INTERNATIONAL GAS UNION
UNION INTERNATIONALE DU GAZ

The Role of Natural Gas in Energy Policies of Latin America & Caribbean

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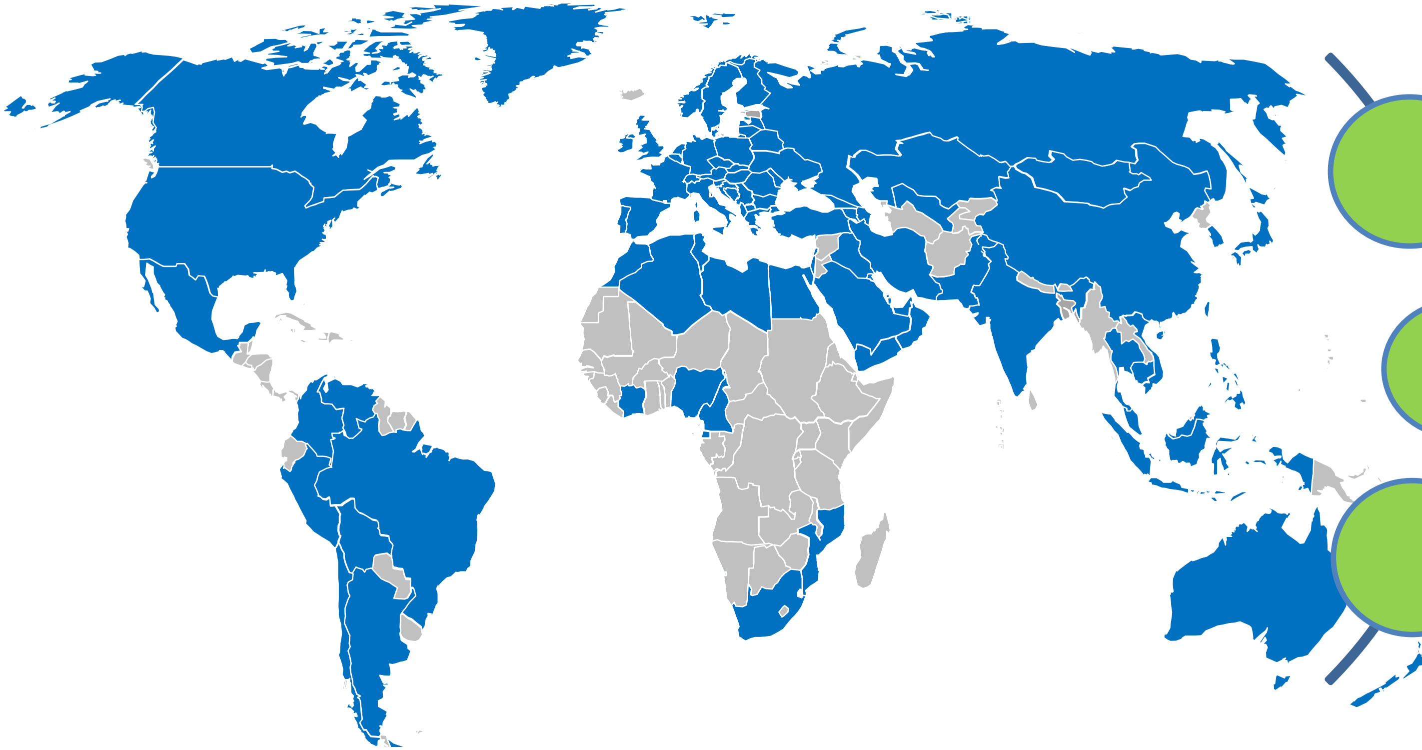
International Gas Union

November 13 2018

IGU
WGC 2021
28th WORLD GAS CONFERENCE
DAEGU, KOREA 21-25 JUNE

IGU Members serve 97% of the Worlds Gas Market



91 Charter Members

72 Associate Members

Founded in 1931

IGU Presidency

2018-2021 Korea

IGU Secretariat

Barcelona, Spain

2017 Y-Y Demand Growth 3.7%
Rapid gas growth expected to continue

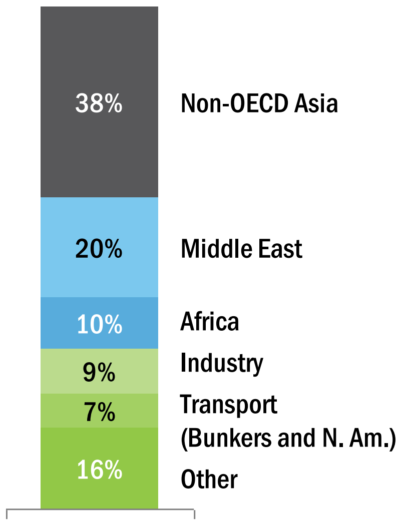
Gas is projected to be the fastest growing fossil fuel ...

1.6%
Annual gas growth to 2040

#2
Source of global energy by 2040

... based on key growth regions and sectors ...

Share of growth by 2040



... enabled by key market Developments...

- Economic development/growth
- Increasing global gas supply
- Supportive government policies

Requirements and measures to achieve global gas growth

1. Cost competitiveness		2. Security of supply		3. Sustainability	
1A. Reducing LNG costs through the supply chain	Industry	2A. Expanding gas pipeline and storage infrastructure	Industry, Gov.	3A. Adoption of local air pollution policies	Gov.
1B.Pricing environmental externalities	Gov.	2B. More flexible LNG contracting	Industry	3B. Development of low car bon technologies for gas	Industry, Gov.
1C. Development of local gas production	Industry, Gov.	2C. Development of new access-enabling technologies	Industry	3C. Addressing the methane emissions challenge	Industry, Gov.

! Industry action required

! Gov. action required

Gas Production growing potential

Production gap by country

Country	R/P ratio (years)	Production (mcmd)	Consumption (mcmd)	Prod/Consumption gap (mcmd)
Argentina	8,8	101,8	132,8	-31,0
Bolivia	15,8	46,8	9,0	37,8
Brazil	13,8	75,4	105,0	-29,7
Chile	+100	2,5	16,4	-13,9
Colombia	10,8	27,8	27,4	0,4
Mexico	4,8	111,5	240,0	-128,5
Peru	33,7	35,6	18,5	17,2
T&T	7,7	92,7	50,6	42,1
Venezuela	170,2	102,6	103,1	-0,6

- **Argentina, Brazil** and **Mexico**, three big countries, with big gas markets, all of them have structural gaps to supply their demands with domestic production.
- **Colombia** developing a new regasification terminal.
- **Peru** and **Bolivia**, countries with a small but evolving domestic demand, large gas exporters (Peru via LNG, Bolivia via pipelines). T&T has a more developed (and industrial) demand. Another large exporter.
- **Venezuela**, balanced, underexplored resources, a “sleeping giant”?

Source: BP Statistical Review of World Energy 2018

Infrastructure development for regional integration

- All the Southern Cone is connected by pipelines (Bolivia, Brazil, Argentina, Chile, Uruguay). Spare capacity, great opportunities for integration.
- Less infrastructure in the northern part of the Continent.
- 15 LNG regasification terminals in 9 countries with a total regas capacity: 45,6 MTPA.
- 2 LNG liquefaction Terminals in 2 countries. Total liquefaction capacity: 19,25 MTPA.

Critical Levers Towards Growth

Continuous development of new business models and technologies by industry

Supportive government policy

Reliable and sustained capital commitments by the financial institutions

Thank you