International Energy Agency

Gas Market Report –Q3 2025

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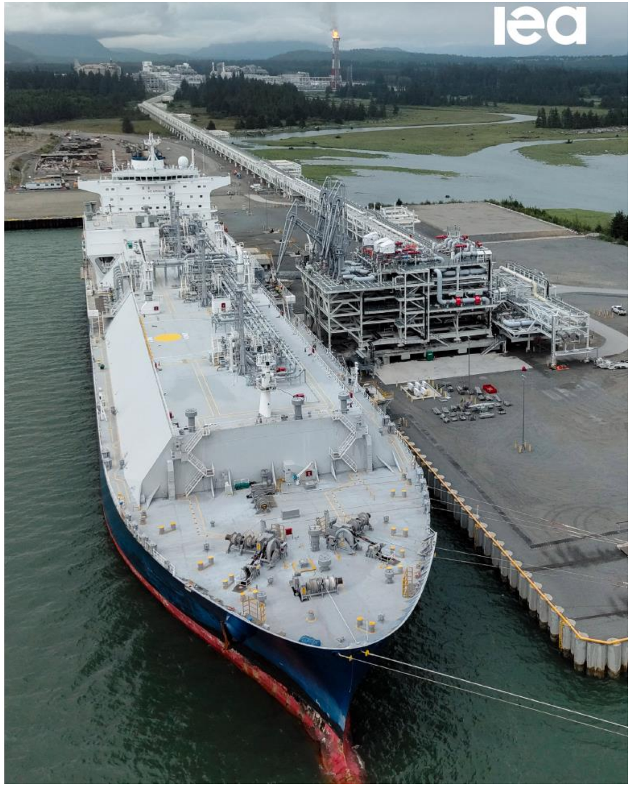
IEA Quarterly Gas Report –Q3 2025

Gas Market Report, Q3-2025

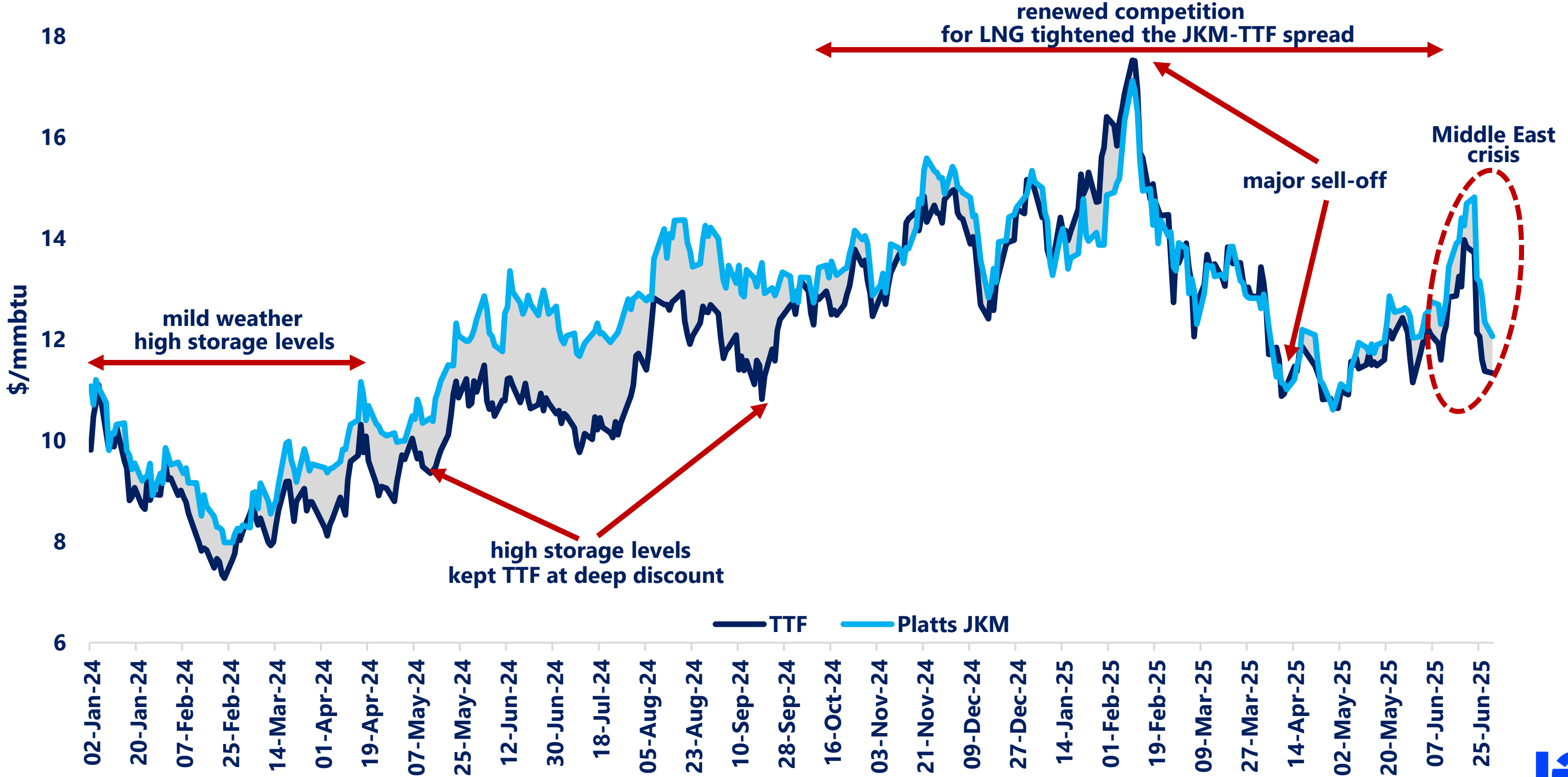


https://www.iea.org/reports/gas-market-report-q3-2025

Global gas market trends

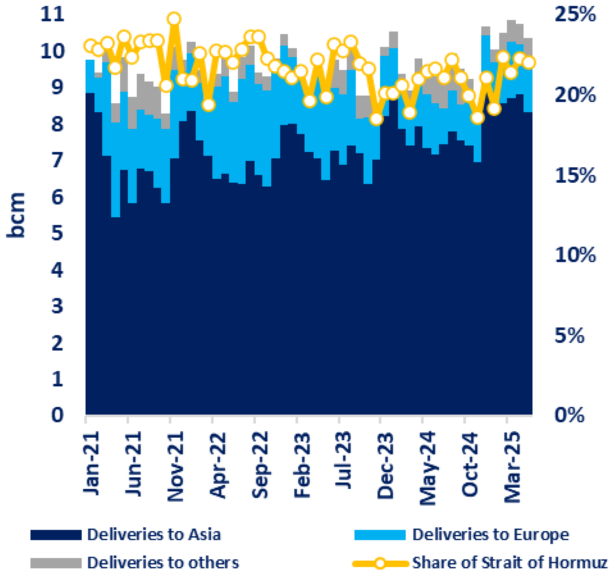
Gas prices remained well-above their last year's levels in H2 2025

The evolution of TTF month-ahead and JKM prices, January 2024 – June 2025

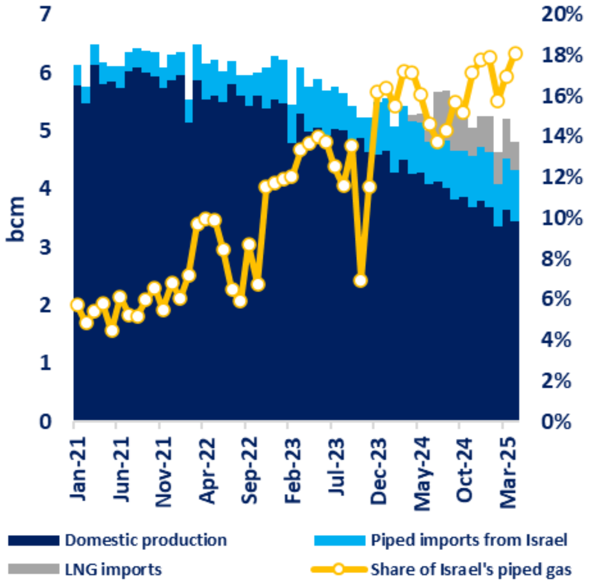


The Middle East plays a key role in natural gas supply security

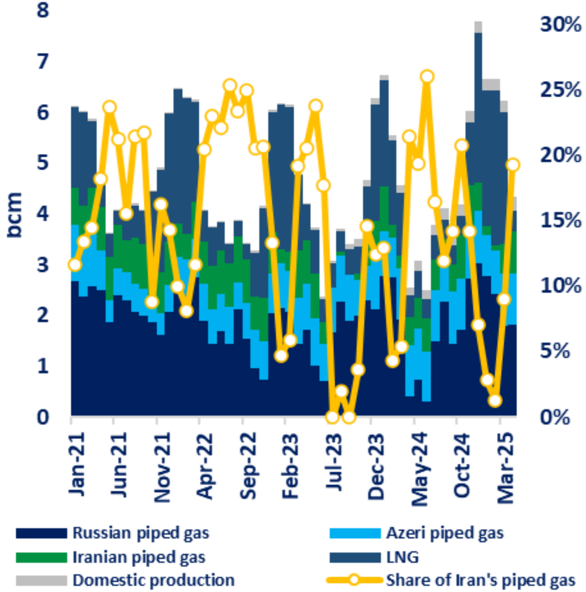
The share of **Strait of Hormuz** flows in the global LNG balance



