**Speech by the Minister of Energy, Mr Mustapha Guitouni**

**2nd Gas Symposium**

**Forum of Gas Exporting Countries**

**Theme: Natural Gas and Long-Term Energy Security**

It is a real pleasure to be here today, in this marvelous city of Port of Spain, to respond to the invitation of His Excellency Senator Franklin Khan, Minister of Energy and Energy Industries , who kindly offered us this great opportunity to meet us again around the themes that are dear to us. Beyond the themes under study and the issues in the debate, it is above all values and a vision that unite us and that we share within the GECF.

In fact, let me tell you that beyond the colorless and odorless molecules extracted from the subsoil to meet diverse energy needs, today there are issues and challenges that we all face:

 The challenge of meeting the energy demand of a world population that will grow from 7.3 billion in 2015 to 9.2 billion in 2040, living mainly in developing countries, and in increasingly urban environments;

 The challenge of meeting a projected primary energy demand to increase by more than a third (35%) in 2040, due to a global economy that will double in size by 2040, and despite improvements in energy intensity as a result of technological progress, policies improving energy efficiency, and the transition from the structure of the global economy to the energy-efficient service sector.

In this new world in energy transition, we are seeing a consensus of the international community around the important role that natural gas can play in meeting these challenges, together with the issues of sustainable development and global warming. It is the undeniable advantages and qualities of gas that qualify it as a priority energy for long-term energy security.

Indeed, natural gas is abundant and can meet future needs in a sustainable manner. According to the GECF, natural gas resources amount to 465 trillion cubic meters, of which 180,000 are proven, corresponding to 130 years at the current rate of production. The figures of the IEA are even more optimistic, with almost 230 years of coverage.

Natural gas can also be used in many sectors, such as power generation, transportation, petrochemicals and the domestic sector, making it a major option for creating multiple services from a single investment and in a sustainable manner.

It is also flexible. As a result, natural gas is an effective means for backup and stabilization of the grid in response to intermittency and variability of renewable energies.

But what makes it the energy of transition - some say of destination - is that it is the least pollutant of hydrocarbons in terms of carbon dioxide emissions, nitrogen oxide, and particles.

Ladies and gentlemen,

Progress in the gas industry over the past 15 years from upstream to downstream demonstrates the ability of the gas industry to push the boundaries of what is possible and enhance the benefits of gas. The development of large-scale gas shale in the United States is without doubt the most spectacular of these advances, since it has released new resources and changed the global scene of energy flows.

The growth potential in terms of production capacity has also grown significantly with the emergence of new gas production regions and the multiplication of stakehomders thanks to major gas discoveries in West Africa and the Mediterranean, which allow to strengthen the diversity of gas supply sources and thus the security of gas supplies.

However, we must remain vigilant, because despite its advantages, natural gas should play its full role if certain difficulties are removed.

In the first place, it must be emphasized that misinformation around natural gas still has a very negative effect on public opinion because of the competition. In this regard, I salute the remarkable efforts of the gas associations and in particular the GECF to promote gas and to inform about its qualities and advantages. This is essential.

Secondly, investment: natural gas is an excellent solution to improve the parameters of access to energy for sustainable development.

At the same time, there is significant potential for improving the technical performance of natural gas, from production to the final consumer, including the reduction of emissions, that it is necessary to invest steadily. In this regard, I once again salute the work of the GECF in favor of the implementation of the roadmap to implement the gas research institute in Algeria, including the holding of the first meeting of the scientific committee of this institute in Algiers. in February 2019.

Third, natural gas is threatened in the electricity sector by coal, despite its environmental benefits that are not integrated into market mechanisms by policies implemented in the consuming countries. The GECF should alert these situations and propose ways and means to mitigate their impacts.

Indeed, the policies implemented in the electricity sector in certain regions, for example, have had perverse effects: to develop renewable energies, massive subsidies have been granted on the basis of pricing based on marginal costs in the short term. This pricing has been associated with a poor carbon market, which has had the perverse effect of favoring coal over natural gas. The effects of these policies are today in contradiction with the environmental objectives and do not correspond to the needs of investment to secure the long-term supplies.

Ladies and gentlemen,

I would like to dwell for a moment on the importance of the dialogue between consumers and producers, which is at the origin of the tremendous development of the gas chain industries. This dialogue has been the basis for the emergence of the gas industry and the emergence of several technical and contractual innovations.

We are seeing a profound change in the structure of the global gas market. In the past, competition in the gas markets had a long-term dimension and focused mainly on the choice of supply projects. Today, competition tends to have a short-term dimension, especially in mature markets such as Europe, where buyers are gradually replacing the logic of security and reliability with the logic of opportunity and diversification.

Through this market logic, we are witnessing a "commodification" of natural gas. The natural gas industry, which is based on the logic of the direct dialogue between producers and consumers, is becoming a "convenience" industry that gives the illusion of an abundant supply of gas without taking into account the possible threats to long term, which may result from an economic crisis, lack of visibility of investments and postponement of final investment decisions.

We have always worked to create a prosperous future in the actions we take with our partners, customers and suppliers. We have always worked whenever possible for an approach that favors both consumers and producers, and our work within the various organizations, as OPEC proves it.

It is the spirit of dialogue and consultation that has driven our President, His Excellency Mr. Abdelaziz Bouteflika, which made it possible to reach an landmark agreement for the stabilization of the oil market in a logic of long-term vision of energy security and shared prosperity.

It is this same spirit that will animate us in the discussions that we will have today and tomorrow in this beautiful warm and friendly country "Trinidad and Tobago" whose famous national motto is "Together we aspire, together we achieve". I will not finish my speech without thanking the high authorities of this country and its people for their hospitality.

Thank you for your attention.