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WHY LNG?

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Overview

In the last 3 decades, the development of the gas business has been strong. Global demand has tripled and the International Energy Agency (IEA) is predicting a further doubling in the next 30 years. So it means that gas will be supplying a quarter of the world energy needs by 2030. In 1990, there were nine LNG production sites with just 13 trains. Eight countries imported 56 million tones of LNG, with Japan accounting for two thirds. Last year, 2005, there were fifteen LNG production sites with 66 trains, supplying 14 importing countries with over 130 million tones. Japan was still the largest importer but its share of the market declined to about 40 per cent. And LNG accounted for seven per cent of the world's natural gas demand.

In this scenario the LNG chain show a very interesting role, result from it decreasing cost. This is making it more competitive in more markets and, in this time of delicate political instability it can also be a more attractive option than international pipelines that cross multiple borders (multiple countries). As an effect, LNG demand is forecast to grow more quickly than for natural gas in general, at about 10 per cent a year over the next 10 years.

Methods

At first, select countries integrated in the LNG chain then research data on gas reserves, production and demand for those. As well as all the cost relative to LNG – liquefaction plants, ships, terminals and new technologies. With this group of information start analyses about the logistics issues to supply the future demand.

Results

Present a discussion about the evolution of the LNG market so as the companies' new policies and strategies to attempt this conjectures.

Conclusions

The global natural gas sector has a bright future in particular for companies involved in LNG business. But all this change and grow takes a lot of capital, as well as technical skills, experience, a strong safety track record, shipping expertise, project management, marketing and project financing. That is the big challenge.

References

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