The share of **Israel**'s piped gas in Egypt's primary gas supply



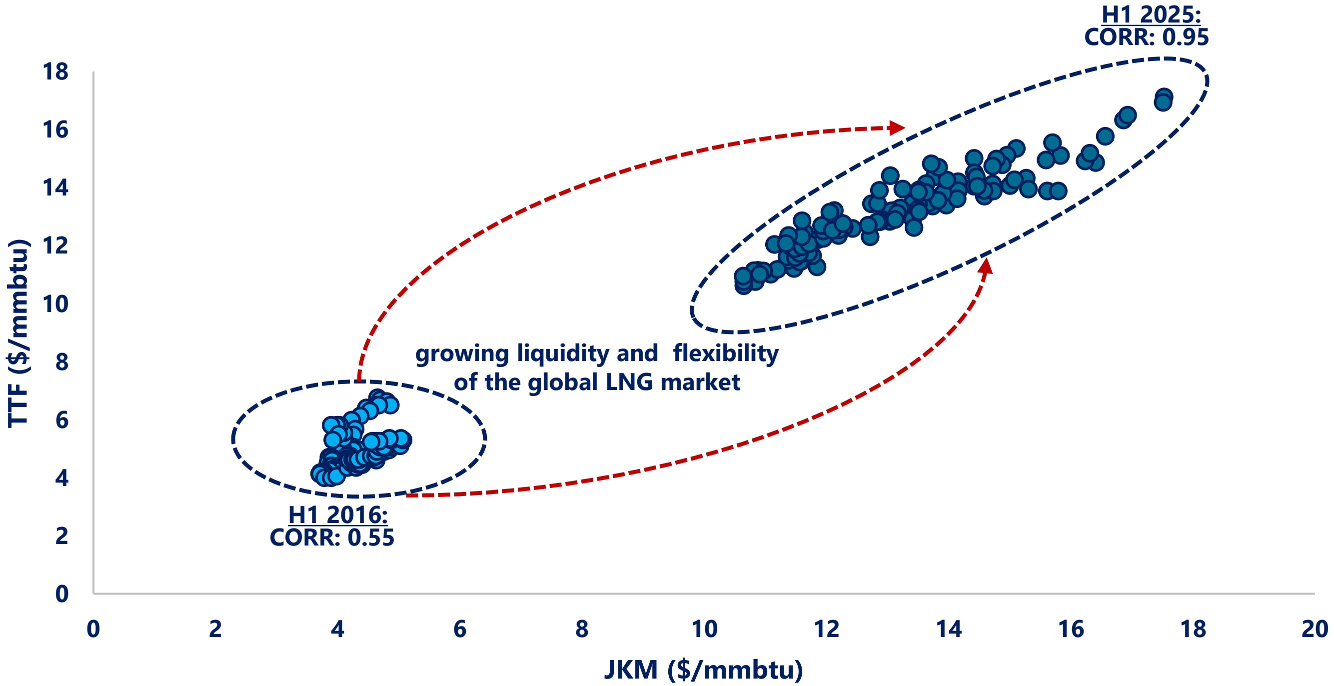
The share of **Iran**'s piped gas in Türkiye's primary gas supply



The Strait of Hormuz accounts for over 20% of global LNG trade, Israel's share in Egypt's gas supply rose to over 15% in the first three months of 2025, while Iran is a key supplier of piped gas to Iraq and Türkiye.

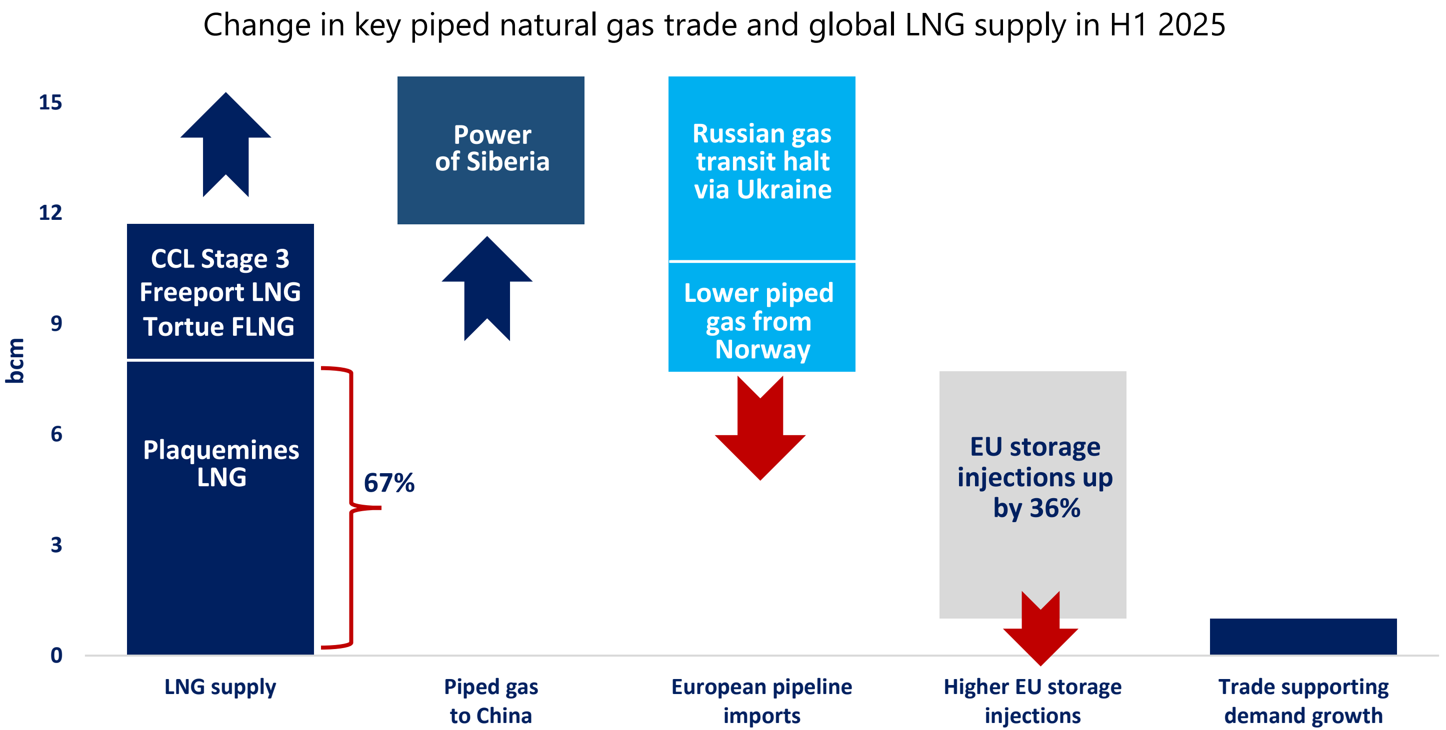
TTF-JKM correlation remained at near record levels

The correlation between TTF and Platts JKM prices, H1 2016 vs H1 2025



Despite heightened price volatility, the correlation between TTF and JKM prices remained at near record levels in H1 2025, indicating the growing interconnectivity of regional gas markets via flexible LNG.

