



# Gas Report –Q3 2024

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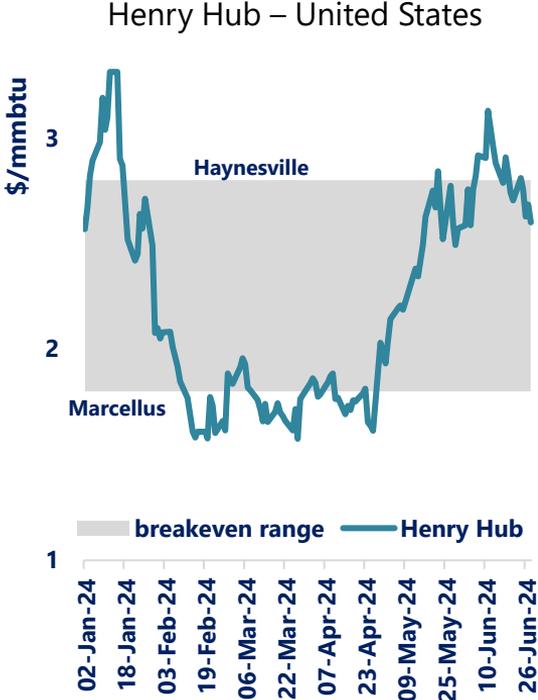
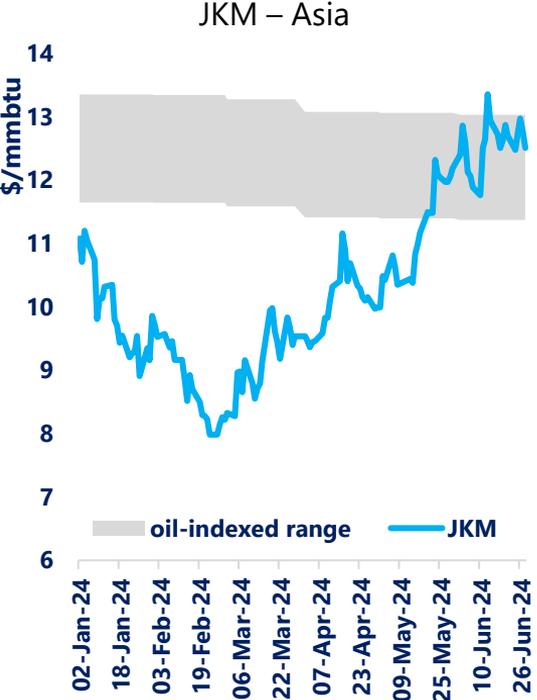
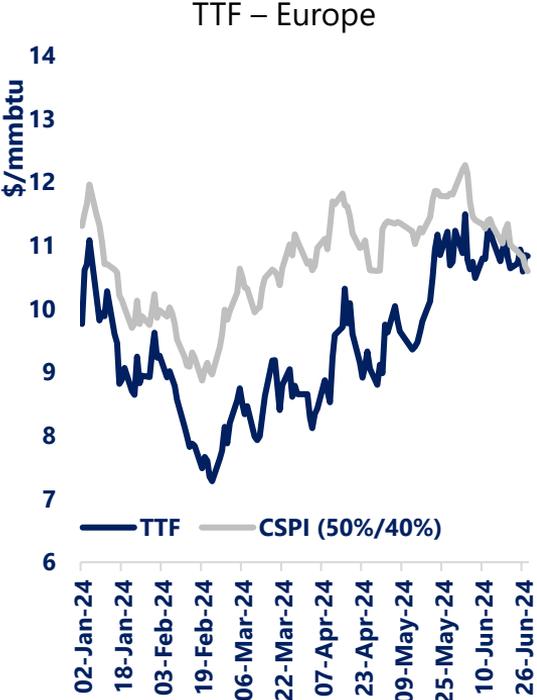
## Gas Market Report, Q3-2024



<https://www.iea.org/reports/gas-market-report-q3-2024>

# Global gas market trends

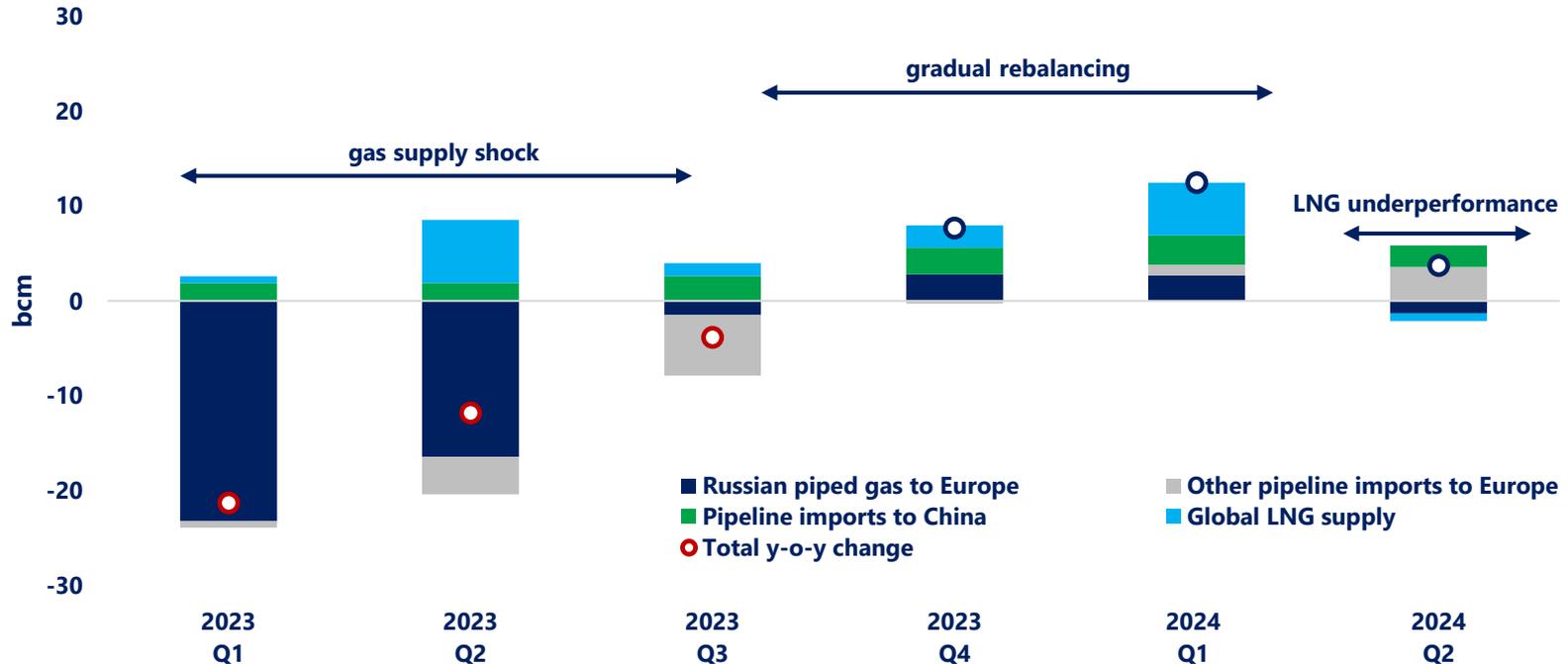
# Natural gas prices strengthened across all markets in Q2 2024...



