

# Immense potential prevails for gas-based economies

By Dr R Seetharaman

Natural gas supplies 22% of the energy used worldwide, and makes up nearly a quarter of electricity generation, in addition to playing a crucial role as a feedstock for industry. Natural gas is a versatile fuel and its growth is linked in part to its environmental benefits, relative to other fossil fuels, particularly for air quality as well as greenhouse gas emissions.

The Gas Exporting Countries Forum (GECF) members together control over 70% of the world's natural gas reserves and produce more than 40% of this important source of energy. The three largest reserve-holders in the GECF are Russia, Iran and Qatar.

The 4th Gas Summit of the GECF was held in November 2017, which discussed the highest level developments, trends, and policies on



energy in general and gas in particular. The members agreed to cooperate towards a sustainable global natural gas market, while promoting the fuel's use.

It also recognised the essential role of natural gas as a clean and reliable energy source for sustainable development, in achieving the UN Sustainable Development Goals, including Goal 7, to ensure access to affordable, reliable, sustainable and modern energy for all. Amidst the shale gas development, the GECF is expected to play a significant role in the global gas market. Immense potential prevails for gas-based economies.

Qatar plans to raise LNG production by 30% to 100mtpa within five to seven years after lifting a moratorium on gas development earlier this year and the country plans to remain a leading LNG supplier. In June 2017, Qatargas has agreed to sell 5.5MT of LNG to Shell. Under the sales and purchase agreement, Qatar will supply Shell with 1.1mn MT/year of LNG over five years



from 2019. In September 2017, RasGas sealed a landmark 15-year liquefied natural gas (LNG) sales and purchase agreement (SPA) with Bangladesh Oil and Gas Corp.

The global CO2 emissions in the year 2016 remained largely static. Most of the countries showed a decrease in CO2 emissions in 2016; most notably the US, the Russian Federation, Brazil, China and those within the European Union.

In contrast, the largest absolute increase was seen in India. This comes as a wake-up call for India, the only major emitter to register a significant increase in emissions.

The global slowdown in emissions has been attributed to the decreased use of fossil fuels especially coal, and the increasing popularity of renewables. Here too, India remains one of the few big emitters investing more in thermal power, as coal consumption rose by 4% in the country.

India is in the midst of a largest energy transformation project in the world. The country is moving to promote gas usage is in line with the commitment made at the Paris meeting on climate change, which aims to reduce the country's carbon emission intensity by up to 35% from 2005 levels by 2030 and producing

40% of the power from non-fossil fuel sources by 2030.

Natural gas is a good option for decarbonising India's energy system. The government also wants to make India a gas-based economy and raise the share of natural gas in the energy mix to 15% from 6% in 2016.

The increasing use of gas in non-power sectors will allow to reduce CO2 emissions and improve air quality as gas will replace higher-emitting oil products.

Qatar is already supplying 8.5 MMTA annually to India. India's most imported LNG comes from Qatar, which is delivered under long-term contracts. Qatar and India can explore more synergies in this direction, which will also further enhance bilateral trade relationships.

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