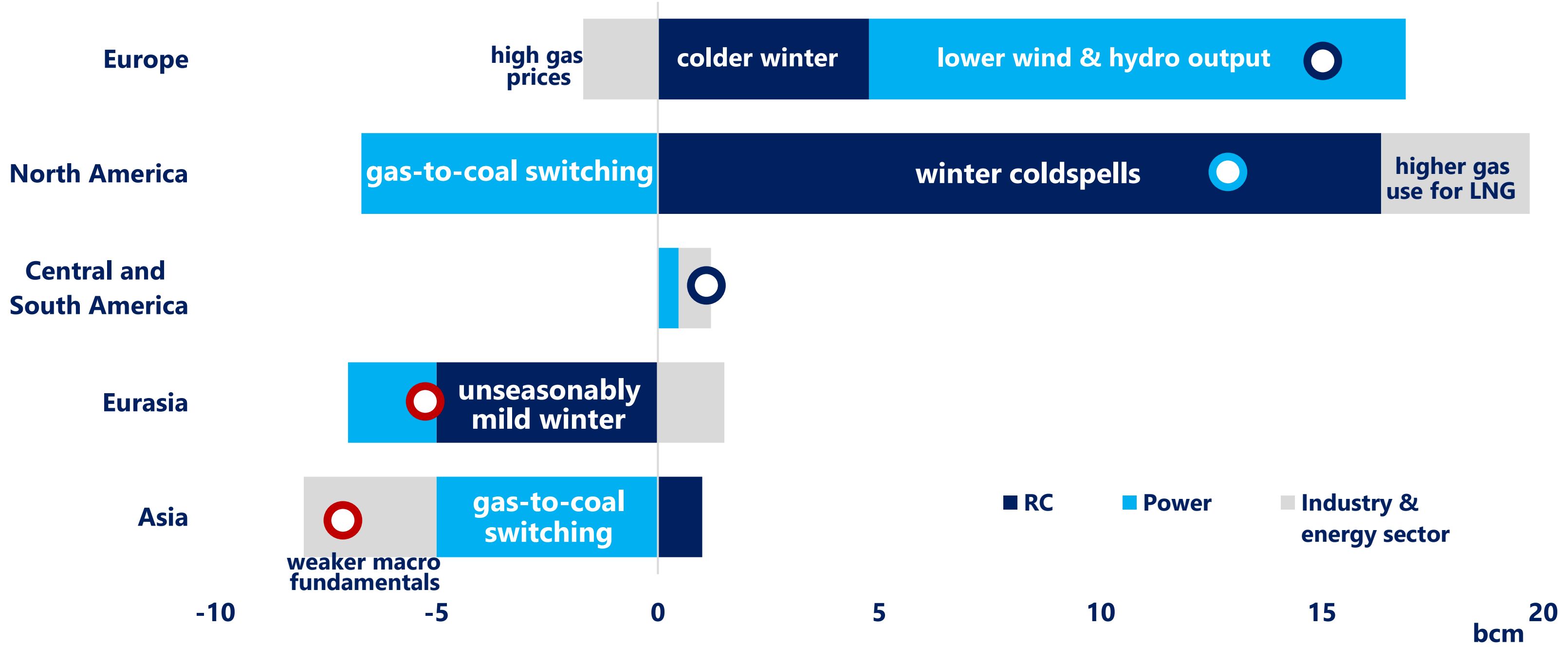
The global gas market remained fundamentally tight in H1 2025…



The relatively strong increase in US LNG supply was largely offset by stronger storage injections and lower Russian piped gas deliveries to the European Union, keeping the global gas market tight in H1 2025.

…weighing on gas demand growth in Asian markets

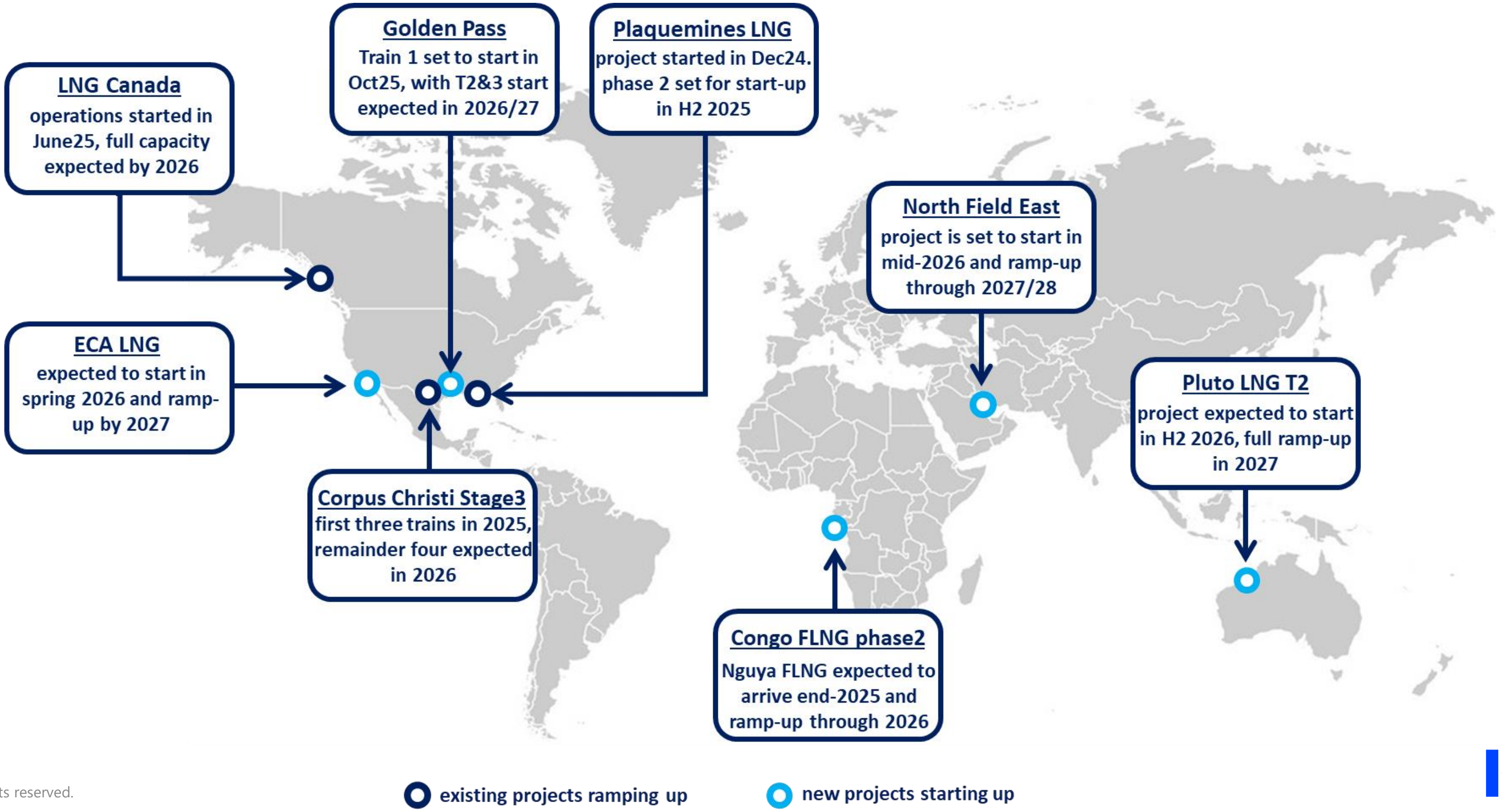
Year-on-year change in natural gas consumption across key markets, H1 2025 vs H1 2024



