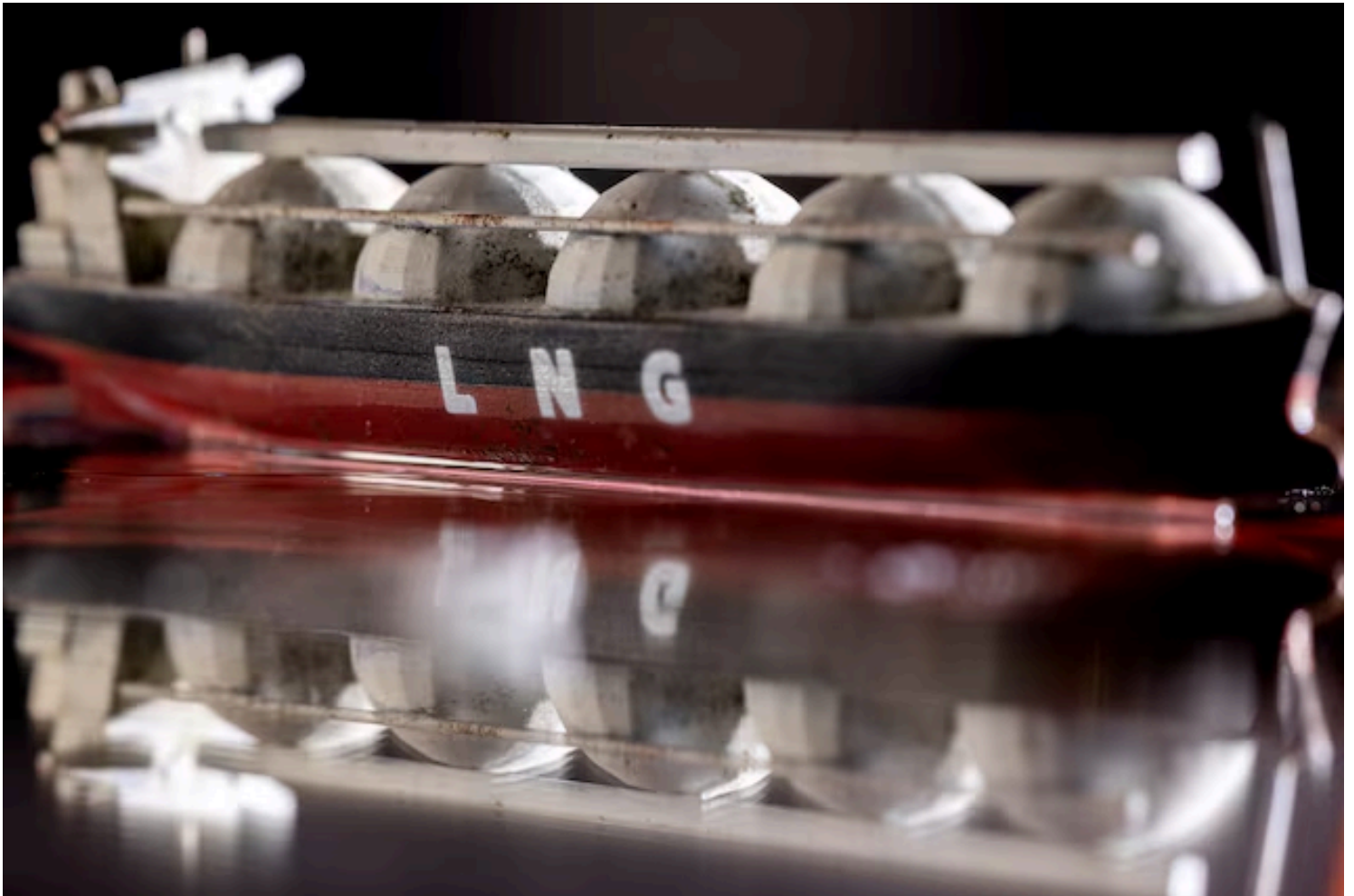


Commodities

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

By Reuters

October 24, 2023 2:17 AM PDT · Updated 8 months ago



Model of LNG tanker is seen in this illustration taken May 19, 2022. REUTERS/Dado Ruvic/Illustration/File Photo [Purchase 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.

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.

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, 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 \(SHELL\)](#) have recently entered 27-year LNG supply deals with Qatar.

"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.

Get a look at the day ahead in U.S. and global markets with the Morning Bid U.S. newsletter. Sign up [here](#).

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

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

Purchase Licensing Rights

### Read Next

Commodities

**Exclusive: Chile's Codelco targeting 2030 production for Maricunga lithium site, document shows**

June 7, 2024



World

**EU's 14th package of Russia sanctions held up by Germany, diplomats say**

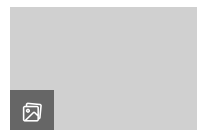
ago



Exploration & Production

**Petrobras CEO names new management team**

ago



World

**India cuts windfall tax on petroleum crude**

12:29 AM UTC



### Markets >

