Daegu, May 25, 2022

Global Gas Report 2022: Natural, low- and zero-carbon gases and gas infrastructure key to an achievable transition toward a sustainable and secure energy future for all.

The International Gas Union (IGU), Snam and knowledge partner Rystad Energy, are releasing the Global Gas Report 2022 (GGR), on the occasion of the 28th IGU World Gas Conference held in Daegu, Korea.

This edition of the Global Gas Report covers **two very turbulent years in the global gas industry and the wider global energy markets**. The COVID-19 pandemic lockdowns, with a brief period of excess supply and very low prices, gave way to tight markets, extreme price volatility, and a compounding geopolitical challenge to energy security, due to the armed conflict between Russia and Ukraine.

Table 1: Key changes in global gas market from 2019-21

Region	Consumption		Production		Gross imports		Gross exports		Gas price	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Asia	+ 0.4%	+ 6.4%	− 2.7%	+ 4.7%	+ 3.0%	+ 11.0%	− 12.5%	+ 13.9%	− 20.4%	+ 317.8%
Europe	− 3.4%	+ 3.2%	− 6.9%	− 4.2%	− 13.0%	− 0.4%	− 28.4%	− 15.0%	− 37.6%	+ 397.0%
America N	− 2.0%	+ 0.4%	− 1.3%	+ 2.0%	− 3.4%	+ 7.3%	+ 7.9%	+ 21.0%	− 21.1%	+ 93.8%
America S	− 5.3%	+ 8.0%	− 8.1%	− 6.4%	+ 4.8%	+ 36.6%	− 7.6%	− 19.4%	-	-
Africa	− 13.7%	+ 9.7%	− 8.5%	+ 11.6%	+ 18.8%	+ 20.6%	− 5.8%	+ 19.0%	-	-
Middle East	+ 1.1%	+ 3.6%	+ 1.8%	+ 4.7%	+ 7.3%	+ 11.5%	+ 1.9%	+ 6.2%	-	-
Russia	− 5.2%	+ 9%	− 10.0%	+ 12.7%	− 55.0%	+ 56.4%	− 9.1%	+ 3.9%	-	-
Australia	− 5.5%	− 3%	+ 1.9%	− 4.8%	− -15.4%	+ 21.9%	+ 2.6%	+ 4.8%	-	-

Source: Rystad Energy

In order to limit global warming to 1.5ºC and fulfil net zero ambitions by 2050, greenhouse gas emissions will need to peak before 2025. Within the limited time available, governments, policymakers and industry will need to develop realistic and achievable strategies to curb emissions across all sectors. **Natural gas, together with decarbonised and low or zero-carbon gases, will play a critical role in supporting these decarbonisation initiatives.**

Emissions have resumed their upward trend since 2020, particularly in the power sector, where there has been a post-COVID19 surge in demand and increased coal-to-gas switching, as gas prices have outpaced those for coal. The situation has been exacerbated by global energy supply tightness, and the 2022 Russia-Ukraine conflict. Reversing the shift from gas to coal will require a focus on gas availability, emission pricing and CO2 and pollution policies.

The Russia-Ukraine conflict has brought the issue of energy security to the forefront and highlighted the value of diversifying supply. Additional infrastructure, including import and storage facilities, can increase energy security. Extreme weather over the past two years has also put energy security to the test, but during this time natural gas has proven to be a reliable source of electricity generation that can offset shortfalls from other sources.

The future of the gas industry will be closely linked to sustainability. With its low-carbon profile, natural gas can achieve immediate cuts in emissions. Progressively, the gas industry will be an enabler of low- and zero-carbon gas technologies such as hydrogen, biomethane and CCUS, through its supply of feedstock, infrastructure and expertise. Today, blue and green hydrogen account for less than 1% of hydrogen demand, while biomethane is just 1% of gas production, but interest in these gases is gathering pace, with more and more countries committing to targets and funding. The EU's "RePowerEU" envisages 35 bcm of biomethane and 20Mt (approx. 70 bcm equivalent) of clean hydrogen demand in Europe by 2030, together accounting for around 25% of the EU natural gas market today.