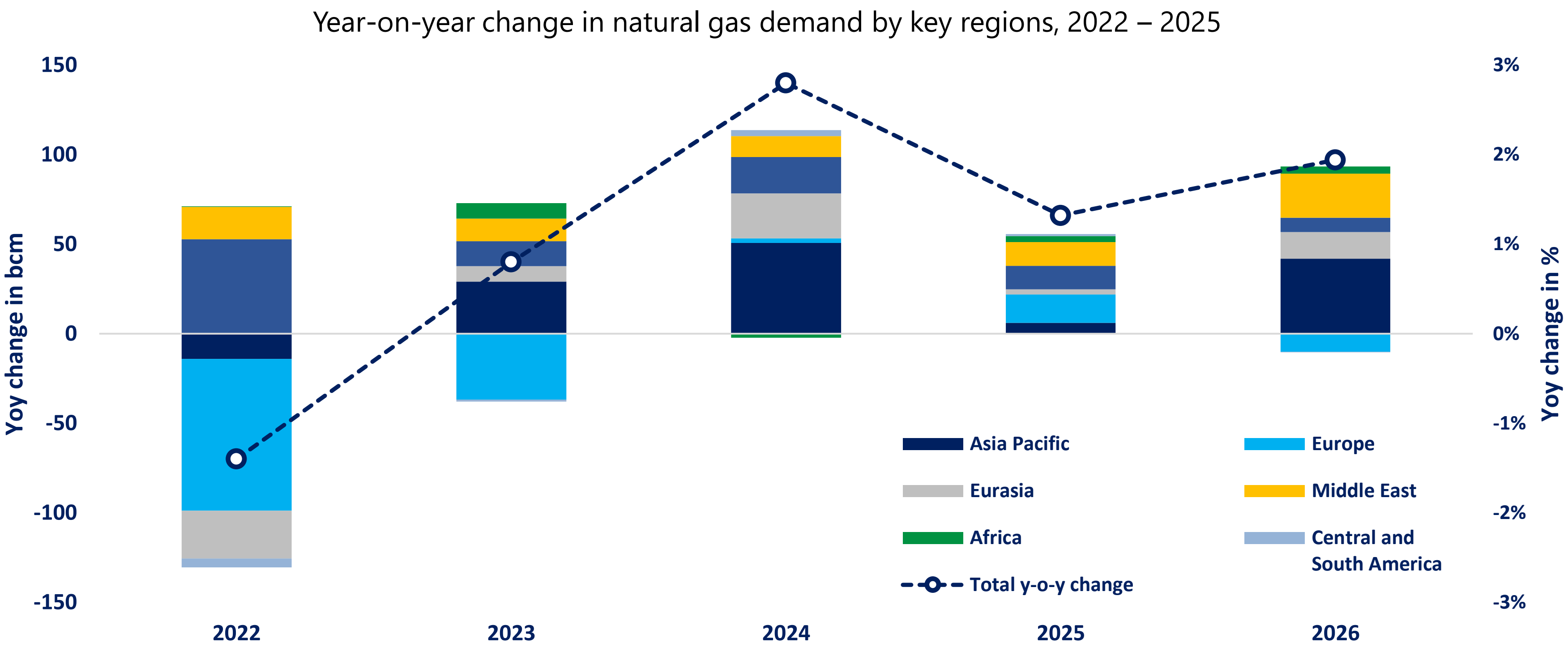
Global gas demand growth slowed to an estimated 1% in H1 2025, with growth primarily driven by Europe and North America. In contrast, gas demand declined in the key Asian import markets.

LNG supply growth is expected to accelerate in 2026…

Key LNG projects expected to ramp-up supplies in 2026

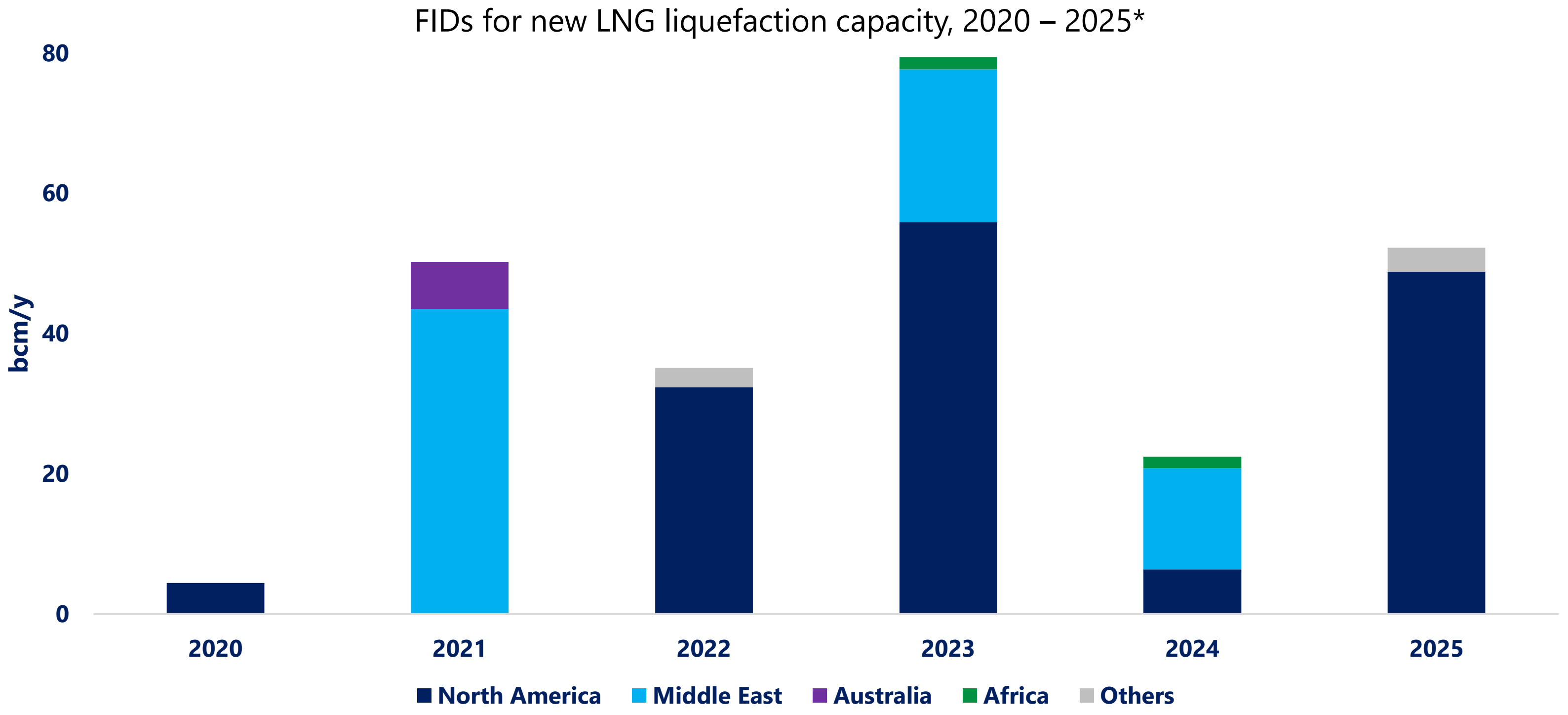


… and foster stronger demand growth in key Asian markets



Following a slowdown in 2025, global gas demand growth is forecast to accelerate to 2% and reach a new all-time high in 2026. Asian markets are expected to account for around half of incremental gas demand.

LNG FID activity remained strong in H1 2025



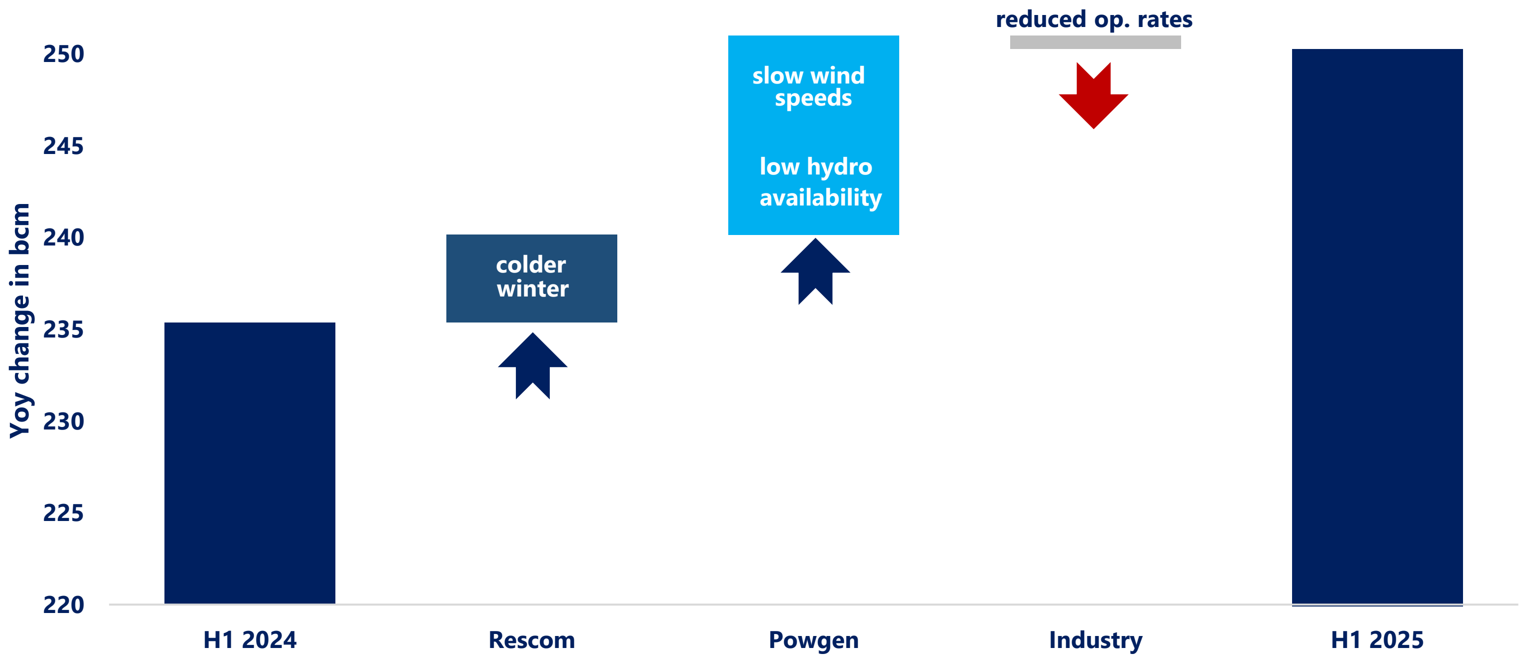
Despite macroeconomic uncertainty, LNG FID activity remained strong in H1 2025. More than 50 bcm/y of LNG liquefaction capacity was sanctioned or started construction –with the US leading the way.

