



## THE LATEST STATISTICS OF THE INTERNATIONAL GAS ASSOCIATION CEDIGAZ CONFIRM THAT THE GLOBAL DOWNWARD TREND IN GAS DEMAND GROWTH CONTINUES

As already announced in preliminary estimates in May 2015, **CEDIGAZ revised and final statistics confirm that 2014 was a second year of moderate natural gas activity worldwide. Marketed natural gas production increased by only 1.3% to 3445 bcm in 2014**, on a par with the year 2013, which saw a quite similar trend (+ 1.2%). These results are in contrast with sustained average growth in the order of 2.8% per year recorded in the 2000s (including the decline in 2009, offset by an upturn in demand during the economic recovery of 2010). This under performance was mostly explained by demand side factors. They are related to increased competition from coal in both Europe and Asia, the economic slowdown (China) and the exceptional warm weather conditions in the northern hemisphere, which put a break on the expansion of gas demand.

World gross natural gas production grew more significantly by 1.7% to 4319 bcm, as strong increases were recorded in the volumes of reinjected gas (+ 4.6%), flared and vented gas (+ 2.9%) and other losses related to processing and field operations (+ 2.2%).

**In a context of falling demand in Europe and the CIS, international gas trade declined markedly by approximately 3% to 1007 bcm**, pulled down pipeline flows (– 4.3%), especially in Europe, which is the main area for gas pipeline trade.

**After several years of market tightening, LNG supply grew slightly in 2014**, up 0.8% to 312.8 bcm, due to few liquefaction outages, and new liquefaction plant start-ups in Papua New Guinea and Algeria.

**The Asian natural gas market was characterized by a sharp slowdown in the growth of gas demand at 2.7%**, contrasting with the previous five-year average of 6.5%/year.

These developments have led to the emergence of a global LNG glut and the collapse in spot prices in both Europe and Asia.

Global reserves remained almost stable (+0.3%) at around 200 Tcm, the highest increases were recorded in Russia and the United States while European reserves dropped by almost 7%.

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*Cedigaz is an international association with around 90 members worldwide, created in 1961 by a group of international gas companies and the Institut Français du Pétrole Energies nouvelles (IFPEN). Dedicated to natural gas information, CEDIGAZ collects and analyses worldwide economic information on natural gas, LNG and unconventional gas in an exhaustive and critical way.*