

# LNG – a crucial component of European gas industry

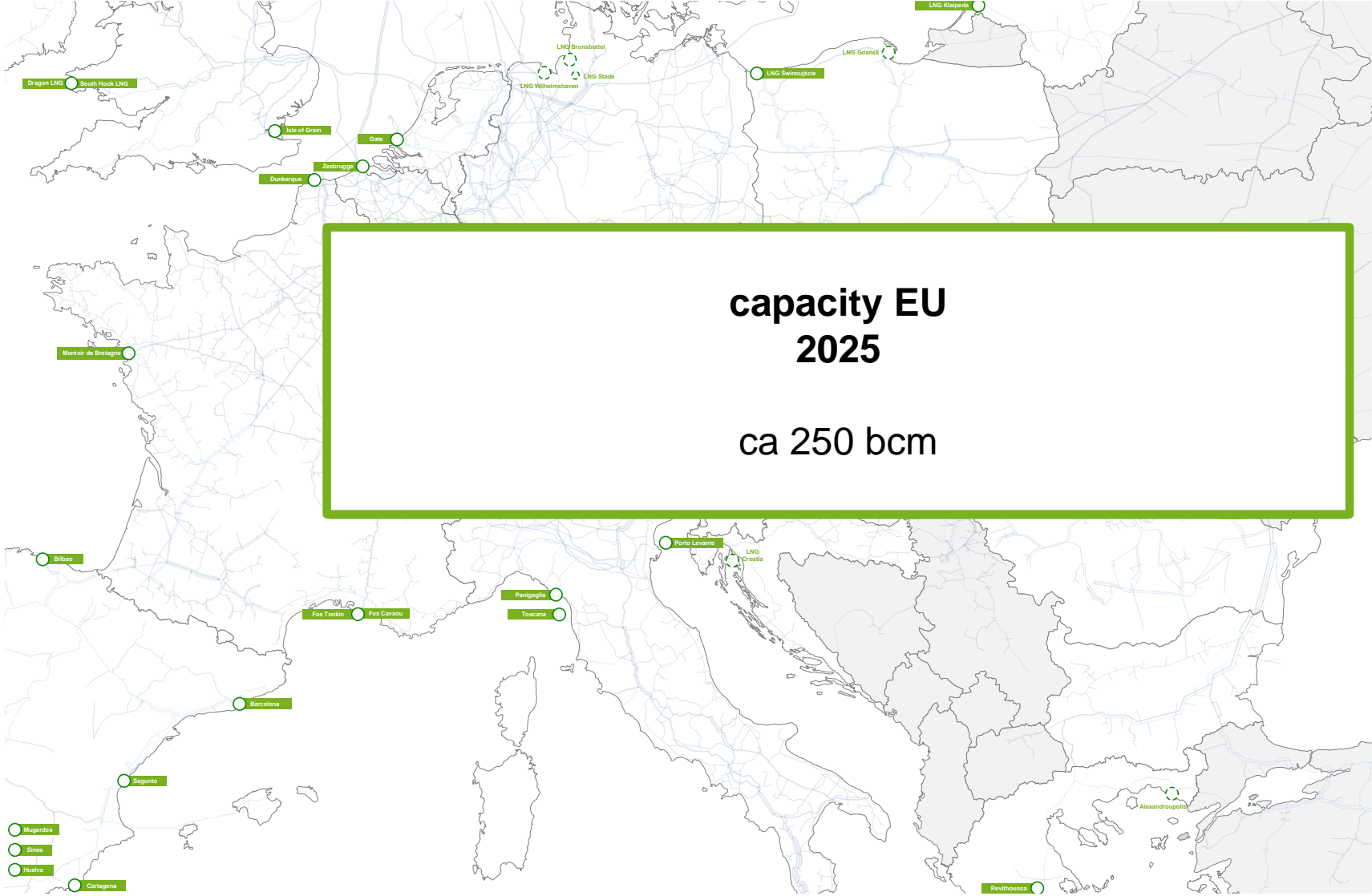


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# LNG terminals in the EU



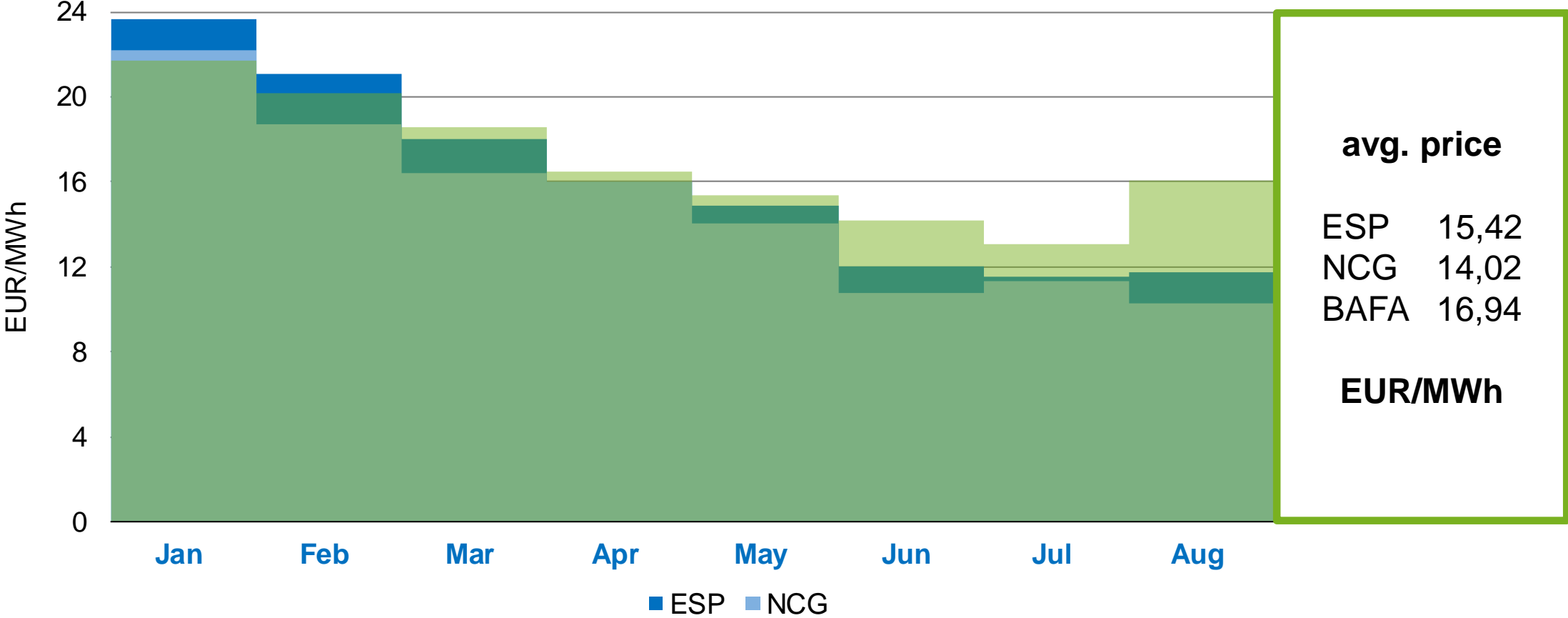
## Key import sources for the EU in 2040

- 2040 imports: **approx. 345 bcm**
- total supply from sources with limited production or transport capacity - **Norway, Algeria, Azerbaijan, East Mediterranean** – **approx. 125 bcm**