**including the CP2 project, which started construction in June 2025.*

Focus on Europe

Europe’s gas demand expanded strongly in H1 2025

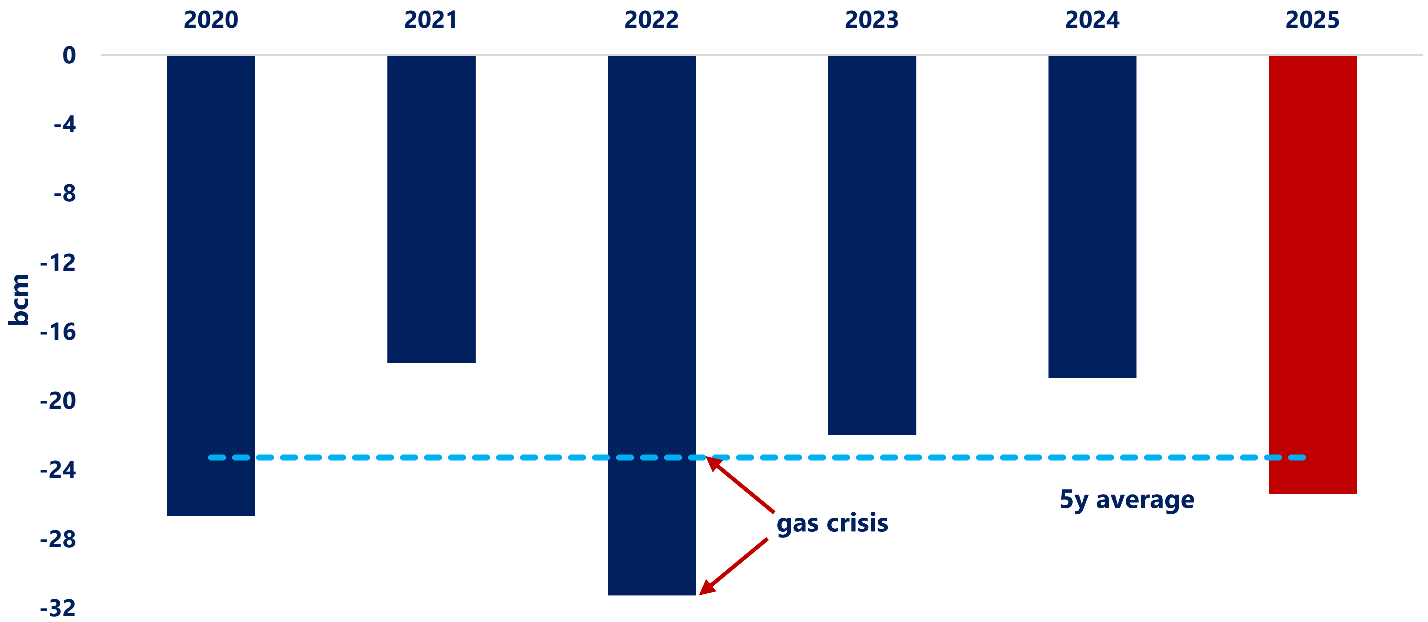
Estimated year-on-year change in the European gas demand by sector, H1 2025 vs H1 2024



Europe’s gas demand increased by 6.5% in H1 2025, with growth primarily concentrated in Q1. The power sector accounted for almost 80% of the incremental gas demand amid lower renewable power output.

Storage injections provided additional demand through Q2 2025

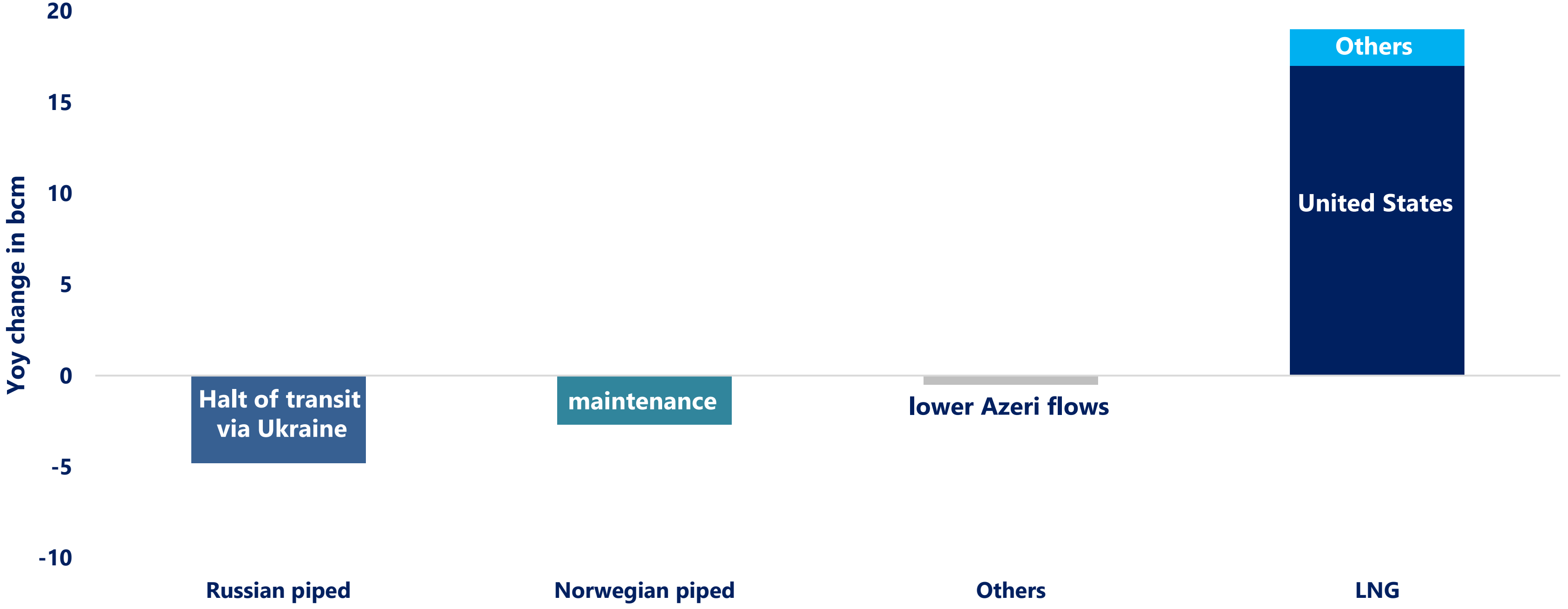
EU net storage injections in Q2, 2016 – 2025



After closing the 2024/25 with low inventory levels, EU storage injections surged by 36% yoy in Q2 2025. Despite this strong increase, EU gas inventories remain 10% below their last year's levels as of mid-July.