Tighter market fundamentals provided upward pressure on natural gas prices in Q2 2024. Geopolitical tensions and renewed uncertainty around Russian piped gas fuelled additional price volatility.

# ...supported by tighter supply fundamentals...

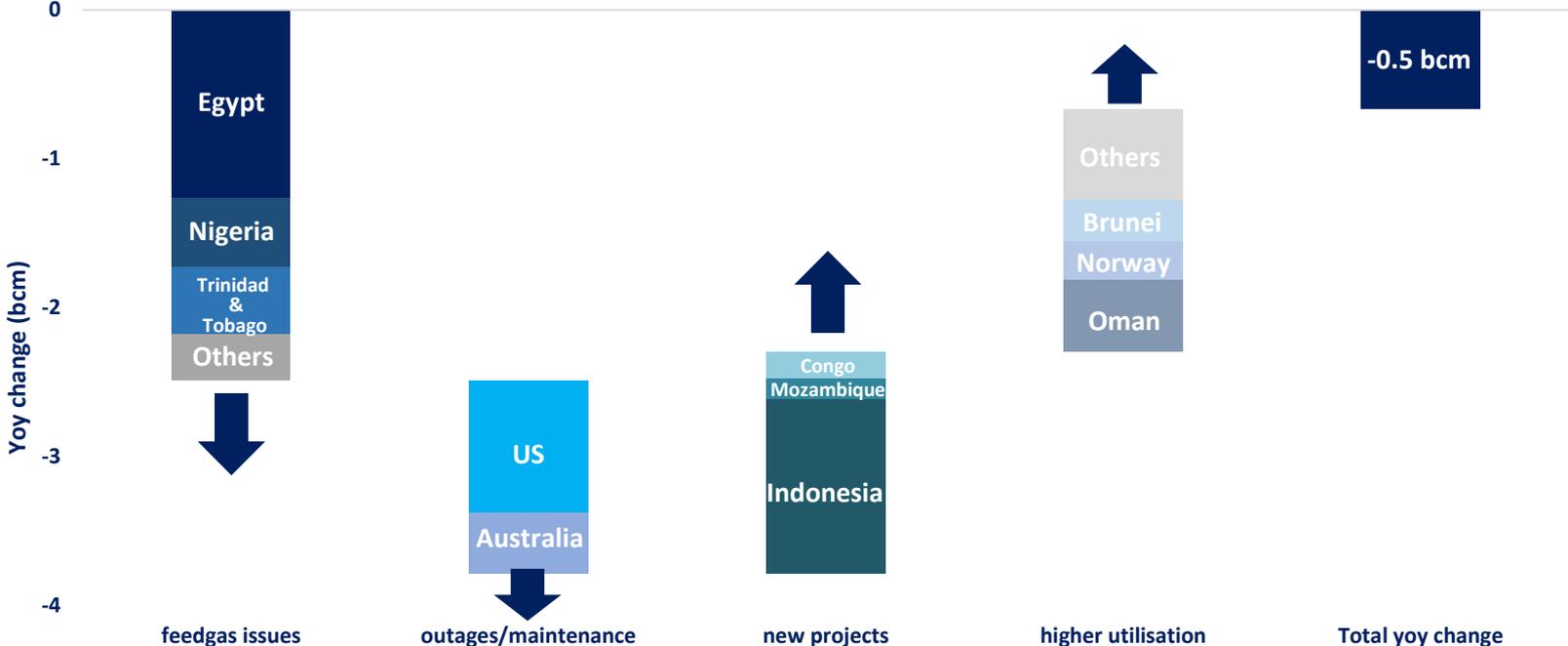
Estimated year-on-year change in key piped natural gas trade and global LNG supply by quarter, 2023 – 2024



Global LNG supply decreased in the second quarter – representing its first contraction since the covid lockdowns in 2020. Lower LNG availability naturally tightened market fundamentals.

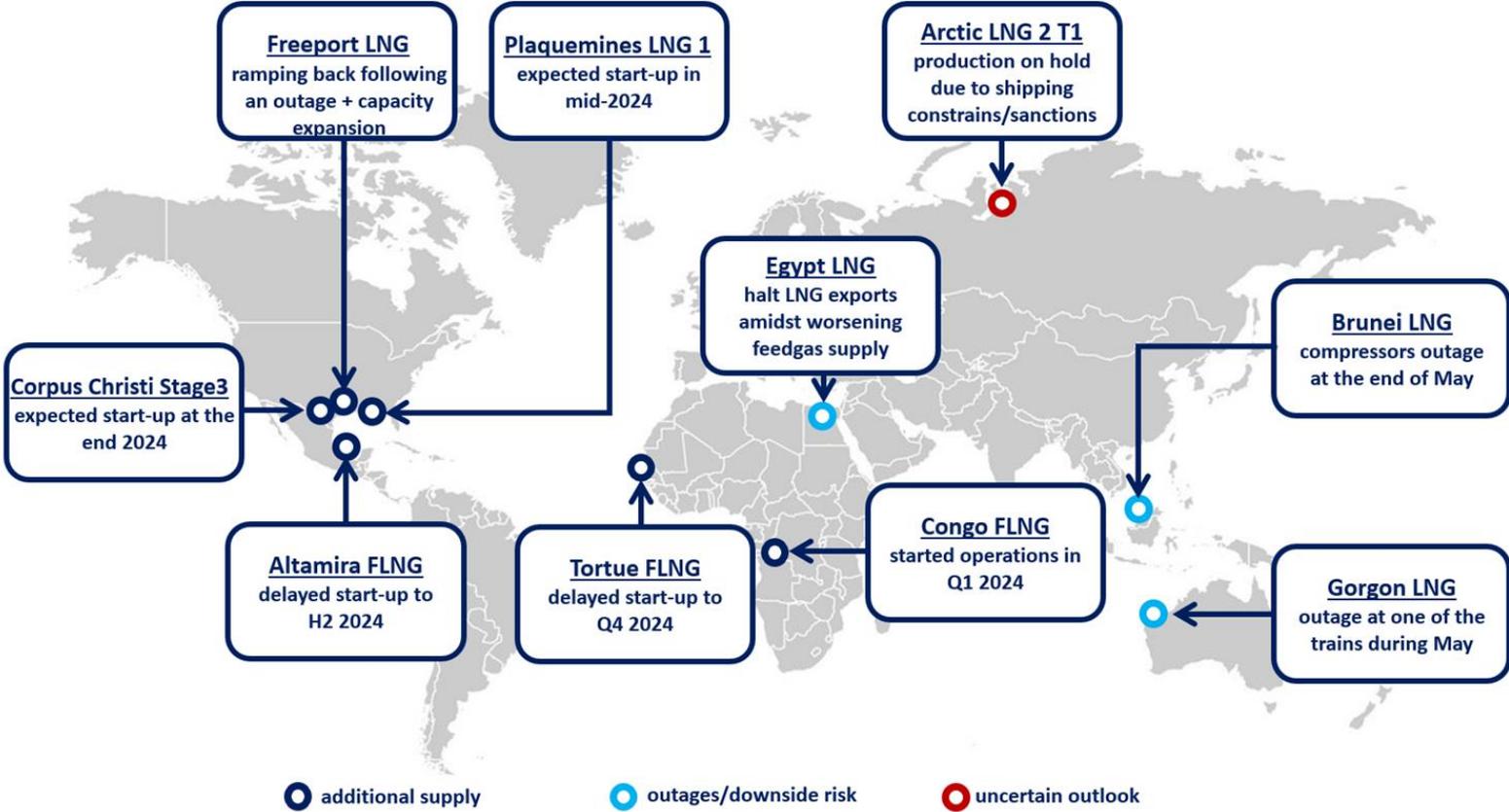
# ...amid a temporary LNG underperformance in Q2 2024

