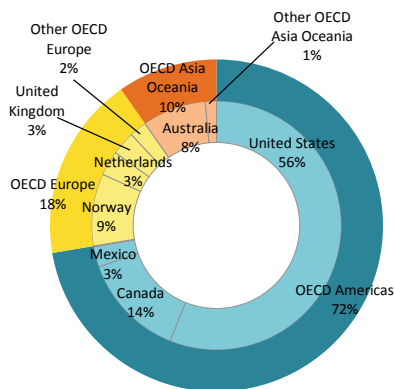


KEY NATURAL GAS TRENDS 2017 BASED ON MONTHLY DATA¹

NATURAL GAS PRODUCTION

An assessment of monthly data shows that in 2017 OECD natural gas production grew by 2.4% compared to 2016. This growth was driven by increases in production across all OECD regions, particularly in OECD Asia Oceania (+17.7%), whilst the OECD Americas and OECD Europe saw moderate growth, with increases of 1.1% and 0.4% respectively. The OECD Americas continued to account for nearly three quarters of the total OECD natural gas production in 2017.

Figure 1: OECD natural gas production in 2017

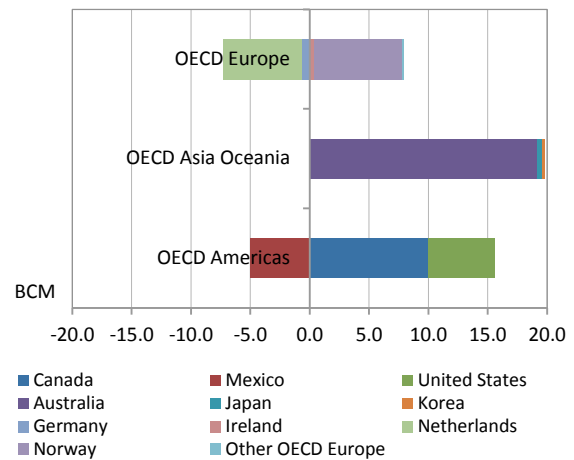


Indigenous production in OECD Asia Oceania was almost 20 bcm higher in 2017 than in 2016, driven by growth in Australia (+20.5%), where production increased in Surat-Bowen and the Carnarvon basin, along with the beginning of production at the Wheatstone LNG project in October 2017. Above nameplate capacity production at the Australia Pacific LNG project in the summer months of the year also contributed to growth in Australia.

In the OECD Americas, production in Canada and the United States drove the overall trend upwards (+5.7% and +0.7% respectively), despite lower production levels in Mexico (-12.2%) in 2017, about 5 bcm less than in 2016. The falls in Mexico were due to both the natural decline of gas fields, as well as the destruction caused by Hurricane Harvey in August 2017.

Within OECD Europe, lower natural gas production levels in the Netherlands (-13.2%), due to the expansion of production caps in the Dutch field of Groningen, were offset by growth in Norway (+6.1%), with the Byrding field in the North Sea starting production in July 2017. Norway accounts for 52.4% of OECD Europe natural gas production, with approximately 128 bcm produced in 2017.

Figure 2: Absolute change in natural gas production in OECD regions between 2016 and 2017

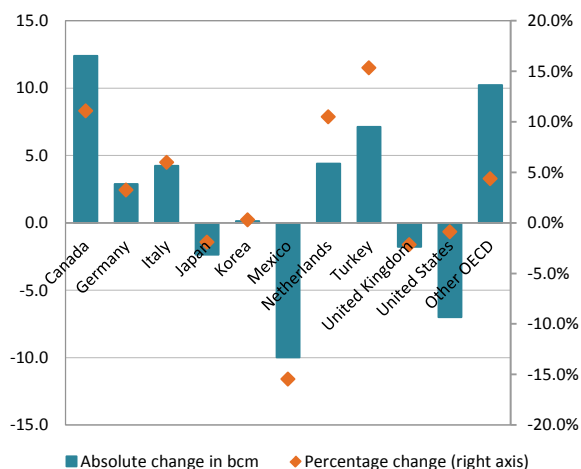


1. All annual comparisons are based on monthly data in 2017 compared to monthly data in 2016.

NATURAL GAS GROSS DELIVERIES

Total OECD gross deliveries of natural gas increased by 1.2% in 2017 compared to 2016. Growth observed in OECD Europe (+4.9%) and OECD Asia Oceania (+0.1%) was slightly countered by a decline in the OECD Americas (-0.5%).