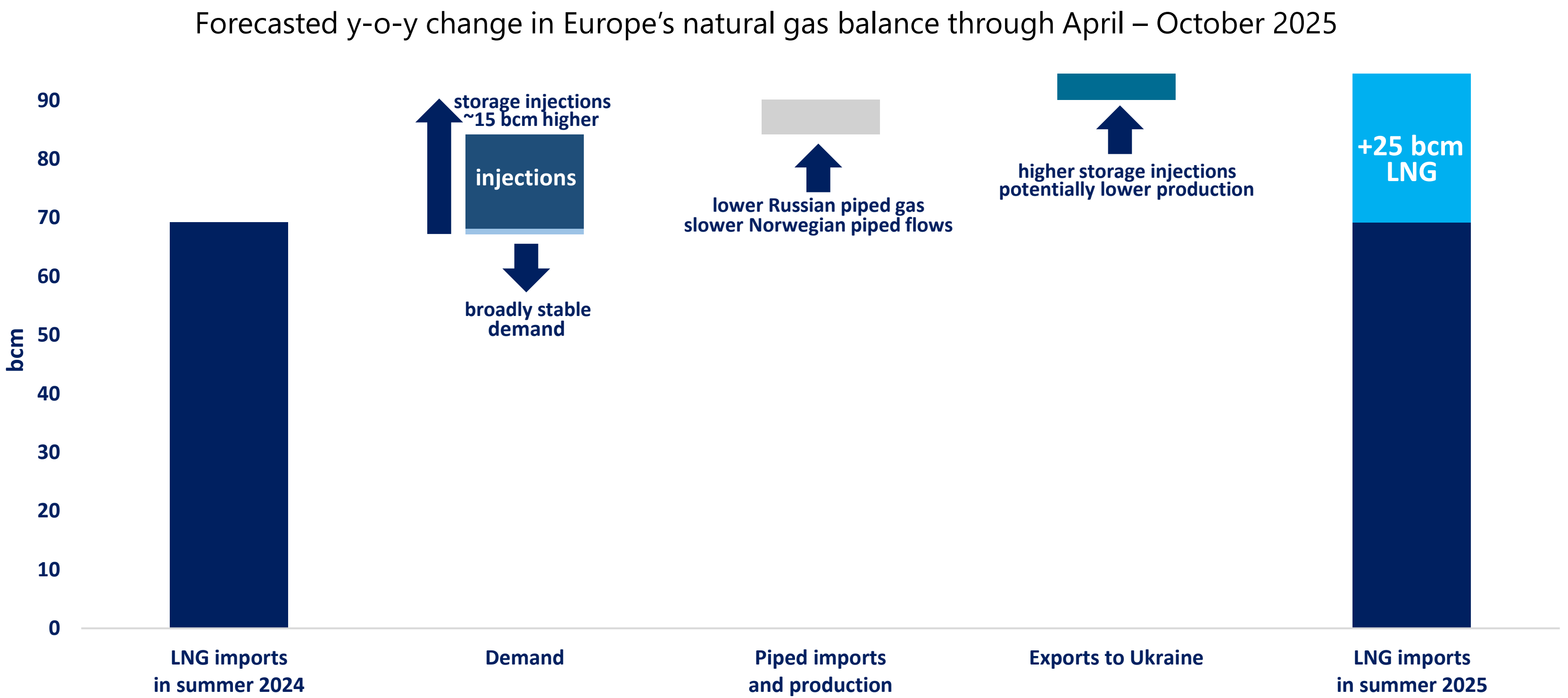
Europe’s LNG imports surged to an all-time high in H1 2025

Estimated year-on-year change in European natural gas imports and deliveries from Norway, H1 2025 vs H1 2024



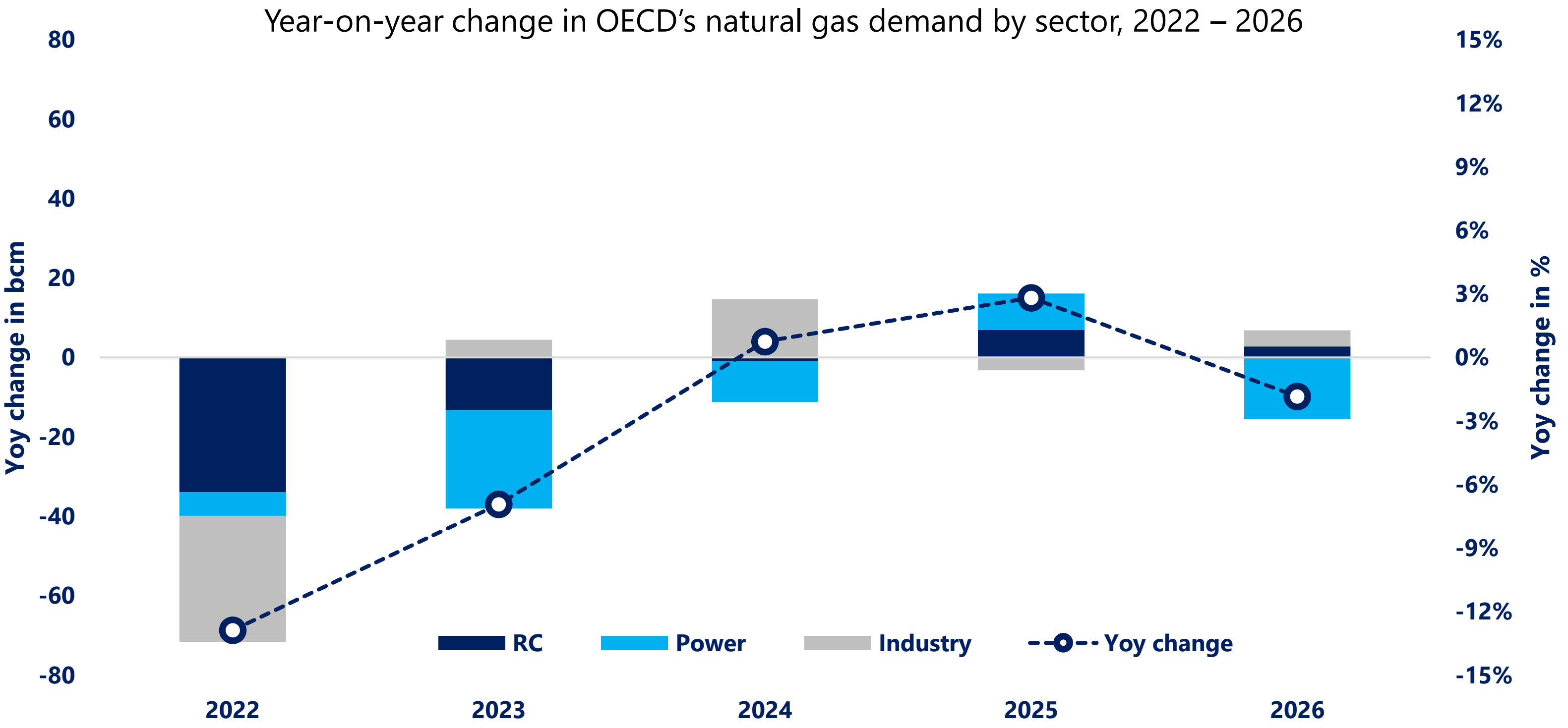
Europe’s LNG imports rose by 25% yoy and reached an all-time high of over 90 bcm in H1 2025, amid stronger domestic demand, lower piped gas imports and higher storage injections.

Thirsty for gas: a heated LNG outlook for the summer



Europe's LNG imports are expected to increase by more than one-third through the summer of 2025, driven by higher storage injections, lower piped gas imports and the decline in domestic gas production.

Europe's gas demand is expected to moderate down in 2026

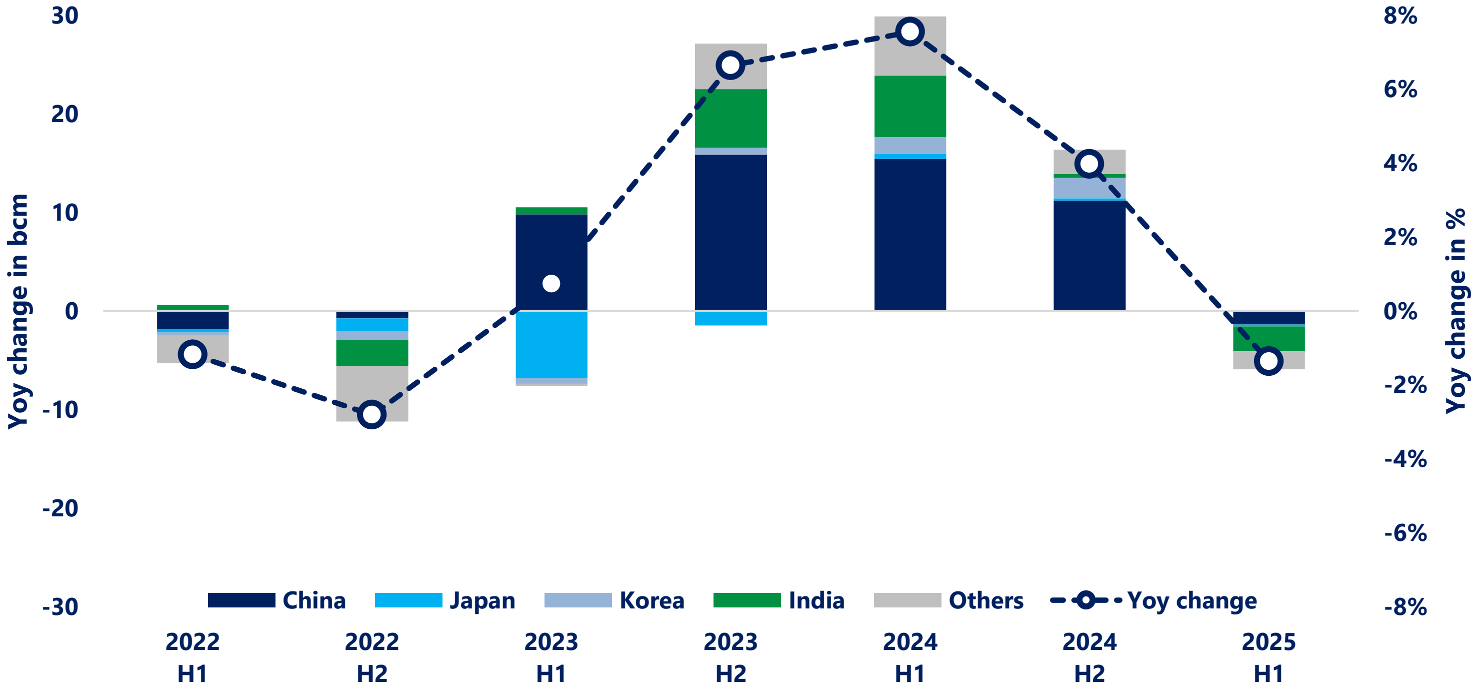


Following an expected increase in 2025, Europe's natural gas demand is forecast to decline by 2% in 2026, as the continued expansion of renewables weighs on gas burn in the power sector.