Estimated year-on-year change in LNG supply in Q2 2024 by key driver and market

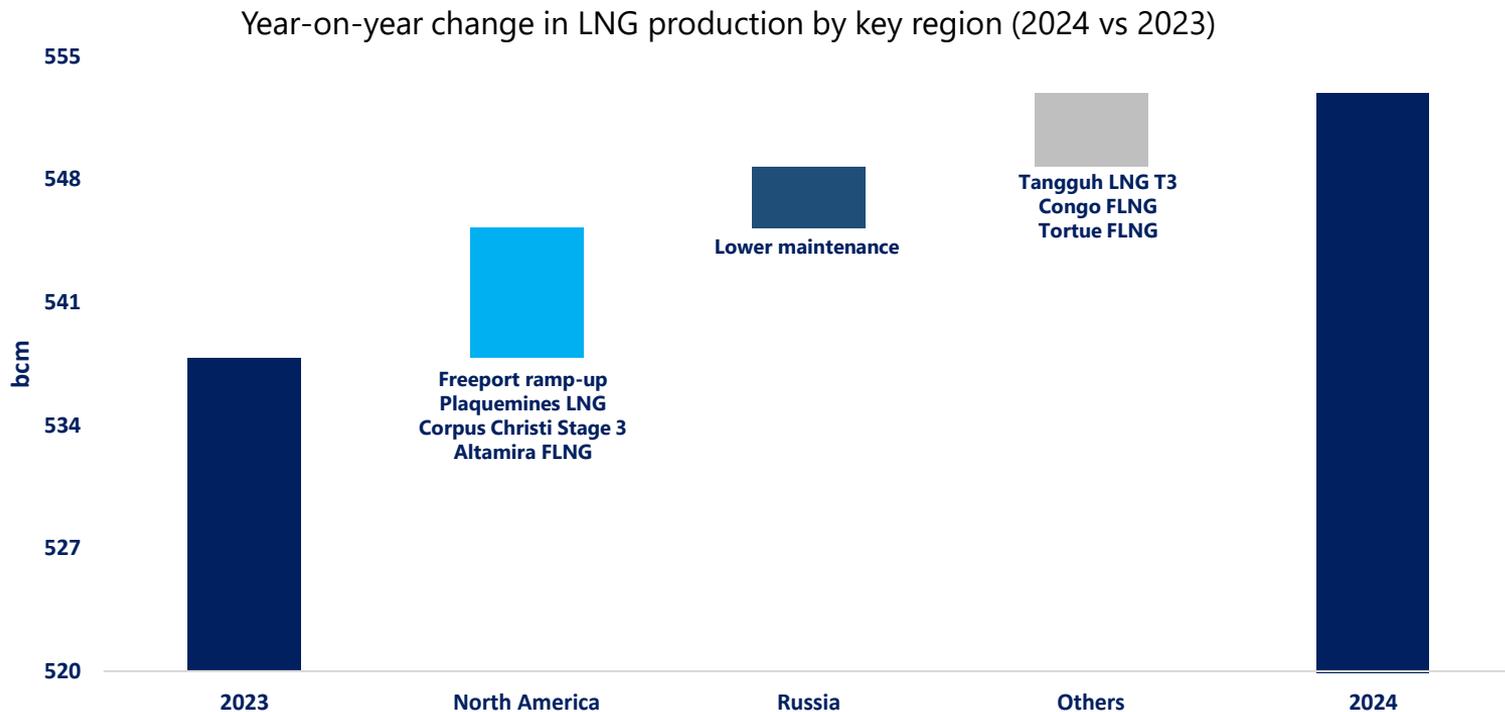


Feedgas availability issues at legacy producers were the key driver behind lower LNG supply in Q2 2024. Unplanned outages and repair works further reduced LNG production.

# New projects are set to improve LNG availability in H2 2024...

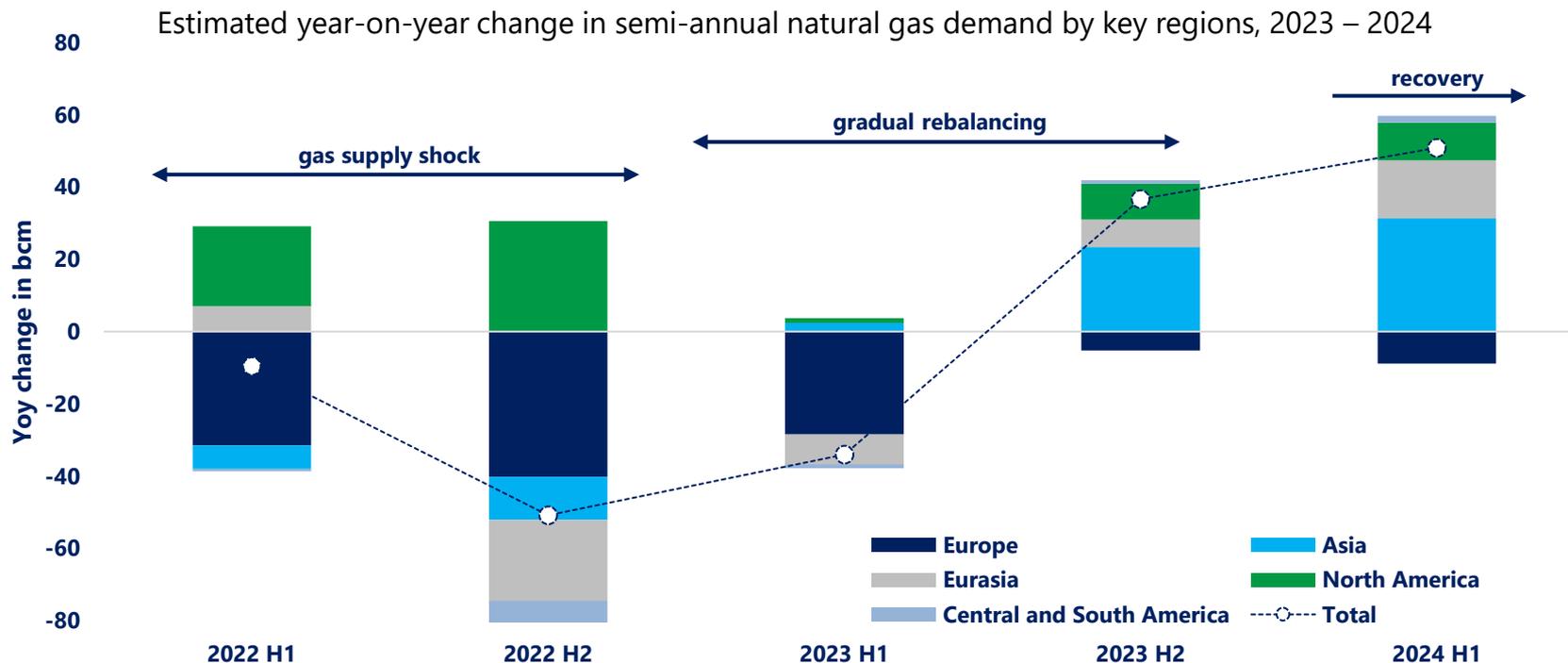


# LNG supply growth is expected to remain limited in 2024



Global LNG supply is set to increase by a mere 3% in 2024 –well-below the 8% growth rate experienced between 2016-20. Incremental supply is primarily driven by the US, Africa, Indonesia and Russia.

