7 MT** (-15.2 MT vs. 2021)



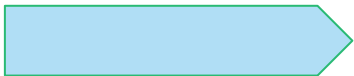
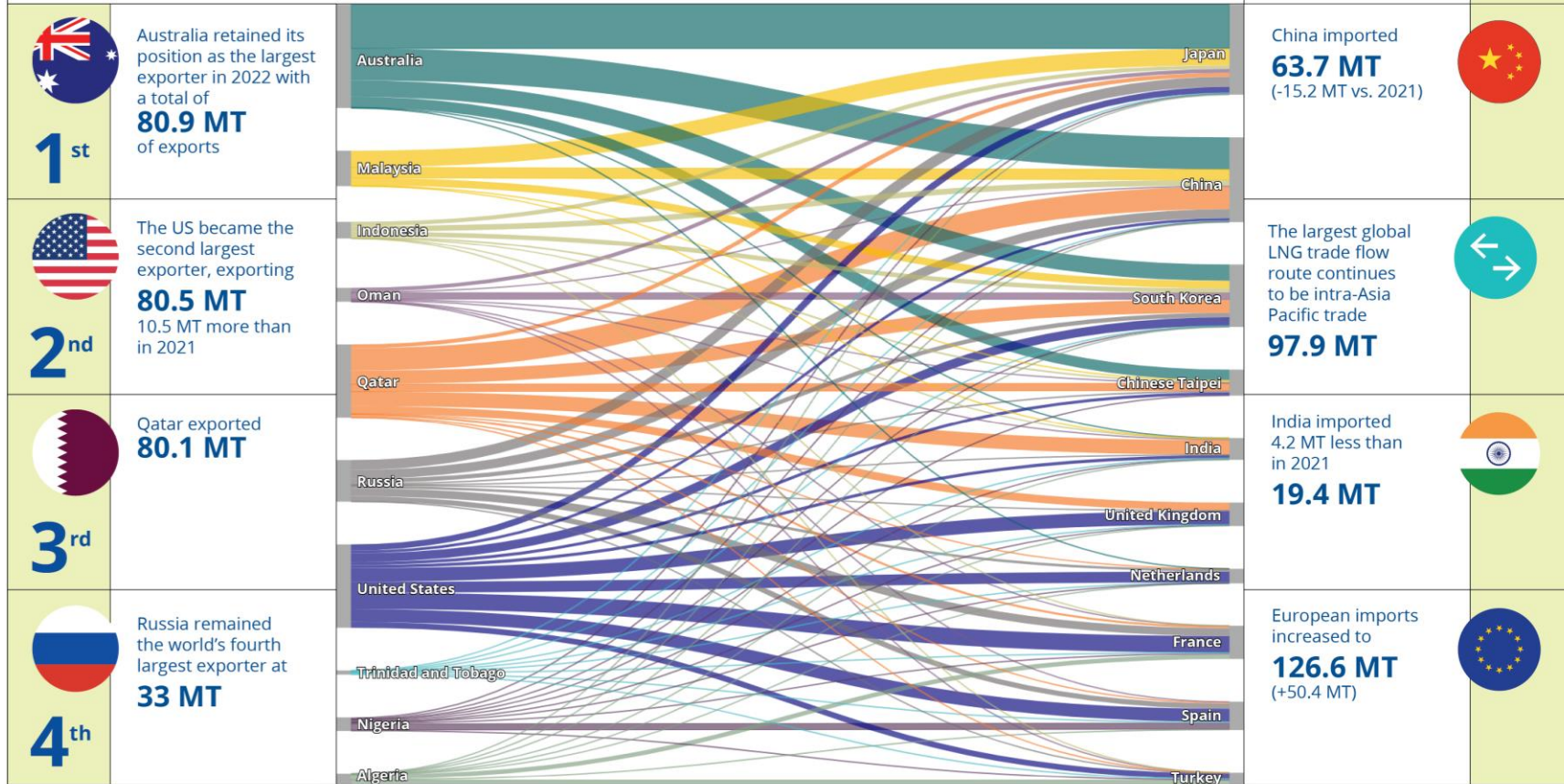
The largest global LNG trade flow route continues to be intra-Asia Pacific trade **97.9 MT**



India imported 4.2 MT less than in 2021 **19.4 MT**



European imports increased to **126.6 MT** (+50.4 MT)