Focus on Asia

Asian gas demand growth turned negative in H1 2025

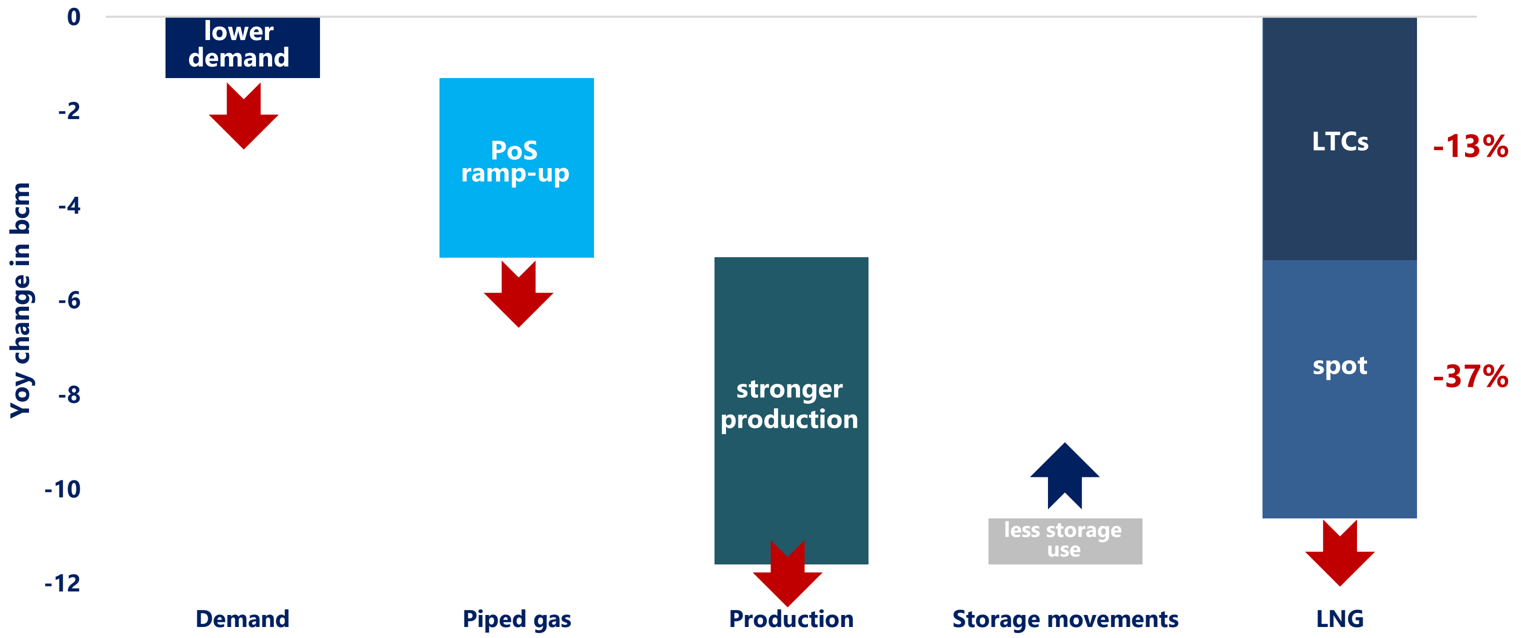
Year-on-year change in semi-annual natural gas demand in Asia, 2022 – 2025



Following a strong expansion in 2024, Asia's gas demand fell by an estimated 1.5% in H1 2025, primarily due to lower gas consumption in China, India and price-sensitive, emerging markets.

Year of the Snake: China's LNG imports plummeted in H1 2025

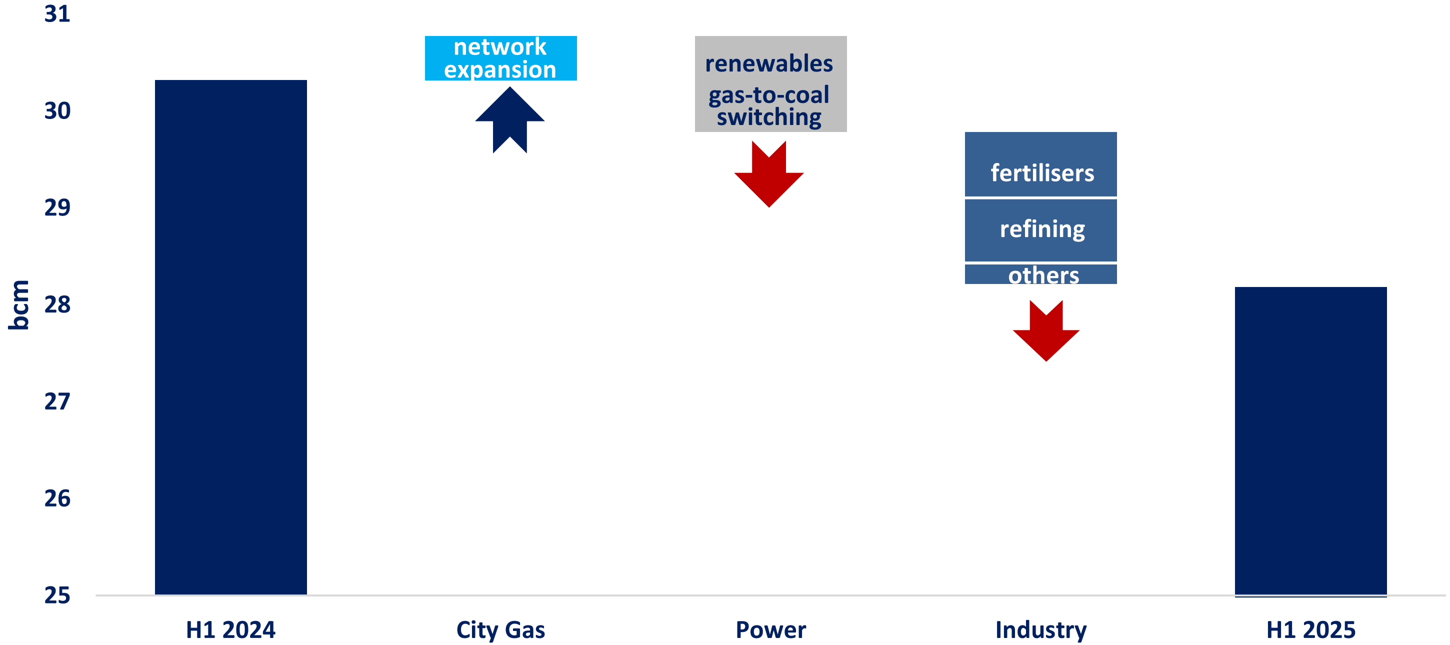
Supply-demand drivers behind China's lower LNG imports in H1 2025 vs H1 2024



Lower demand, together with the continued ramp-up of Russian piped gas deliveries and higher domestic production weighed on China's LNG imports, which dropped by 20% yoy in H1 2025.

