Shell
LNG Outlook 2021

Gas and LNG have a key role to play in a decarbonising world

Three of the ten highest CO_2 emitting countries announce **net-zero emissions (NZE) targets during 2020**

CO_2

65% of gas growth in the next 20 years is **expected to come from non-power sectors**

+65%

Switching to natural gas can reduce emissions by about 36% in **steel production**

-36%

Nearly 13 million tonnes of LNG consumed by heavy-duty road transport in China in 2020

13MT

SOUTH KOREA

06

coal-fired power plants to shutdown

24 coal-fired power plants to **switch to LNG**

Renewable capacity to go up by **300%**

45 LNG bunker vessels expected by 2023

+45

Asia is expected to absorb over 75% of growth in **LNG demand in the next 20 years**

LNG DEMAND

ASIA

75%

LNG shows its resilience and flexibility in 2020

Demand for LNG increased to 360 million tonnes in 2020. Enough to power 725 million homes

360MT

725 MLN.

Chinese LNG imports grew by nearly 7 million tonnes

7,000,000 tonnes

11% increase in **Indian LNG imports**

11%

70 MT

3MT

2019

2020

Investment in new LNG supply dropped to 3 million tonnes from a record 70 million tonnes in 2019

After hitting a record low, **global LNG prices rebounded to a six-year high in 2020**

$ LNG

1,743 **spot LNG cargoes delivered**

Complementary spot and term contract structures and cleaner pathways to drive LNG growth

2040

2020

700 MT

Global LNG demand expected to reach nearly 700 million tonnes by 2040

Supply-demand gap expected to emerge in the middle of the current decade

Spot trade holds steady at around **30% of the total global LNG market**

30%

110 million tonnes of long-term LNG supply contracts are due to expire by 2030

CO_2

More than half of expected **future LNG demand** to come from countries with net-zero emissions targets