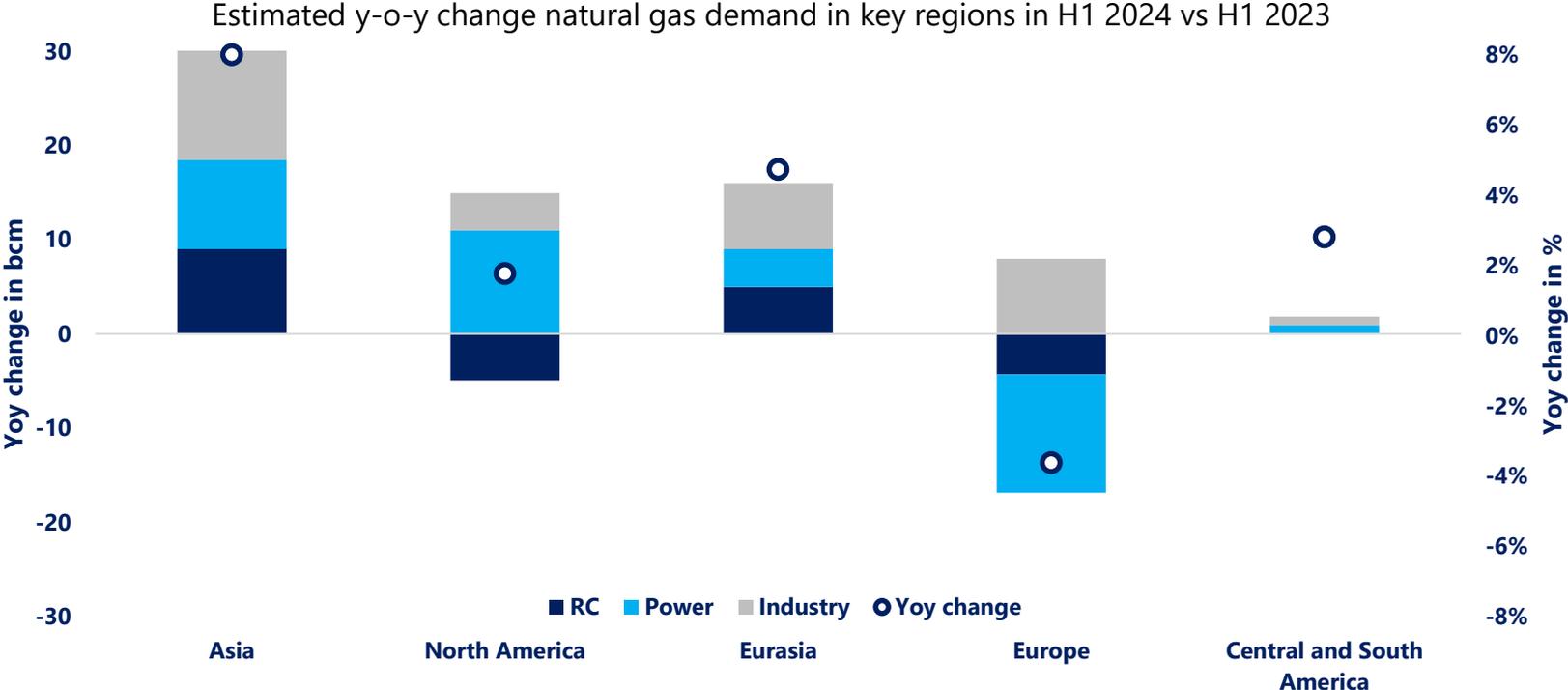
# Global gas demand returned to stronger growth in H1 2024...



Global gas demand increased by 3% y-o-y in H1 2024, well above the historical 2% average growth rate between 2010 and 2020. Around 70% of this growth was concentrated in Q1 2024.

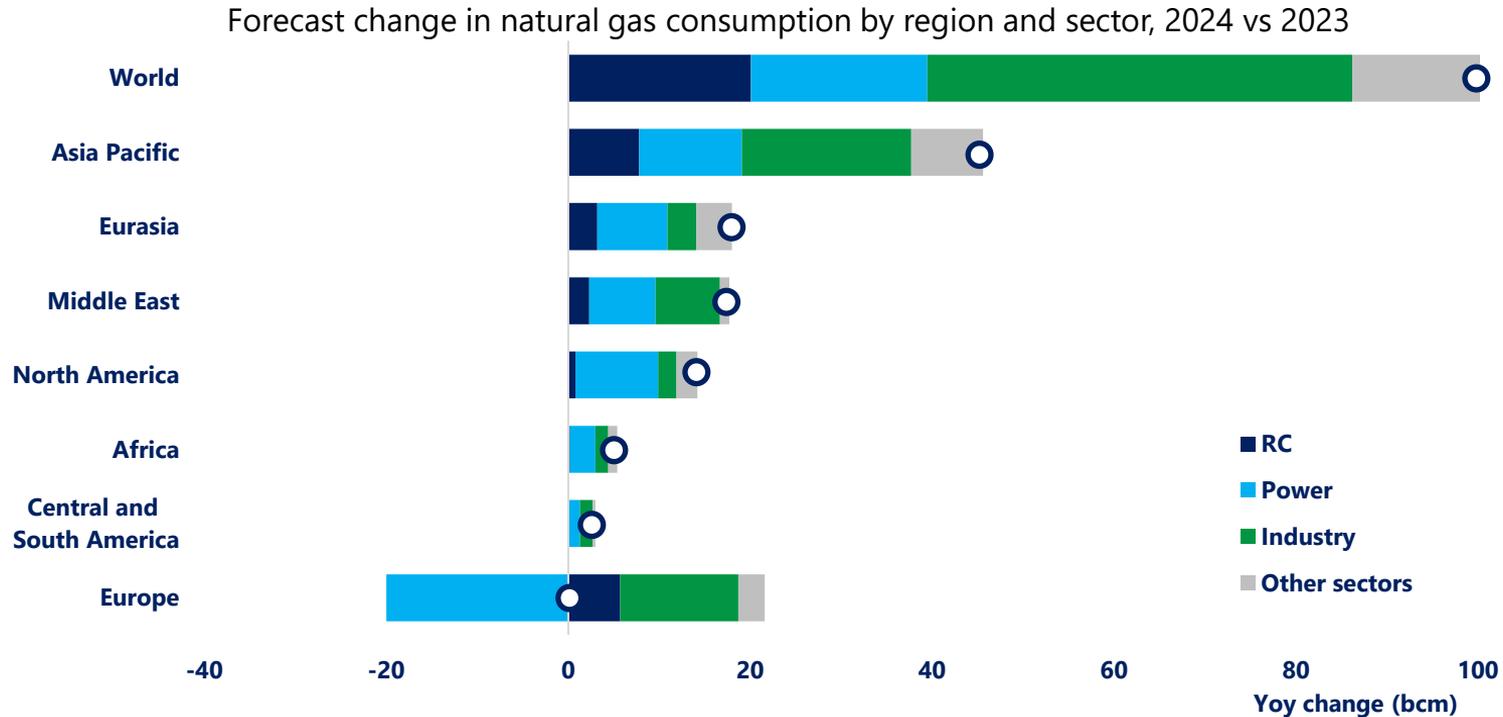
\*Asia, Central and South America, Eurasia, Europe and North America.

