

INDUSTRIAL GAS GATHERING 2023



**“Navigating the Escalating
Uncertainties of the Global Gas
Market”**

POST REPORT



Jakarta, 2 Nov 2023 - The Indonesian Gas Society hosted an expert talk on **“Navigating the Escalating Uncertainties of the Global Gas Market”** featuring veteran LNG Industry expert, **Dr. Fereidun Fesharaki**, the Chairman of Facts Global Energy (FGE) at the Pullman Hotel, Thamrin - Jakarta.



Aris Mulya Azof, chairman of IGS

Welcome Remarks

To realize our 2045 Golden Indonesia vision, Indonesia must achieve GDP growth averaging 7 percent. Such development requires a significant increase in affordable clean energy supply. The government and industry must collaborate to deliver a strategic balance of local and international gas supply, while ramping up renewable energy capacity.

Keynote Speaker

Dr. Fesharaki presented his views and insights on the current and emerging international oil, LNG, and gas market dynamics amidst economic and geopolitical challenges. He says the fundamentals of the oil and gas industry are strong. Demand growth is expected to continue, with oil demand only peaking in the early 2030s and gas demand increasing until mid- 2040s. Even after oil and gas peak, they will only see a long, slow decline.

In the near-term, oil and LNG markets have tightened following the sanctions against Russia and oil production cuts from OPEC countries. Governments and industry players must monitor the escalating uncertainties in oil and LNG markets, and carefully manage their energy development and utilization policies.



*Dr. Fereidun Fesharaki,
Chairman of Facts Global Energy*

Moderator



Dr. Widhyawan Prawiraatmadja, Oil and Gas Practitioners



Rising LNG demand amidst a dearth of new supply is expected to keep the market tight and prices high until new international LNG projects come on-stream over 2025-2028. With an additional 200 mtpa, or a 50 percent increase, in LNG production capacity, LNG prices are expected to weaken from 2026. The market will remain well supplied until the early 2030s, after which new supplies will be needed. Longer-term, LNG prices will range around US\$ 8 to US\$9 per mmbtu delivered in Asia (in real terms). For success, new gas and LNG projects must be competitive at this price.

“While the direction of the world is undoubtedly moving towards green energy, the speed of transition remains a question. LNG and gas will continue to play a central role in energy transition.

Additional new LNG supply from 2025 presents an opportunity for Indonesia and other buyers from Asia and Europe to benefit from more affordable LNG to boost economic development and growth”, said Dr. Fereidun Fesharaki.

The forum also discussed potential strategies to ensure both energy security and affordability in Indonesia. To fulfill rising domestic energy demand, Indonesia will benefit from adopting a realistic approach to securing LNG/gas from diversified international and local sources. The country must consider competitive incentives to attract investors to bring Indonesia's domestic energy resources to market. But with the US and EU providing huge subsidies to clean energy, Indonesia may wish to see which technologies emerge and how costs fall before committing substantial resources.



Attended companies

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- BP Indonesia
- BPH Migas
- Dewan Energi Nasional
- PT Diamond Gas Management Indonesia
- PT Donggi Senoro LNG
- PT Energasindo Heksa Karya
- ExxonMobil Indonesia
- Facts Global Energy
- Green Rock Enterprises, LLC
- PT GTS Internasional Tbk
- PT Indonesia Daya Bahtera
- INPEX Masela Ltd
- LNG Japan Corporation
- PT Nusantara Regas
- PT Perta Arun Gas
- PT PERTAMINA (Persero)
- PT Pertamina Gas
- PT Pertamina Hulu Energi
- PT Pertamina Hulu Indonesia
- PT Pertamina Hulu Indonesia
- PT Pertamina International Shipping
- PT Pertamina Power Indonesia
- Petromindo.com
- PT PGAS Solution
- PT PGN Tbk
- PT PLN EPI
- PT PLN Gas & Geothermal
- PT Pupuk Indonesia (Persero)
- Repsol Sakakemang BV
- PT Sistima Aliran Gas Nusantara
- PT Transportasi Gas Indonesia

Total Participants 81