
Learn more about **LSEG**



My View ∨



Sign In

Register

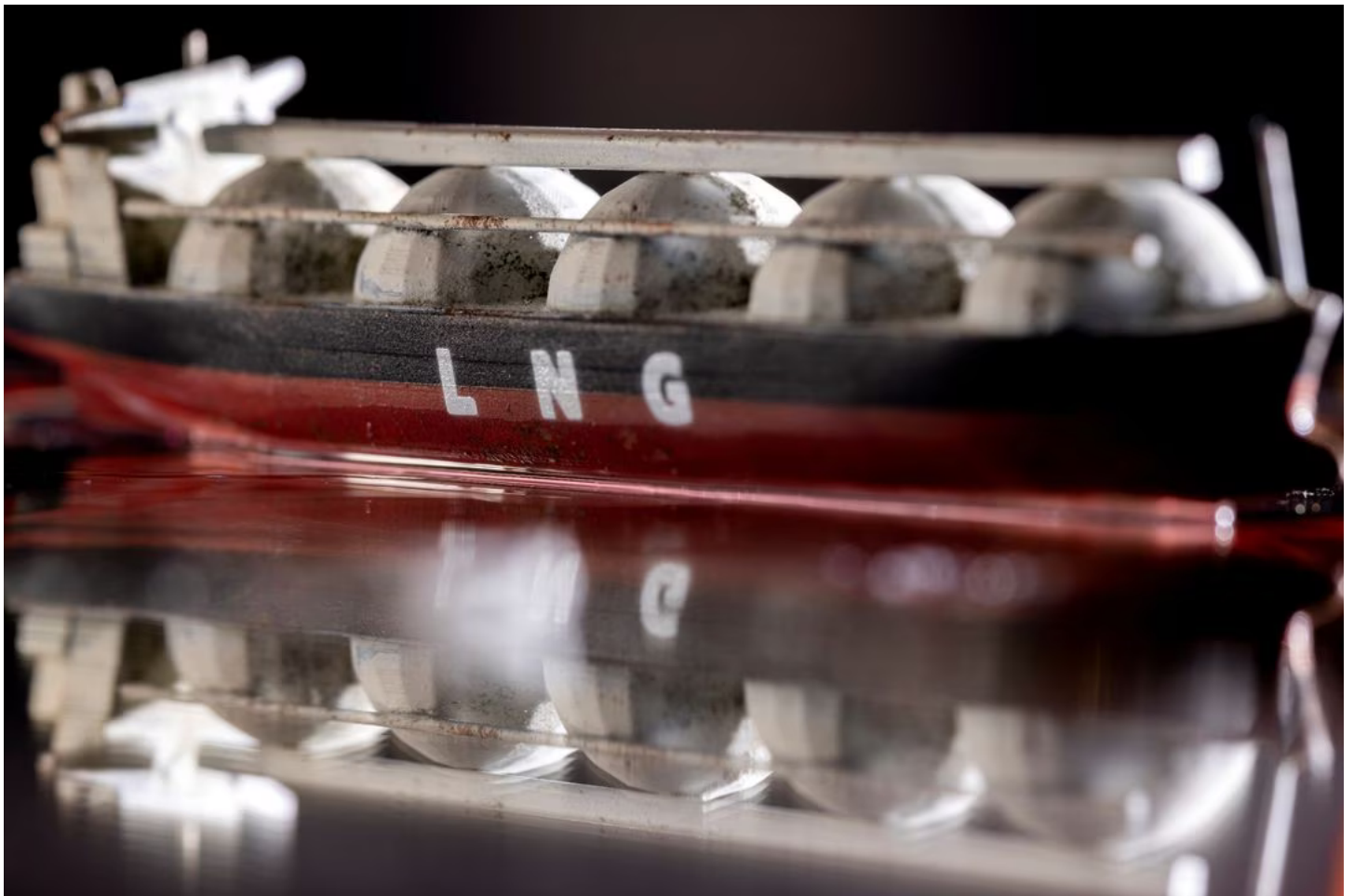


Commodities

IEA says "unprecedented" supply surge could lead to LNG glut from 2025

Reuters

October 24, 2023 3:17 AM MDT · Updated 9 days ago



Model of LNG tanker is seen in this illustration taken May 19, 2022. REUTERS/Dado Ruvic/Illustration [Acquire Licensing Rights](#)

OSLO, Oct 24 (Reuters) - An expected strong rise in liquefied natural gas (LNG) production capacity will ease prices and gas supply concerns, but also risks creating a supply glut, the International Energy Agency (IEA) said on Tuesday.

An "unprecedented surge" in LNG projects coming online from 2025 is set to add more than 250 billion cubic metres (bcm) per year of new capacity by 2030, the IEA said in its latest World Energy Outlook report.

Advertisement · Scroll to continue

This new capacity is equivalent to around 45% of today's total global LNG supply, with the years 2025-2027 seeing the largest increases, led by projects in the United States and Qatar, it added.

More supply will pressure prices, with the IEA forecasting prices could drop by almost 80% to \$6.9 per million British thermal units (mmbtu) in 2030 from \$32.3 mmbtu in 2022 when prices hit record levels.