# ...primarily supported by fast-growing Asian markets and industry



Asia accounted for around 60% of the incremental gas demand in the H1 2024, primarily driven by China and India. Higher gas use in industry contributed to almost 65% of global demand growth in H1 2024.

# Industry is expected to drive demand growth in 2024

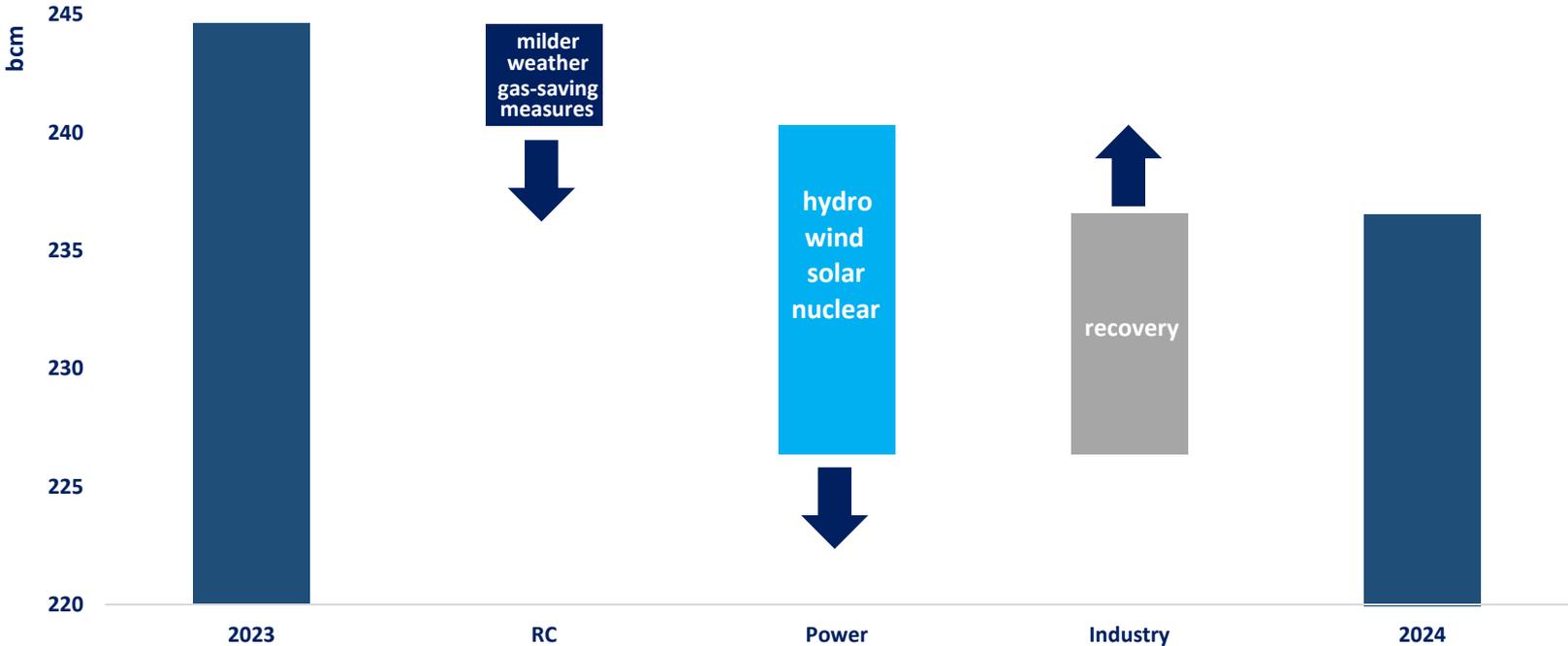


Global gas demand is forecast to increase by 2.5% in 2024, with growth primarily concentrated in fast-growing Asian markets. Industry is expected to account for 45% of incremental gas demand in 2024.

# Focus on Europe

# No recovery in sight for European natural gas demand

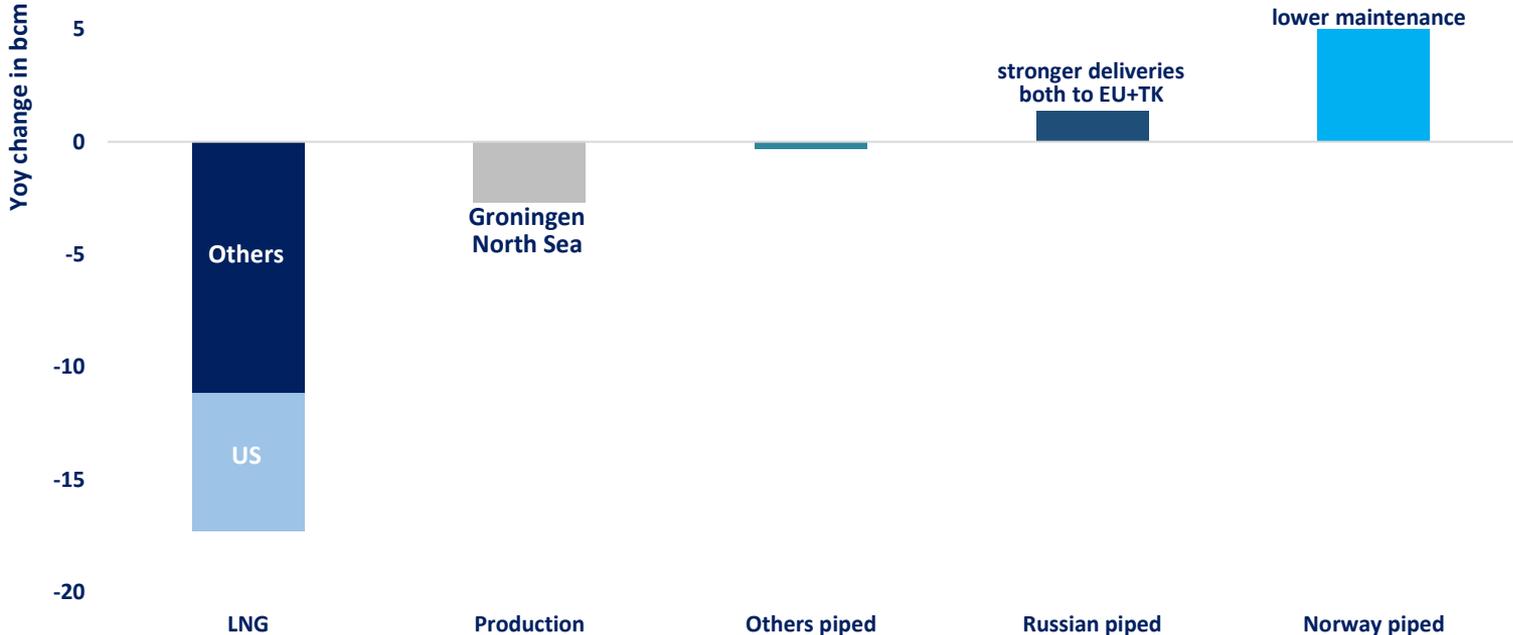
Estimated yoy change in OECD Europe's gas demand by sector, January – June, 2024 vs 2023



European gas demand declined by an estimated 3.5% in H1 2024, primarily due to lower gas burn in the power sector. In contrast, gas use in industry continued to recover –albeit remaining below pre-crisis levels.

