



International
Association
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LNG and storage market developments

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LNG and storage market developments

- LNG and storage facilities were built for supply diversity and security of supply in view of growing gas demand
 - Anticipating on role of gas in power generation to meet CO2-targets
 - That this turned out differently is not caused by failing gas market
 - However, this currently results in a gas market with ample flexibility
- In a functioning flexibility market, the closure of some storage sites is considered to be a logical market behaviour
 - Subsidies to keep uneconomic sites in operation would distort the market
- Multiple LNG-terminals serving a single market are competing activities
 - LNG-trades are best facilitated by liquid gas hubs, where LNG competes with pipeline gas and gas from storages
 - Since the EU has functioning gas hubs, there is no need of LNG hubs
 - Development of an efficient gas market is key to attracting LNG supplies and a prerequisite for the development of a global LNG market



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