US is now the 2nd biggest exporter with 2/3 of volumes going to Europe



Big demand reductions in the traditional import epicenters

More than 60% additional LNG import to offset Russian pipeline gas loss



Source: IGU LNG Report

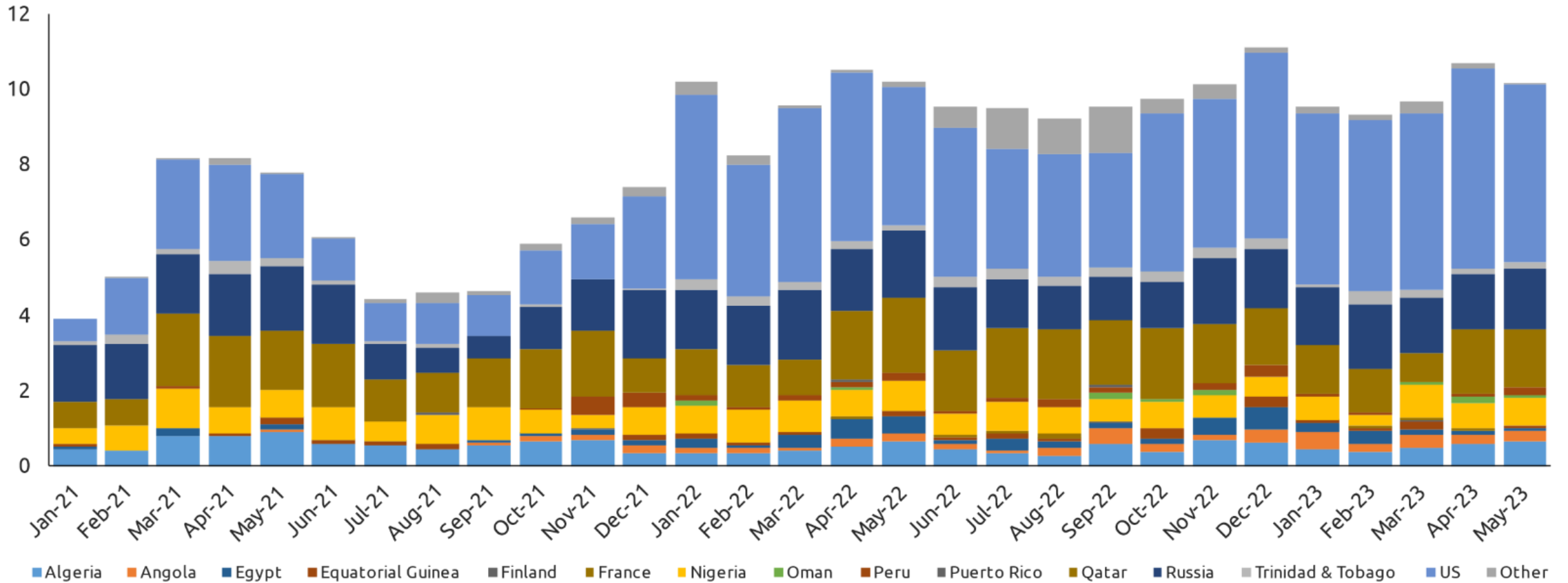
¹ Source: Rystad Energy. Owing to improved data availability, some historical trade numbers have been restated.

*The diagram only represents trade flows between the top 10 exporters and top 10 importers.



European LNG Imports by Origin

Million tonnes (Mt)