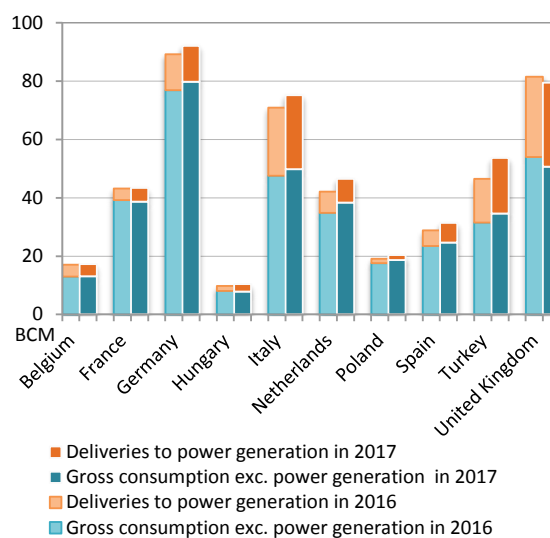
Figure 3: Absolute change and percentage change in natural gas gross deliveries in selected OECD countries between 2016 and 2017



The decline in gross deliveries in the OECD Americas was driven by declines in Mexico (-15.5%) and the United States (-0.9%), while noteworthy growth was observed in Canada, where deliveries were 11.1% higher in 2017 compared to 2016.

In OECD Europe, the largest increases in gross deliveries were observed in Turkey (+15.3%), the Netherlands (+10.5%) and Italy (+6.0%), reflecting the increased natural gas use for electricity and heat generation. Unusually cold weather in the winter months of 2017 in OECD Europe contributed to higher demand for natural gas across the region. Weak rainfall and low wind speeds significantly reduced hydro and wind generation, also increasing demand for natural gas, particularly in Spain and Portugal, where natural gas deliveries grew by 8.7% and 21.2% respectively.

Figure 4: OECD Natural gas deliveries to power generation and gross deliveries in 2016 and 2017 (selected European countries)



Within OECD Asia Oceania, gross deliveries in Australia increased by 5.5% in 2017, but were counteracted by a decline in Japan (-1.9%), where the increasing generation from nuclear power curbed power sector gas demand.

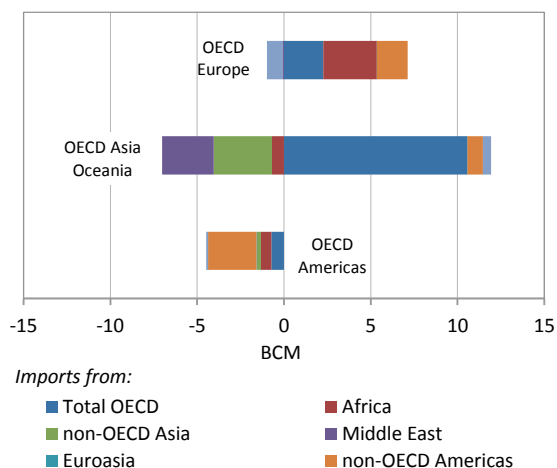
NATURAL GAS TRADE²

Total OECD imports (entries)² of natural gas increased by 5.1% in 2017 compared to 2016, and totaled almost 105 bcm in 2017. Higher quantities of natural gas were imported by OECD Europe (+6.8%), due to high demand in the power and heat generation sector, and OECD Asia Oceania (+2.4%), while imports by the OECD Americas remained broadly unchanged (-0.4%).

