

# **Chinese Gas Demand and CNPC Gas Business Strategy** (Executive Summary)

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**I. "Low carbon economy" has already become a key component of every country's economic strategy for combating climate change.** As a clean and highly-efficient energy, natural gas is witnessing its increasing share in the world energy mix and provides strong impetus in global transition to low-carbon, carbon-free energy. Accelerating gas business is also becoming the common option of NOCs and IOCs.

**II. Natural gas is playing an increasingly important role in China's energy development.** Fast growing Chinese energy consumption, along with its rapid economic development, surging industrialization and urbanization, will result in major pressure for both energy supply security and GHG emissions reduction. It is impracticable to meet increasing energy demand either by dirty coal or by clean renewables for environmental or technical reasons. It is expected that gas demand in China could reach 350 BCM by 2020 in optimistic scenario and its share in primary energy mix will be 10% by then. "China could lead us into a golden age for gas" as IEA said in its newly published WEO 2010.

**III. CNPC will adopt a much more active gas development strategy.** As China's largest gas producer and supplier in a growing gas market, CNPC has great potential to accelerate its gas business. Recently, CNPC proclaim to turn itself into a green, internationally-minded company focused on sustainable development. Thus, CNPC will further promote its gas reserves and output growth, speed up its gas infrastructure constructions and will expand international gas cooperation. CNPC is operating with and buying gas from NOCs in the international arena and, is dealing CBM and shale gas in cooperation with IOCs domestically. CNPC is willing to reinforce technology cooperation and experience sharing with fellow companies.

Let us work together, hand in hand, to push global gas business to new heights.

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