- supply form flexible sources- **Russia** and **LNG**: **approx. 220 bcm**

**LNG is the only source possessing the real power to reduce growing import dependency on one supplier with dominant position**

- share of Russian gas and LNG on the European market is uncertain – **key factors are:**
  - **gas demand in the EU**
  - **LNG price on the global market**
  - **Gazprom sale strategy (market share vs. price)**

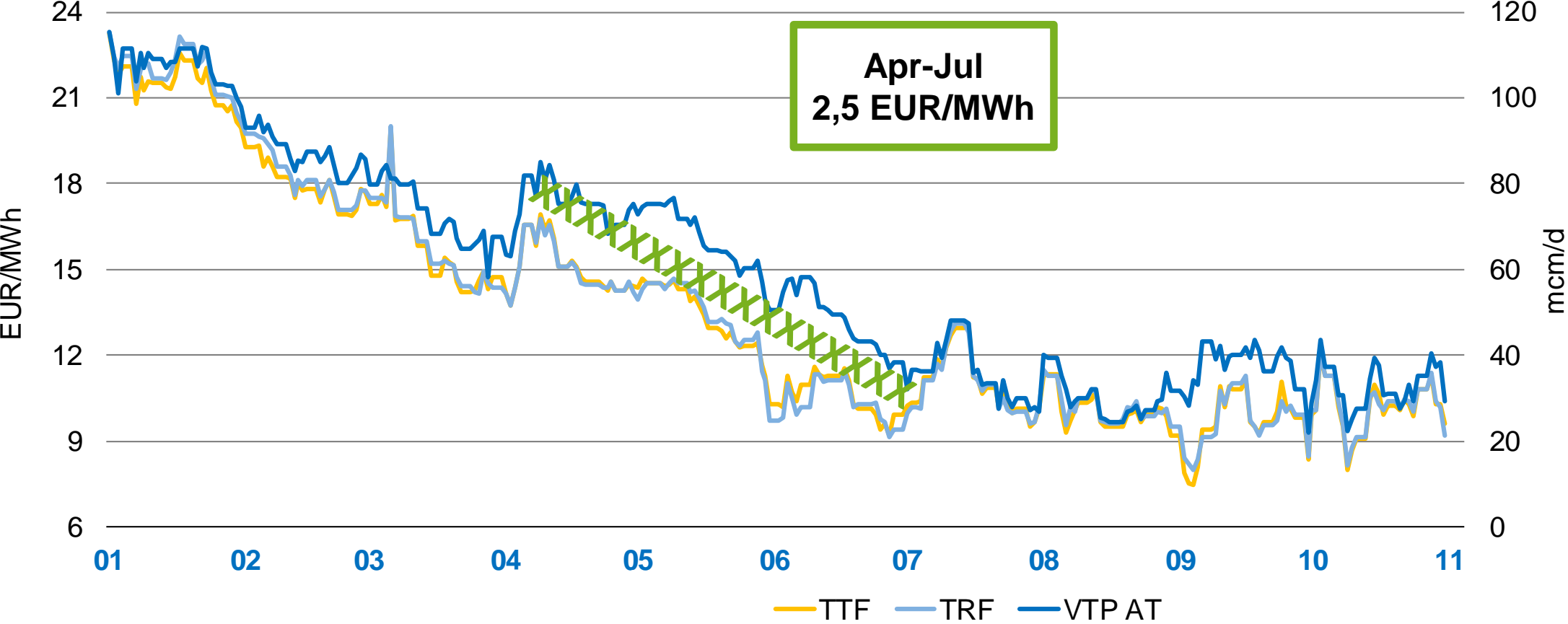
# ESP and German market price correlation in 2019