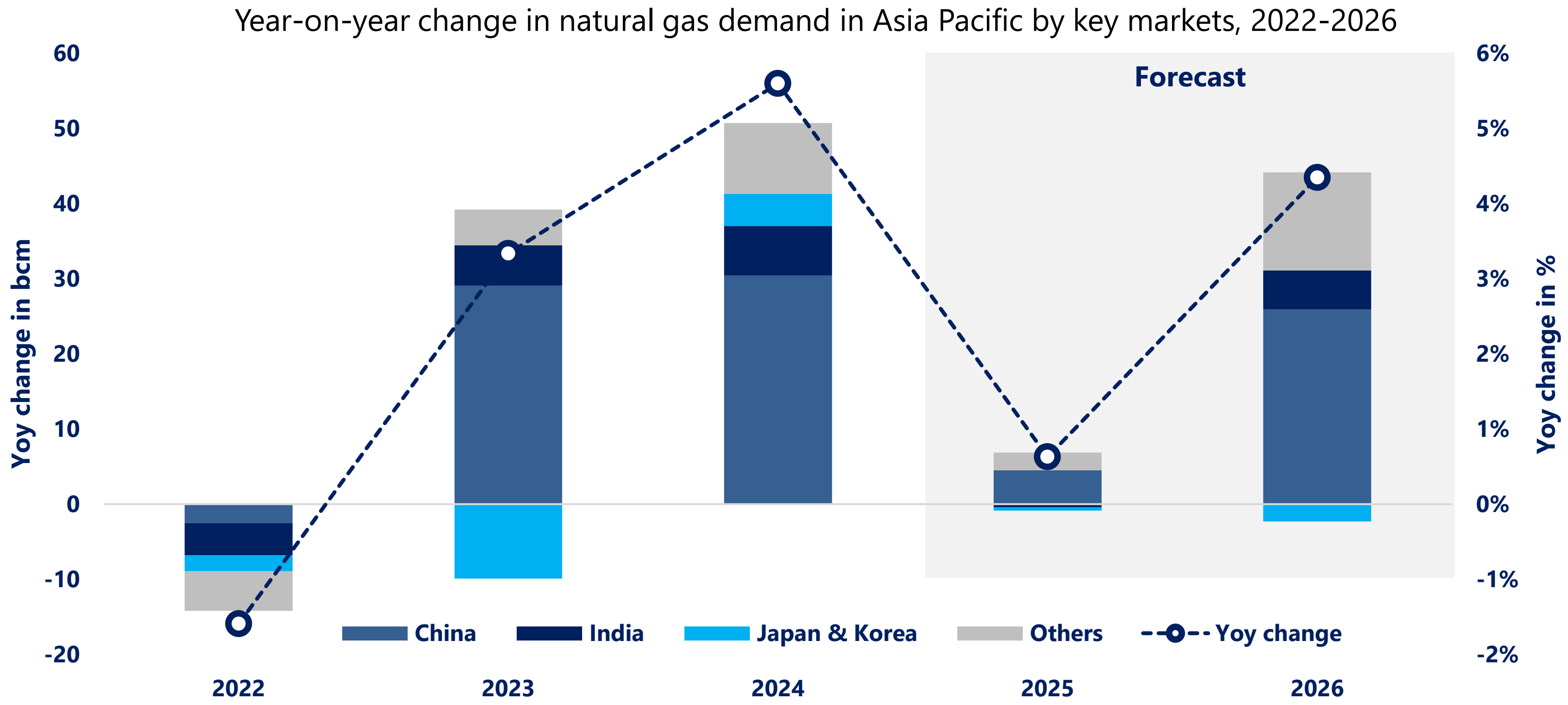
Up&down: India’s gas demand declined steeply in 5M 2025

Year-on-year change in India’s natural gas demand by sector, 5M 2025 vs 5M 2024



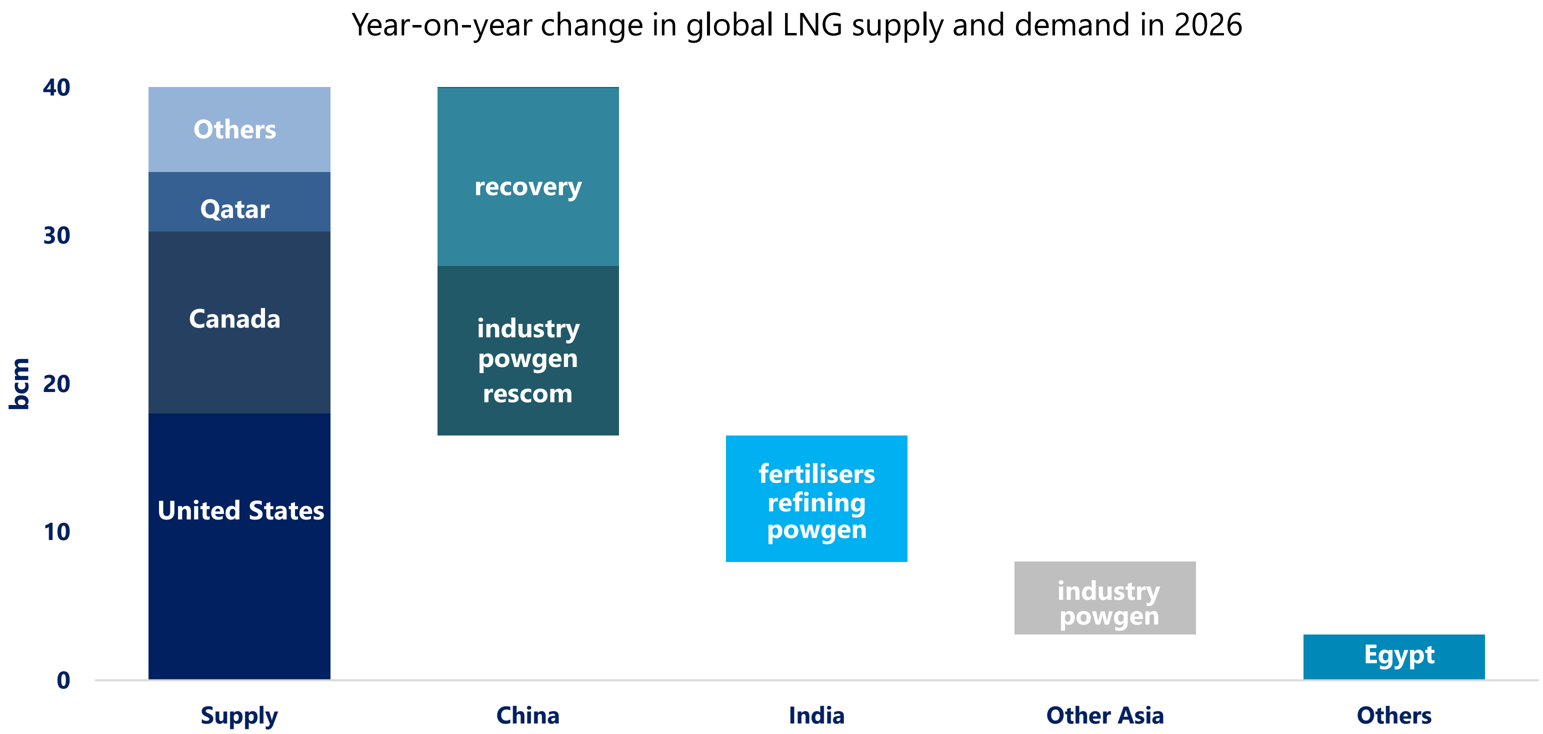
India’s gas demand fell by 7% yoy in 5M 2025. The strong expansion of renewables together with fuel switching weighed on gas burn in the power sector, while high prices reduced gas use in industry.

Asia's gas demand is forecast to return to stronger growth in 2026…



Natural gas demand in Asia is expected to expand by more than 4% in 2026, primarily supported by the industrial and power sectors. Improving supply availability is set to unlock price sensitive demand.

…and support higher LNG imports



Following an expected decline in 2025, Asia's LNG exports are forecast to increase by 10% in 2026 to a new record. China's LNG imports are expected to surge by 25% and absorb almost 60% of incremental supply.

Key takeaways

- European hub and Asian LNG **spot prices averaged well-above levels last year's levels** in H1 2025, amid tighter market fundamentals. **Geopolitical tensions** fuelled additional price volatility.
- **Global gas demand growth slowed** to an estimated 1% in H1 2025, with growth primarily driven by Europe and North America. In contrast, gas demand declined in the key Asian import markets.
- **Europe's LNG imports surged to an all-time high** in H1 2025, amid stronger domestic demand, lower piped gas imports and higher storage injections.
- **Global LNG supply growth is set to accelerate** to 7% in 2026 -its fastest pace since 2019, supported by the ramp-up of new major projects in North America, Qatar, Africa and Australia.
- **Improving supply fundamentals** are expected to **foster stronger demand growth**, with global gas consumption projected to reach a new all-time high in 2026.
- **Natural gas demand in Asia** is expected to **expand by more than 4% in 2026**, supported by the industrial and power sectors. Improving supply availability is set to unlock price sensitive demand.