# Europe's LNG imports plummeted by near 20% in H1 2024

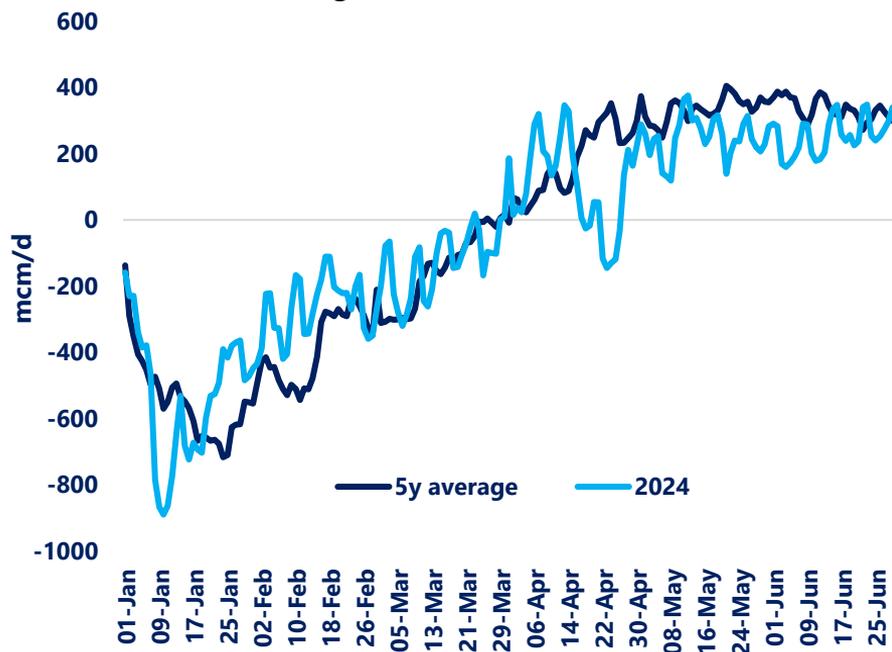
Y-o-y change in OECD Europe's primary natural gas supply, H1 2024 vs H1 2023



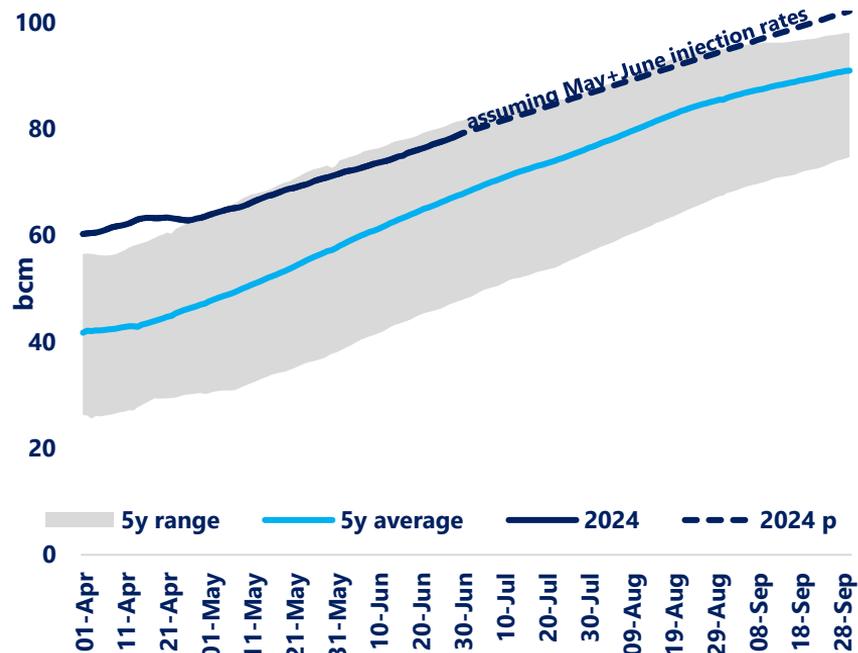
Europe's LNG inflows fell by close to 20% yoy in H1 2024, amidst lower gas demand, high storage levels and stronger piped gas deliveries from Norway and Russia.

# Storage injections slowed but Europe is well on track to its 90% target

## EU storage movements, H1 2024



## EU underground gas inventory levels



Net storage injections in Q2 2024 stood 30% below their 5y average -although the European Union remains well on track to reach its 90% fill level target by the start of the 2024/25 heating season.

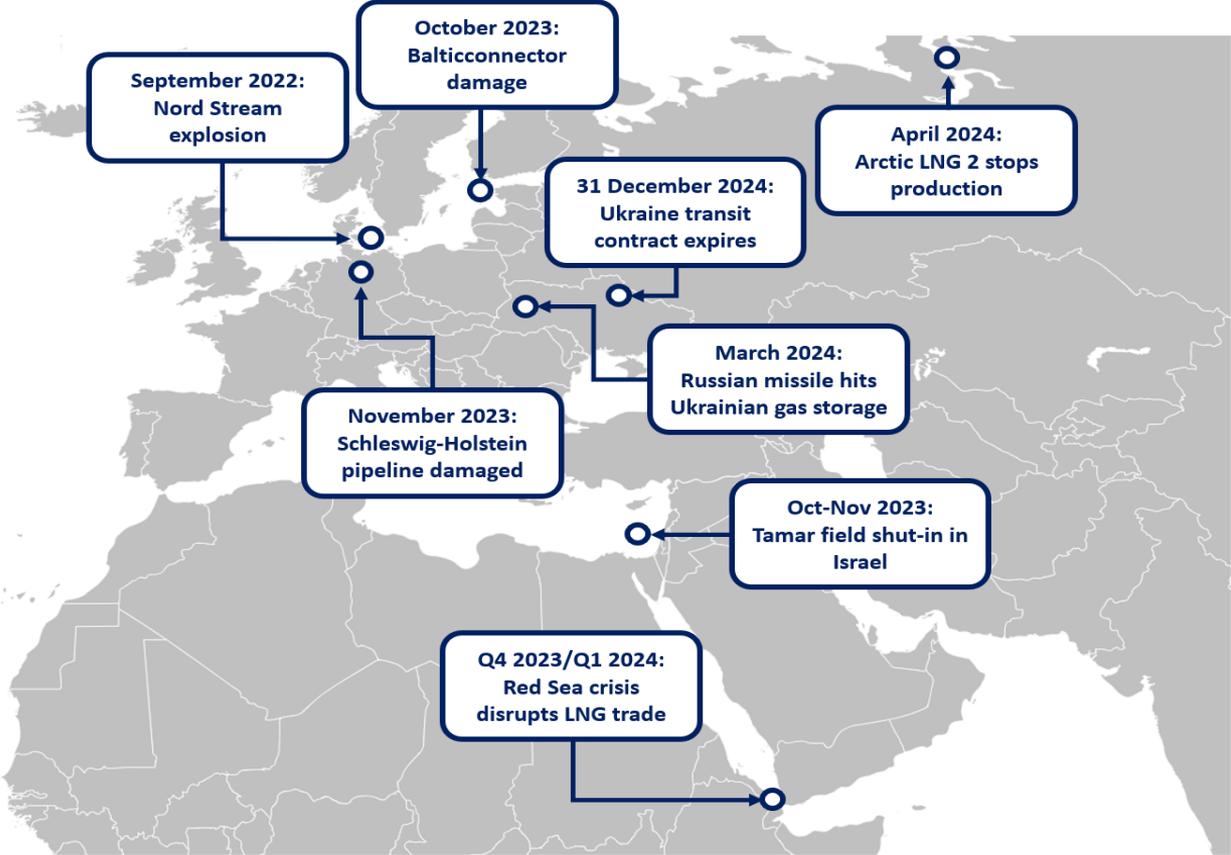
# Europe's pull on the global LNG market could ease this summer