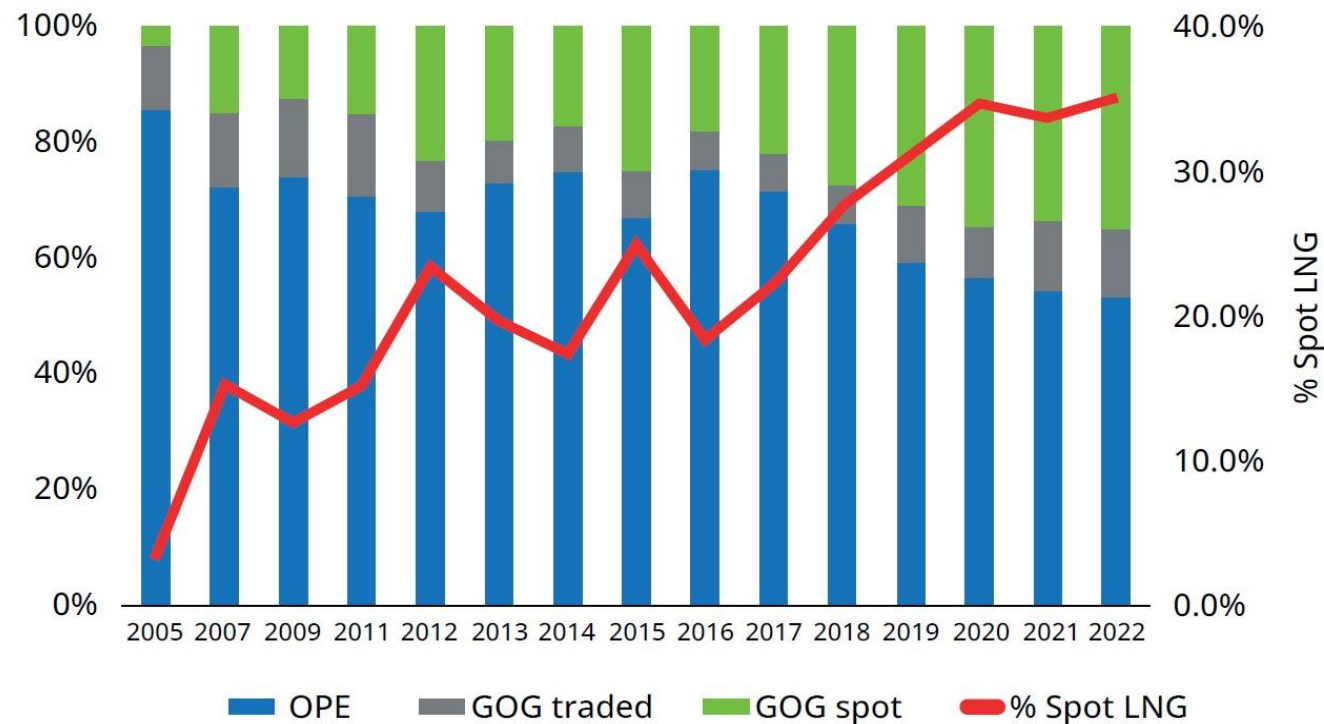


Source: Rystad Energy



LNG Pricing

Figure 3 World Price Formation 2005 to 2022 - LNG Imports



- Spot priced LNG reached 35% of LNG traded volumes
- Share of Gas-on-Gas imports over 50% of all consumed gas and 56% of all imported gas
- GOG in LNG imports approaching 50%

Source: IGU Wholesale Gas Price Survey Report

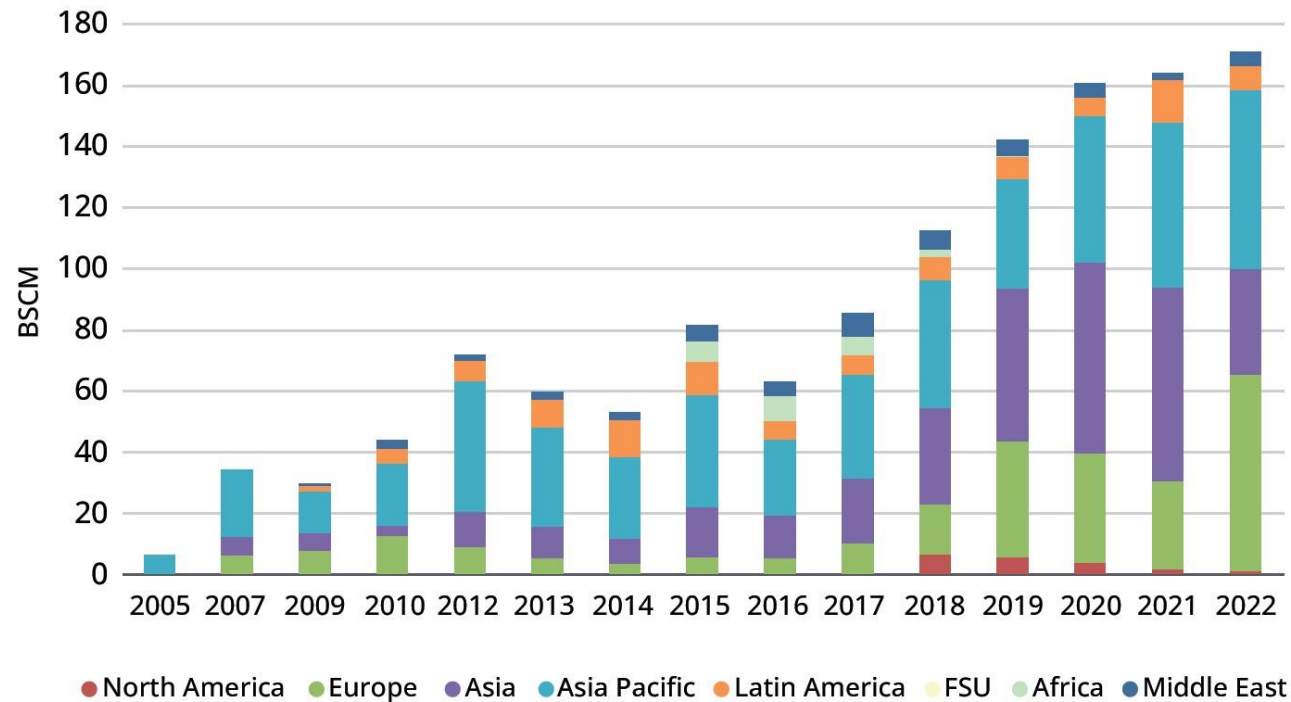


LNG Spot Prices

Benchmark Gas Prices

(TTF, Argus LNG North-West Europe, and S&P Global JKM for North-East Asia), Front-Month, USD/MMBtu