LNG imports into total OECD also grew by 2.9%, particularly due to growth from the United States (+439.9%) and Australia (+18.1%). Lower quantities of LNG were imported from non-OECD exporting countries such as Qatar (-5.4%), Indonesia (-12.3%), and Malaysia (-4.2%).

2. Transit volumes are included. Trade amounts include intra-regional trade

Figure 5: Absolute changes of LNG entries in OECD regions between 2016 and 2017

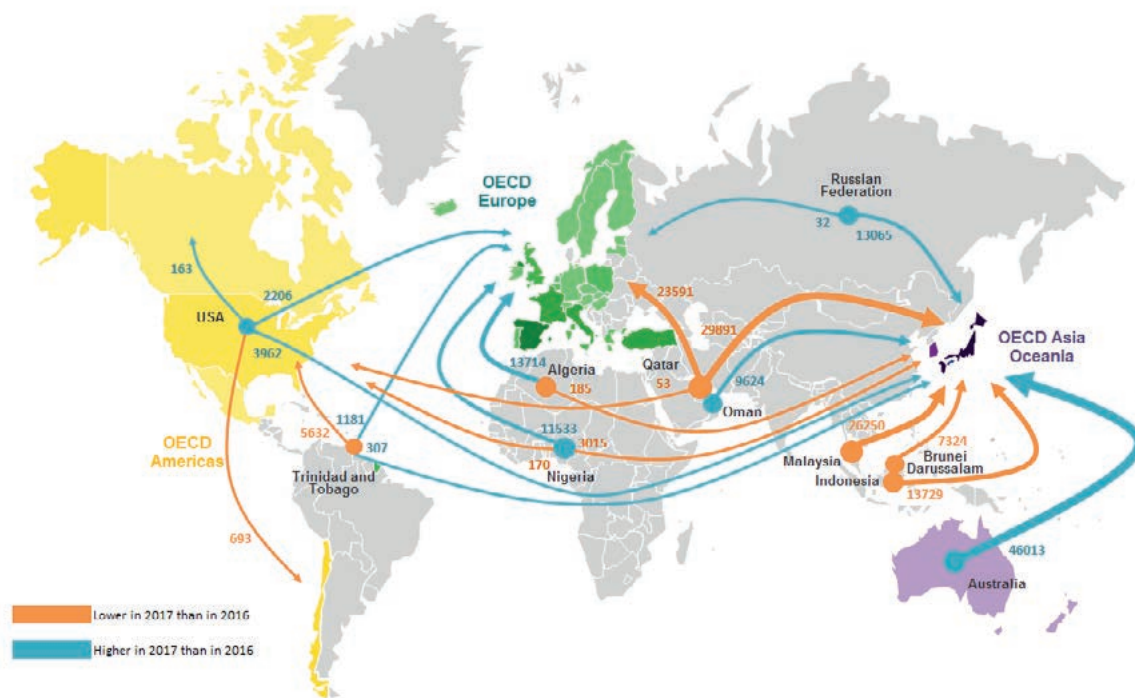


Total OECD exports (exits)² of natural gas were 8.8% higher in 2017 compared to the previous year, reflecting increases across all OECD regions. The

largest increases in absolute terms were reported in the OECD Americas (+17.6%) and OECD Asia Oceania (+27.4%) due to increases of exports of LNG from the United States (+278.8%) and Australia (+27.4%). In OECD Europe, exports of natural gas increased moderately compared to other OECD areas in 2017 (+3.4%).

Australian exports of LNG increased as a result of new LNG projects coming online in 2017, as well as the high production from the Australian Pacific LNG project. US LNG exports reached record high levels due to infrastructure improvements, including new gas pipelines and LNG facilities such as the Sabine Pass facility in Louisiana. LNG exports from the United States increased by almost 15 bcm in 2017, and the second quarter of the year saw the United States become a net exporter of natural gas for the first time.

Figure 6: LNG imports from major exporters to OECD regions in 2017 in million cubic meters



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of territory, city or area.

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