Commenting on the report's findings, IGU President Joe Kang notes:

"*It is clear that gas infrastructure investment remains critical for meeting global energy demand. It became more urgent than ever to help resolve the energy crisis the world is suffering today. Importantly however, this investment and future growth of the gas sector comes with a responsibility to be compatible with the goals of the energy transition and Paris Agreement. New infrastructure investments should be future proofed to assure investors in their long-term environmental and economic value. Technological innovation to raise efficiency and minimise emissions all through the value chain must be at the core of these investments*."

*Quote by **Stefano Venier, CEO Snam***

"The gas market is currently characterised by tight conditions, high prices and supply security concerns. Gas infrastructure will play a critical role to support supply diversification, creating connected and liquid markets. Investment in hydrogen-ready assets will also enable the large-scale development of decarbonised gas, which will be necessary to achieve a sustainable and inclusive energy transition"

Quote by Jon Frederik Müller, Partner & Head of Consulting Asia-Pacific, Rystad.

"*We have seen increasing volatility in the gas market over the last few years. This has been due to a series of unforeseen events such as the covid-19 pandemic, the Russia-Ukraine conflict and extreme weather events. Also impacting on market prices are a series of planned events such as the transitioning of the energy system with shutdowns of nuclear power plants and an increasing influx of intermittent renewables. The duration of some of these events are uncertain, but the resulting volatility in energy prices, and potential energy deficits, has again brought energy security high on the agenda. Further, with an agreement around "phasedown of coal" from COP26, the implication should be clear. Gas will continue to play a key role in providing the world with a secure source of energy*."

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About the Report

The 2022 Edition of the Global Gas Report report is a collaborative effort by IGU and Snam, produced by Rystad Energy. It seeks to deliver insights about the global gas sector and to inform its stakeholders, partners, and global decision makers about the state of play today and the possibilities for the future.

About the International Gas Union (IGU)

The International Gas Union (IGU) was founded in 1931 and is a worldwide non-profit organisation representing more than 150 gas and related service industry members worldwide on all continents. The members of the IGU are national associations and corporations within the gas industry and related services worldwide, covering over 90% of the global gas market and working in every segment of the gas value chain, from the supply of natural and decarbonised gas, renewable gas and hydrogen, through their transmission and distribution, and all the way to the point of use. The IGU organises the World Gas Conference (WGC) every three years. www.igu.org

About SNAM

Snam is one of the world's leading energy infrastructure operators and ranks among Italy's largest listed companies, by market capitalization. Through its international footprint, Snam operates in Albania (AGSCo), Austria (TAG, GCA), France (Teréga), Greece (DESFA), Italy, UAE (ADNOC Gas Pipelines) and UK (Interconnector UK) and has started activities in China and India. Snam is also one of the leading shareholders in TAP (Trans Adriatic Pipeline). The Group has the largest natural gas transportation network (over 41,000 km including international assets) and storage capacity (approx. 20 bcm including international assets) among its European peers and is also a leading player in regasification, through the LNG terminal in Panigaglia (GNL Italia) and its stakes in the Livorno (OLT) and Rovigo (Adriatic LNG) terminals in Italy and in the Revithoussa (DESFA) terminal in Greece. Snam also invests in energy transition businesses: biomethane (Snam4Environment), energy efficiency (Renovit), sustainable mobility (Snam4Mobility) and hydrogen. The company also operates in forestation (Arbolia) and is committed to achieving carbon neutrality (Scope 1 and Scope 2 CO2 eq emissions) by 2040.

About Rystad Energy

Rystad Energy is an independent energy research and business intelligence company providing data, tools, analytics and consultancy services to the global energy industry. Our products and services cover energy fundamentals and the global and regional upstream, energy services and renewable energy industries, tailored to analysts, managers and executives alike. We are headquartered in Oslo, Norway with offices across the globe.