Projected supply-demand balance of the EU+UK over July – September 2024



Lower storage injection needs, muted demand and healthy piped gas availability is expected to moderate Europe's call on the global LNG market through the 2024 summer.

# Geopolitics present greatest short-term risk for gas markets

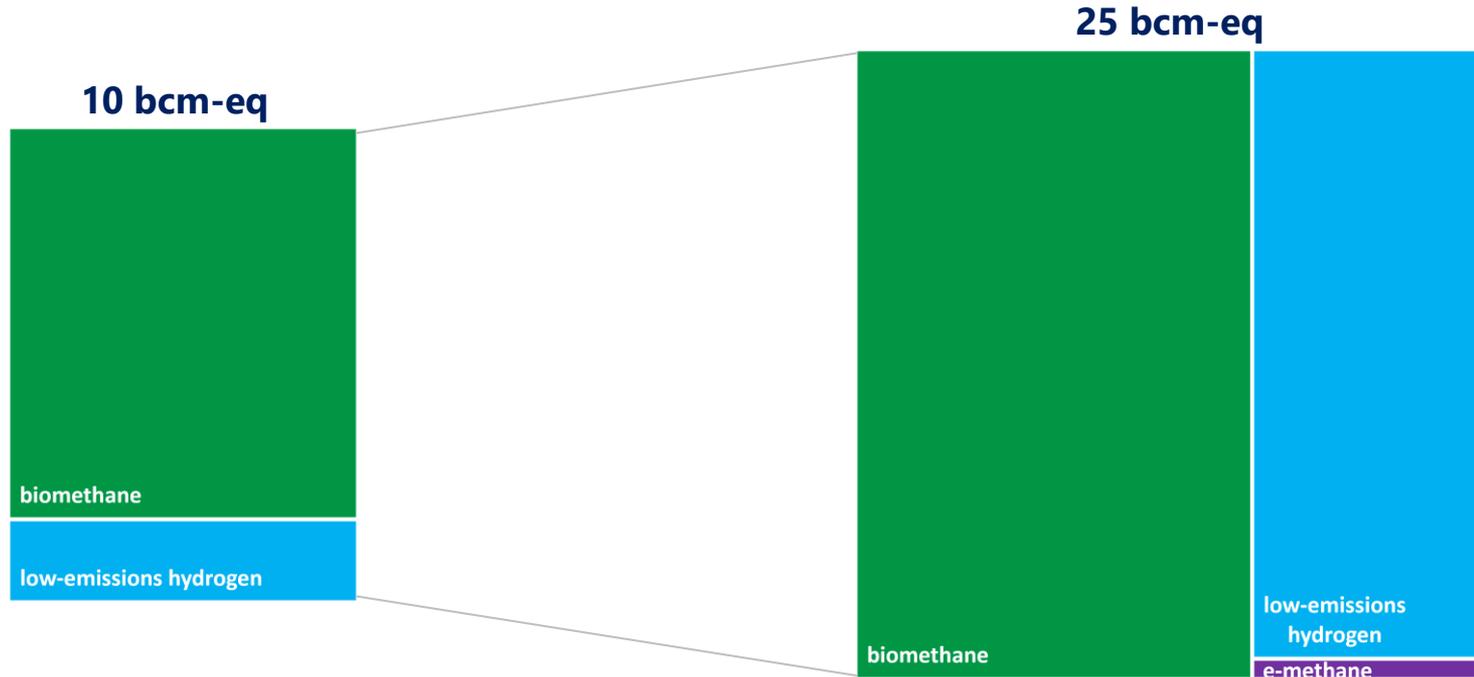


# Low-emissions gases: medium-term outlook

# Low-emissions gases are expected to double by 2027

Estimated supply of low-emissions gases by type in 2023

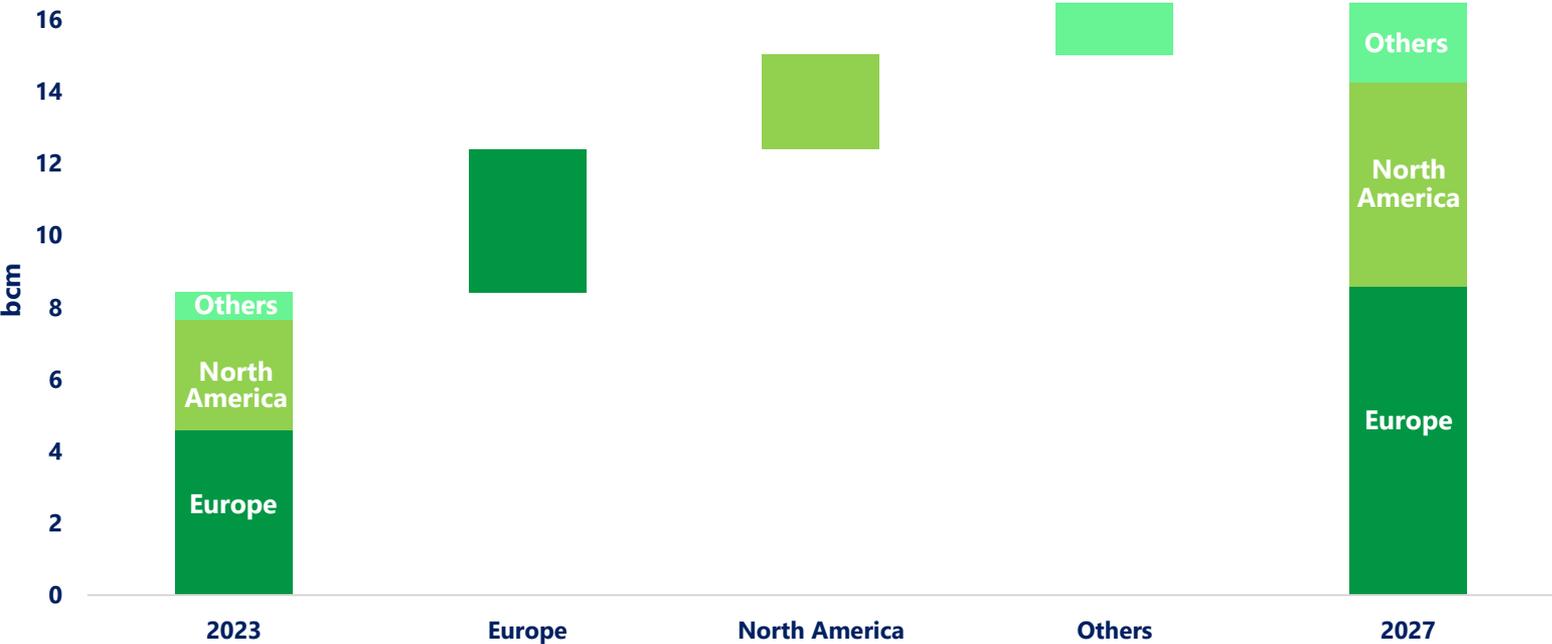
Forecasted supply of low-emissions gases by type in 2027



Low-emissions gases are expected to more than double in the medium-term. Nevertheless, further efforts are required to reach the ambitious targets set by governments.

