



International
Association
of Oil & Gas
Producers

Gas market functioning

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Kees Bouwens, ExxonMobil, Chair EMSC



Gas market functioning

- EU's gas demand is well supplied
 - Gas supply infrastructure was designed for growing gas consumption
 - Transmission system is generally capable of handling supply disruptions
 - Flexibility from diverse supplies, LNG terminals and gas storages can handle peak demand and provides supply security
- The EU gas wholesale markets function better and better, although there are regional differences
 - Focus should be on less developed markets: improve diversity of supply and interconnectivity; effective implementation of the agreed rules; removal of entry barriers, subsidised prices, central market obligations and barriers to cross-border trade
- While an efficient gas market is key to attracting new supplies, the EU is sending mixed signals on the future role of gas
 - A significant part of the future EU energy mix needs to come from gas
 - Europe's resource potential remains important
 - To attract new investments in exploration and production, the EU should recognise the importance of providing consistent and positive signals to potential investors



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For more information please contact:

cs@iogp.org

kees.bouwens@exxonmobil.com

www.iogp.org

| **Registered Office**

City Tower

40 Basinghall St

14th Floor

London EC2V 5DE

United Kingdom

T +44 (0)20 3763 9700

F +44 (0)20 3763 9701

reception@iogp.org

| **Brussels Office**

Bd du Souverain, 165

4th Floor

B-1160 Brussels

Belgium

T +32 (0)2 566 9150

F +32 (0)2 566 9159