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LNG: Canada's Global Market Opportunity – special report released

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Canada and the Natural Gas Economy
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LNG: CANADA'S GLOBAL MARKET OPPORTUNITY

Global Market Demand and Canadian Production



Natural gas is enjoying a renaissance around the world. Consumption and production of natural gas was up over five per cent in 2018, one of the strongest rates of growth for both demand and output for over 30 years.

And the outlook for natural gas uses remains promising. While natural gas demand in the past was driven by power generation — displacing more carbon-intensive energy sources such as coal and oil — in the future the demand will come from industrial applications and petrochemicals.

Canada has a tremendous opportunity to supply large populations with cleaner burning natural gas. The country's operators produce more gas than is needed for domestic markets. That excess gas production has traditionally been exported by pipeline to the U.S., but the shale gas revolution south of the border has led to reduced demand as that country moved from needing to import gas to exporting it, via a handful of LNG export projects.

As a result, production in Western Canada had declined in the past decade to about 16 bcf/d from 18 bcf/d, with prices collapsing. These shifting supply/demand market dynamics in North America have also sparked interest by Canadian producers in developing their own LNG exports.

[LNG: Canada's Global Market Opportunity](#) examines how Canadian gas supplies — delivered to worldwide markets through LNG export terminals on the West Coast and the East Coast — can help meet burgeoning market demand and offer a transformative opportunity for struggling producers.

This is the first of four special reports on the theme of Canada and the Natural Gas Economy that JWN Energy's Daily Oil Bulletin and Evaluate Energy is producing in collaboration with the Canadian Society for Unconventional Resources.

LNG PROJECTS ARE ESSENTIAL FOR CANADA

Alberta and British Columbia fields have generations' worth of abundant natural gas. LNG projects are absolutely essential for Canadian natural gas producers to reach new markets, diversify the natural gas sector and create new employment opportunities.

In October 2018, LNG Canada announced a positive final investment decision (FID) for its proposed export project in Kitimat, B.C. This major infrastructure project is backed heavily by Royal Dutch Shell to supply LNG to Asian markets. More positive FIDs are expected on both coasts.

Canadian LNG developers have many advantages, including access to large and low cost gas supplies, as well as faster access to Asian and other markets than U.S. Gulf Coast LNG plants. There is also the potential to produce LNG with the lowest GHG emissions in the world, especially in B.C., where most of the province's power is generated by hydro. But Canada must also address current disadvantages — in particular, regulatory issues and the lack of certainty in the overall investment climate for energy projects in the country.

[Click here for the report.](#)