



# Shell LNG Outlook 2019

## Growing recognition of the role of gas and LNG

Global energy demand set to grow by **18%** by 2035

Gas to meet around **40%** of this additional demand

LNG continues to be the fastest-growing gas supply source – more than half of LNG import growth in Asia

### Coal-to-gas switching led to

**78%**

improvement in Beijing winter air quality in last 5 years



**176**

million tonnes reduction in CO<sub>2</sub> emitted by Beijing and surrounding areas

equivalent to **37 million cars** off the road



Economic and environmental benefits making LNG an attractive road transport option



**6.7** million tonnes of LNG used on China's roads in 2018

## Asian LNG imports exceed expectations again in 2018 absorbing continued supply growth

China, India, South Korea and Pakistan led LNG demand growth in 2018



China became the world's largest gas importer, with LNG imports doubling over 2 years

LNG exports grew by **27 million tonnes** half of the growth came from Australia



Bunkering of world's first LNG-fuelled oil tanker and cruise ship

LNG trade reached **319** million tonnes Enough to power **643** million homes



LNG imports account for over **50%** of India's gas mix in 2018

Efforts to improve air quality saw China's LNG imports surge by around **16 million tonnes** in 2018



**1400+** spot cargo deliveries in 2018

**34** contracts signed with an average length of more than **13** years

## Near term supply growth expected to be absorbed by Europe and Asia – continued need for investment in supply to meet long-term demand growth

**37** million tonnes of new LNG capacity added in 2018

**35** million tonnes additional supply expected in 2019 – Europe and Asia expected to absorb supply growth



Potential for growth of gas in European power sector – current utilisation of gas fired power generation capacity below 40%

**21** million tonnes of new FID sanctioned in 2018



Supply investment still needed to avoid shortfall by mid-2020s