# Europe and North America dominates biomethane growth

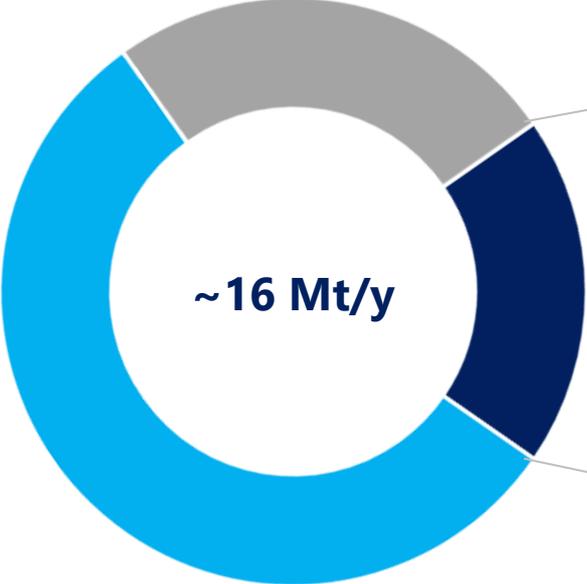
Biomethane production by region, 2023 – 2027



Biomethane production is projected to double between 2023 and 2027, primarily supported by projects undertaken in Europe, North America and Brazil.

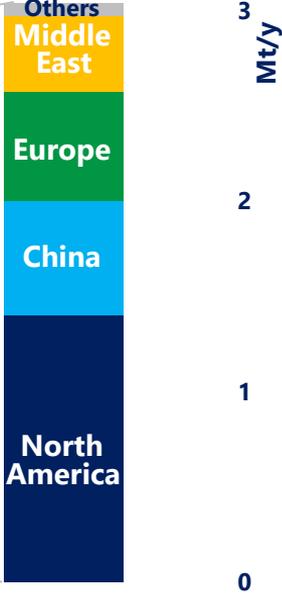
# Low-emissions hydrogen is expected to increase by fivefold

Potential low-emissions hydrogen production by current project status, 2027



■ Mature ■ Feasibility ■ Early stage

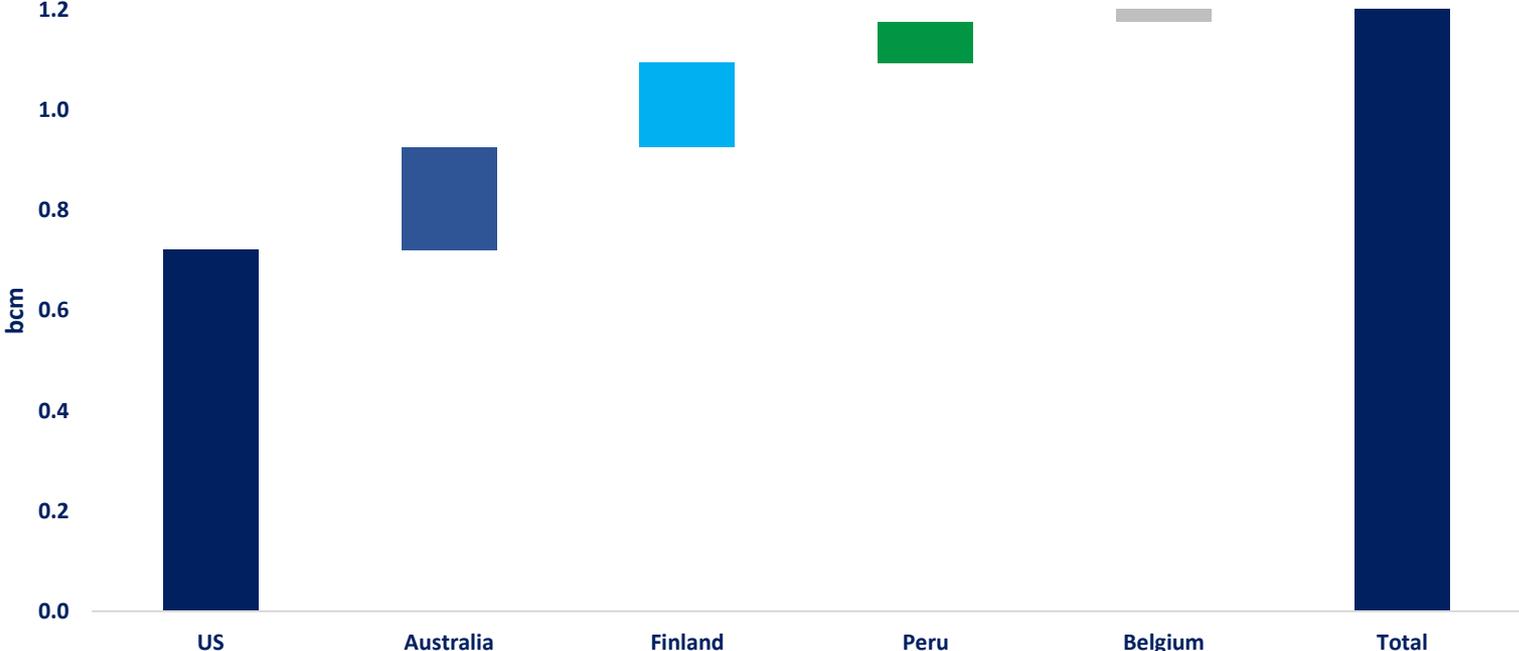
Expected low-emissions hydrogen production by region and market, 2027



Less than 20% of low-emissions hydrogen projects are in mature phase of development.  
North America, China and Europe are set to account for 85% of low-emissions hydrogen supply by 2027.

# E-methane projects continue to gain traction

Potential output volumes of e-methane projects by country by 2030



Global e-methane production could reach just over 1 bcm by 2030, albeit their development is pending on project partners successfully reaching final investment decisions in the coming years.

# Key takeaways

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- **Global gas demand returned to stronger growth** in H1 2024, with first data suggesting an increase of 3%, primarily supported by **the fast-growing Asian markets** and industry.
- After softening through the winter, **natural gas prices strengthened in Q2 2024** amid tighter market fundamentals and geopolitical uncertainties -albeit remaining well-below their 2022 levels.
- **Global LNG supply** is set to increase by a mere 3% in 2024. Incremental supply is primarily driven by the US, Africa, Indonesia and Russia, with **new projects expected to start-up in H2 2024**.
- Despite lower storage injections over Q2 2024, **the European Union remains well on track to reach its 90% fill level target** by the start of the 2024/25 heating season.
- **Low-emissions gases** are expected to **more than double** in the medium-term. Nevertheless, **further efforts are required** to reach the ambitious targets set by governments.

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