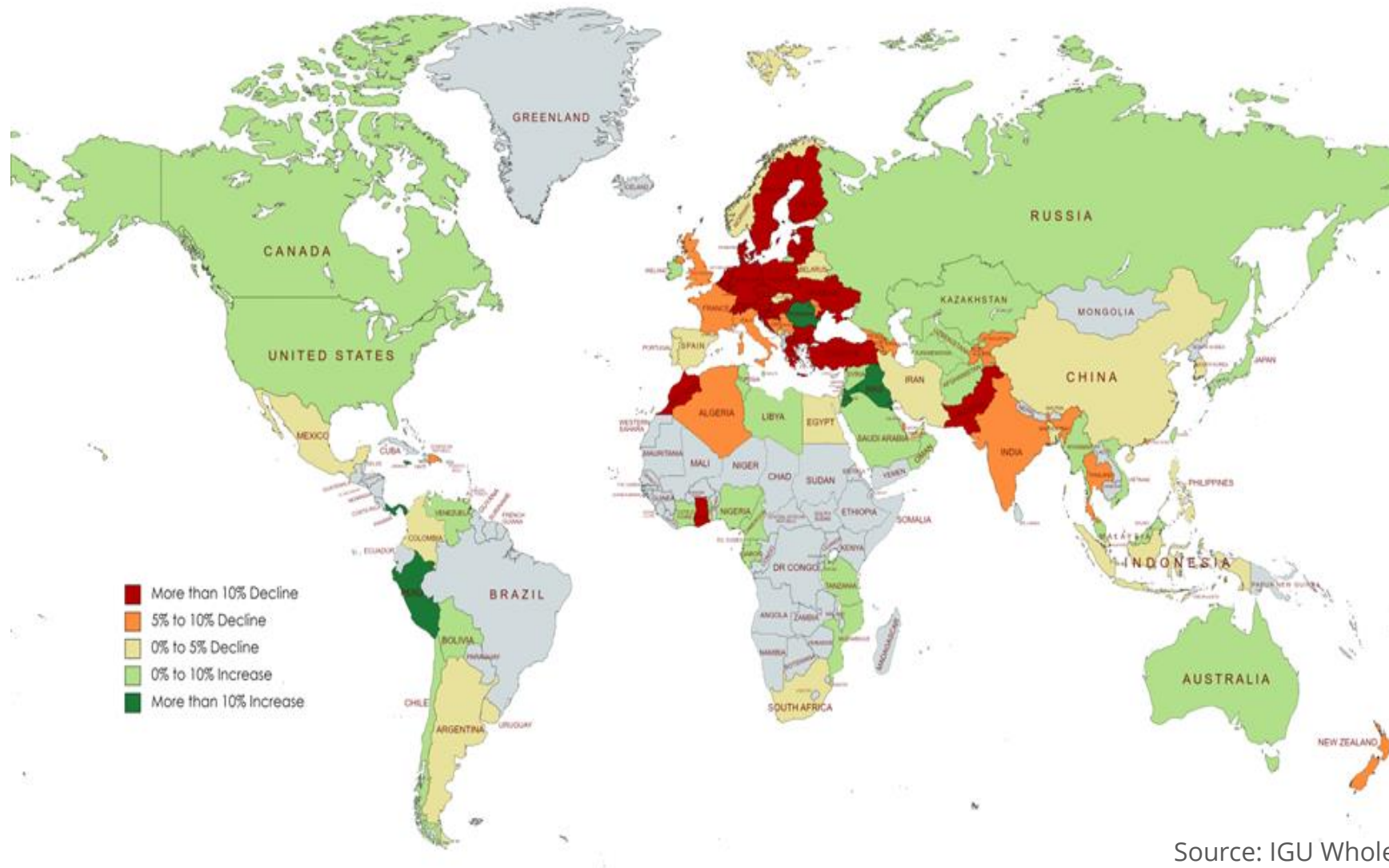
Figure 4 Spot LNG Imports 2005 to 2022



- Spot LNG volumes into Europe began growing strongly in 2019, as the rising LNG supply found a home at these lower prices.
- LNG into China reached a record of almost 50 bcm in 2021, but this more than halved in 2022
- European spot cargoes grew amidst the fuel crisis, with spot volumes of 64 bcm being imported (almost 40% of total LNG imports) into Europe.



Demand Destruction



Source: IGU Wholesale Gas Price Survey Report