source: S&P Platts, Gazprom Exxport, BAFA



# Natural gas price on the European markets in 2019



source: S&P Platts, ENTSO-G

## Cost of gas imports to the EU (EUR/MWh)

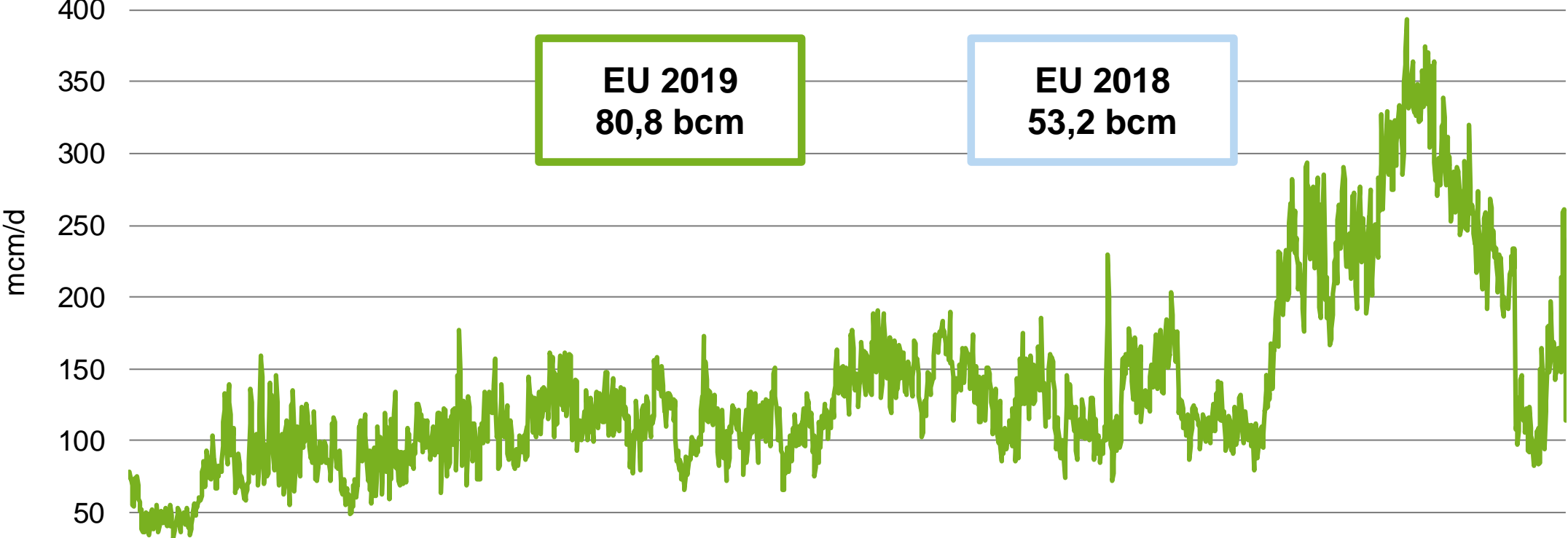
2019	commodity	liquefaction	transport	regasification	total
<b>Qatar - EU</b>	5,12	7,31	3,36	1,46	<b>17,25</b>
<b>USA - EU</b>	7,92	5,85	2,31	1,46	<b>17,54</b>
<b>VTP CZ</b>	15,02				<b>15,02</b>
<b>BAFA</b>	16,94				<b>16,94</b>
<b>Gazprom Export</b>	17,27				<b>17,27</b>