Natural gas markets had been particularly impacted by the global energy crisis, dominated by fears about security of supply and price spikes after Russia cut gas flows to Europe, and market balances have remained precarious, it added.

Advertisement · Scroll to continue

However, the market balance would change from the middle of the decade, as global gas demand growth has slowed considerably since gas markets' "golden age" of expansion during the 2010s

growth has slowed considerably since gas markets' golden age of expansion during the 2010s, the Paris-based agency said.

While some of the gas was contracted on a longer-term basis, the IEA estimated that more than one-third of the new gas would be sold on the short-term market.

Major European buyers such as [Eni \(ENI.MI\)](#), [TotalEnergies \(TTEF.PA\)](#) and [Shell \(SHEL.L\)](#) have recently entered 27-year LNG supply deals with Qatar.

Advertisement · Scroll to continue

"However, mature markets – notably in Europe – are moving into stronger structural decline and emerging markets may lack the infrastructure to absorb much larger volumes if gas demand in China slows," the IEA said.

The IEA said it lowered its 2050 LNG demand projections by nearly 15% and overall natural gas demand by 20% in the latest report versus its outlook in 2021.

In [its report](#), the IEA also expected world fossil fuel demand to peak by 2030 and sees China's role as a key source of energy demand growth changing.

Reporting by Nora Buli, Editing by Susanna Twidale and Kirsten Donovan

Our Standards: [The Thomson Reuters Trust Principles.](#)

Acquire Licensing Rights

Read Next



Business

BUSINESS

Energy Transfer misses estimates in Q3 but crude, NGL volumes hit record

Energy Transfer reported third quarter 2023 earnings that slightly missed Wall Street...

World

Mexico announces \$3.4 bln plan to rebuild Acapulco after hurricane

Mexico's government on Wednesday unveiled a \$3.4 billion recovery plan for the...

Commodities

Nutrien misses quarterly profit estimates as potash prices plummet

Nutrien fell short of analysts' estimates for third-quarter profit on Wednesday, as lower...

Asian Ma

Morning juice ris

A look at Asian ma McGeeve



More from Reuters

Images of September

01:42

Images of August

Images of August

01:57

America now in prolonged state of political violence

03:55

How gold mining contaminates Amazon wildlife

04:14

Images of July

01:37

Markets

PTC forecasts weak fiscal 2024 as tech spending remains strained

Business · 20 min ago

PTC Inc on Wednesday forecast its fiscal 2024 revenue below Wall Street estimates, signaling weakness in demand for its industrial design and testing software as companies keep their technology budgets tight.

Business

Energy Transfer misses estimates in Q3 but crude, NGL volumes hit record

Energy Transfer reported third quarter 2023 earnings that slightly missed Wall Street expectations, even as natural gas liquids (NGL) and crude transportation volumes hit a company record.

22 min ago

Business

Toyota recalls 1.85 million RAV4 SUVs over fire risks

4:07 PM MDT · Updated 24 min ago

[About Reuters](#)

[Videos](#)

[Energy gets sweetened \\$10.5 bln bid from Brookfield consortium](#)

12:12 PM MDT Updated 18 min ago

[Pictures](#)

[Graphics](#)

[Brand Attribution Guidelines](#)

[Reuters Leadership](#)

Business

[Reuters Fact Check](#)

[Reuters Diversity Report](#)

Air compressor maker Ingersoll lifts annual profit forecast

Ingersoll Rand on Wednesday reported a higher quarterly profit and raised its full-year earnings forecast as the air compressor maker's biggest segment of industrial technologies and services benefits from higher pricing.

[Download the App](#)

[Newsletters](#)

Information you can trust

Reuters, the news and media division of Thomson Reuters, is the world's largest multimedia news provider, reaching billions of people worldwide every day. Reuters provides business, financial, national and international news to professionals via desktop terminals, the world's media organizations, industry events and directly to consumers.

Follow Us



Thomson Reuters Products

Westlaw [↗](#)

Build the strongest argument relying on authoritative content, attorney-editor expertise, and industry defining technology.

Onesource [↗](#)

The most comprehensive solution to manage all your complex and ever-expanding tax and compliance needs.

Checkpoint [↗](#)

The industry leader for online information for tax, accounting and finance professionals.

LSEG Products

Workspace [↗](#)

Access unmatched financial data, news and content in a highly-customised workflow experience on desktop, web and mobile.

Data Catalogue [↗](#)

Browse an unrivalled portfolio of real-time and historical market data and insights from worldwide sources and experts.

World-Check [↗](#)

Screen for heightened risk individual and entities globally to help uncover hidden risks in business relationships and human networks.

[Advertise With Us](#) [↗](#) [Advertising Guidelines](#) [↗](#) [Coupons](#) [↗](#) [Acquire Licensing Rights](#) [↗](#)

All quotes delayed a minimum of 15 minutes. See here for a complete list of exchanges and delays.

[Cookies](#) [↗](#) [Terms of Use](#) [↗](#) [Privacy](#) [↗](#) [Digital Accessibility](#) [↗](#) [Corrections](#) [↗](#) [Site Feedback](#) [↗](#)

© 2023 Reuters. All rights reserved