source: OIES, S&P Platts, Gazprom Export, BAFA, EIA

**LNG supplies in the EU are competitive with all the external import sources**



# LNG supplies to the EU from 2014 to 2019



**key role of UGS for LNG supply growth, synergy instead competition**



## Lithuanian FSRU terminal in Klaipeda



start-up:  
**2014**

capacity:  
**4,4 bcm**

total supply:  
**5,2 bcm**

2018 supply:  
**0,8 bcm**

2019 supply:  
**1,4 bcm**



Poland – future main importer of LNG in the EU

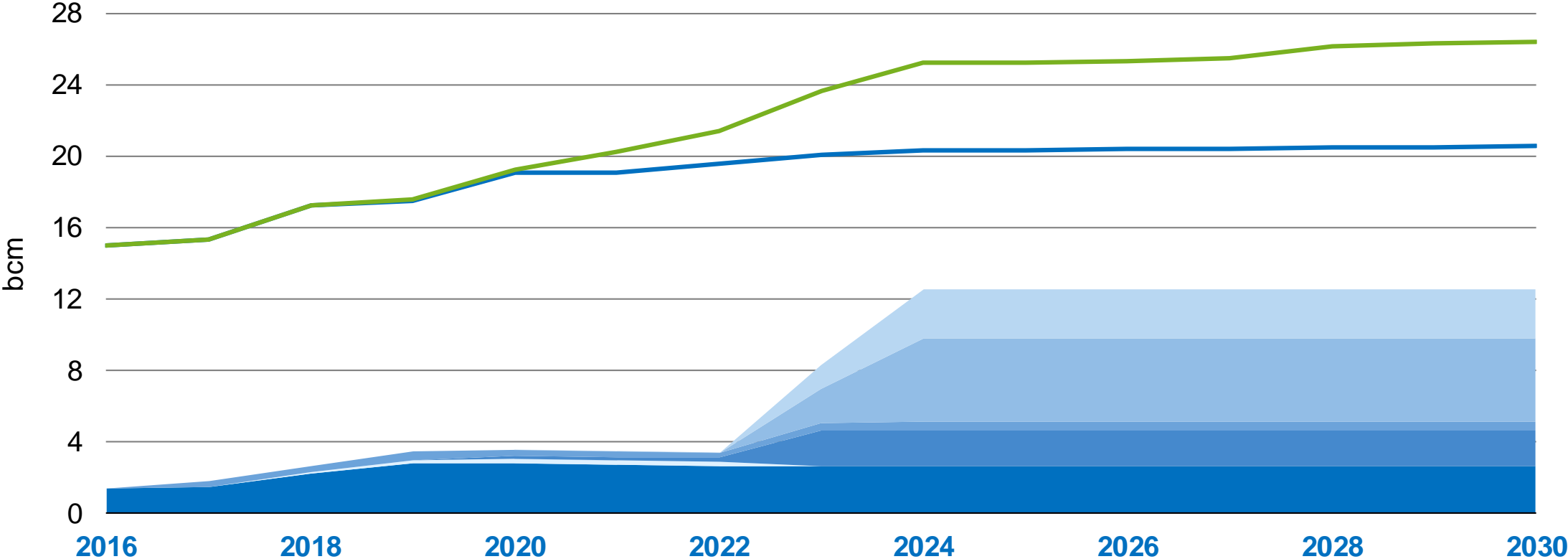


## PGNiG – LNG supply contracts

supplier	country of origin	volume bcma	expiration years	start-up year	supply model	existing source
Qatargas	Qatar	up to 2,9	20	2016	DES	yes
Centrica LNG Company	UK	0,3	5	2018	DES	yes
Cheniere	USA	0,7	4	2019	DES	yes
Port Artur LNG	USA	2,7	20	2023	FOB	no
Venture Global Calcasieu Pass	USA	1,36	20	2023	FOB	no
Cheniere	USA	1,95	20	2023	DES	yes
Venture Global Plaquemines LNG	USA	1,36	20	2024	FOB	no
Venture Global Plaquemines LNG	USA	2	20	2024	FOB	no
total in 2024		12,07				

source: PGNiG, S&P Platts,

# LNG contracts vs. domestic demand outlook



**LNG will enable Polish gas exports to neighbouring countries**

**LNG offers flexible and diversified gas supplies**



**gas price hits historic floor due to LNG supplies**



**gas advocacy: LNG makes the EU less dependent on coal and Russia**



Thank you for your attention



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