

INDOPIPE 2010

The 3rd International Indonesia Pipeline Conference & Exhibition
Theme: Accelerating Indonesia's Pipeline Infrastructure Development

“IGU – World Gas Pipeline Scenario”

By:

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9 – 10 June 2010
Jakarta, Indonesia



- 1. Introduction**
- 2. World Gas Pipeline Sector**
- 3. IGU - World Gas Pipeline Scenario**
- 4. Key Challenges and Opportunities**
- 5. Concluding Remarks**

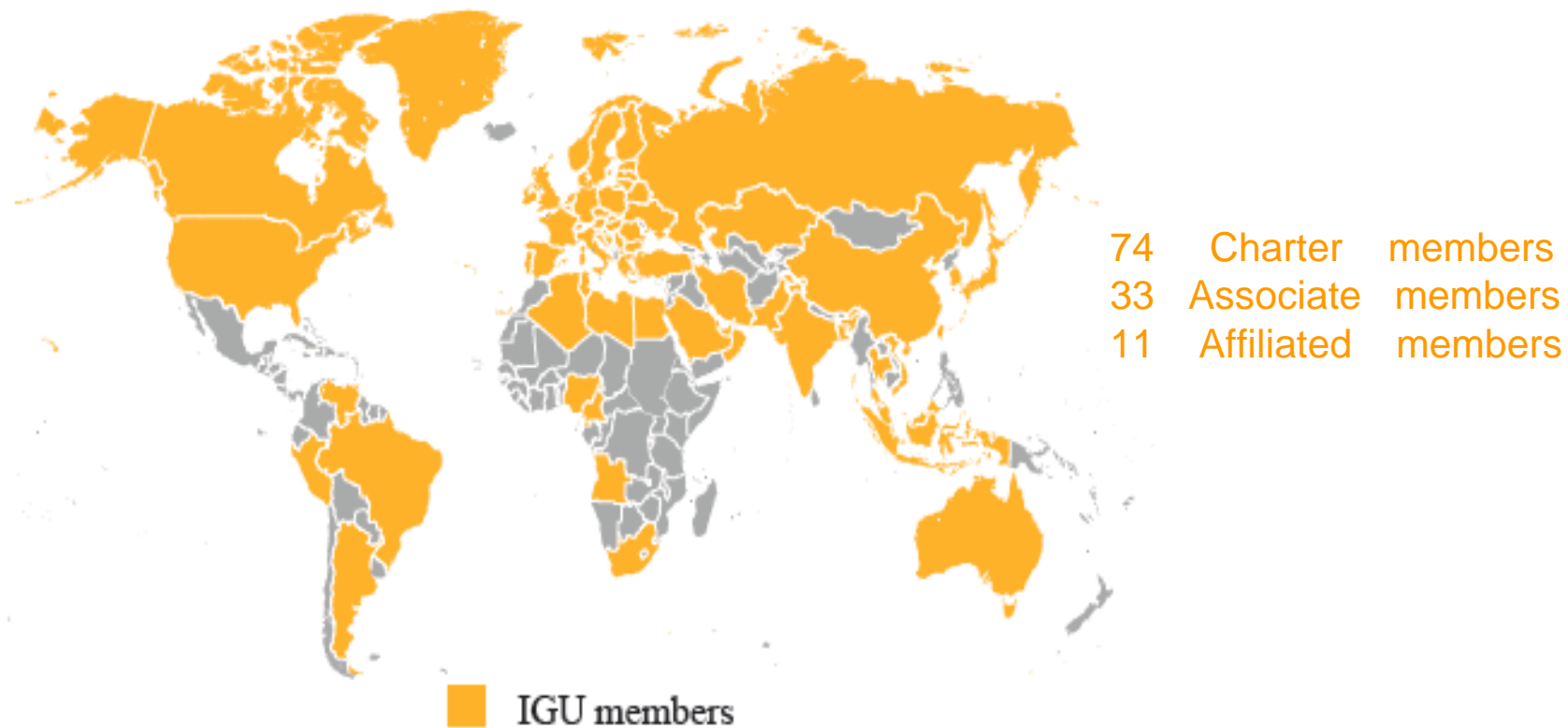


IGU as **THE** spokesman for the gas industry

- ◉ Worldwide and non–profit organisation established in 1931
- ◉ Promotes technical and economic progress of the gas industry
- ◉ Emphasising sound environmental performance
- ◉ Increased focus on strategic and policy issues
- ◉ Cooperation with IEA, United Nations, World Bank, IEF and others



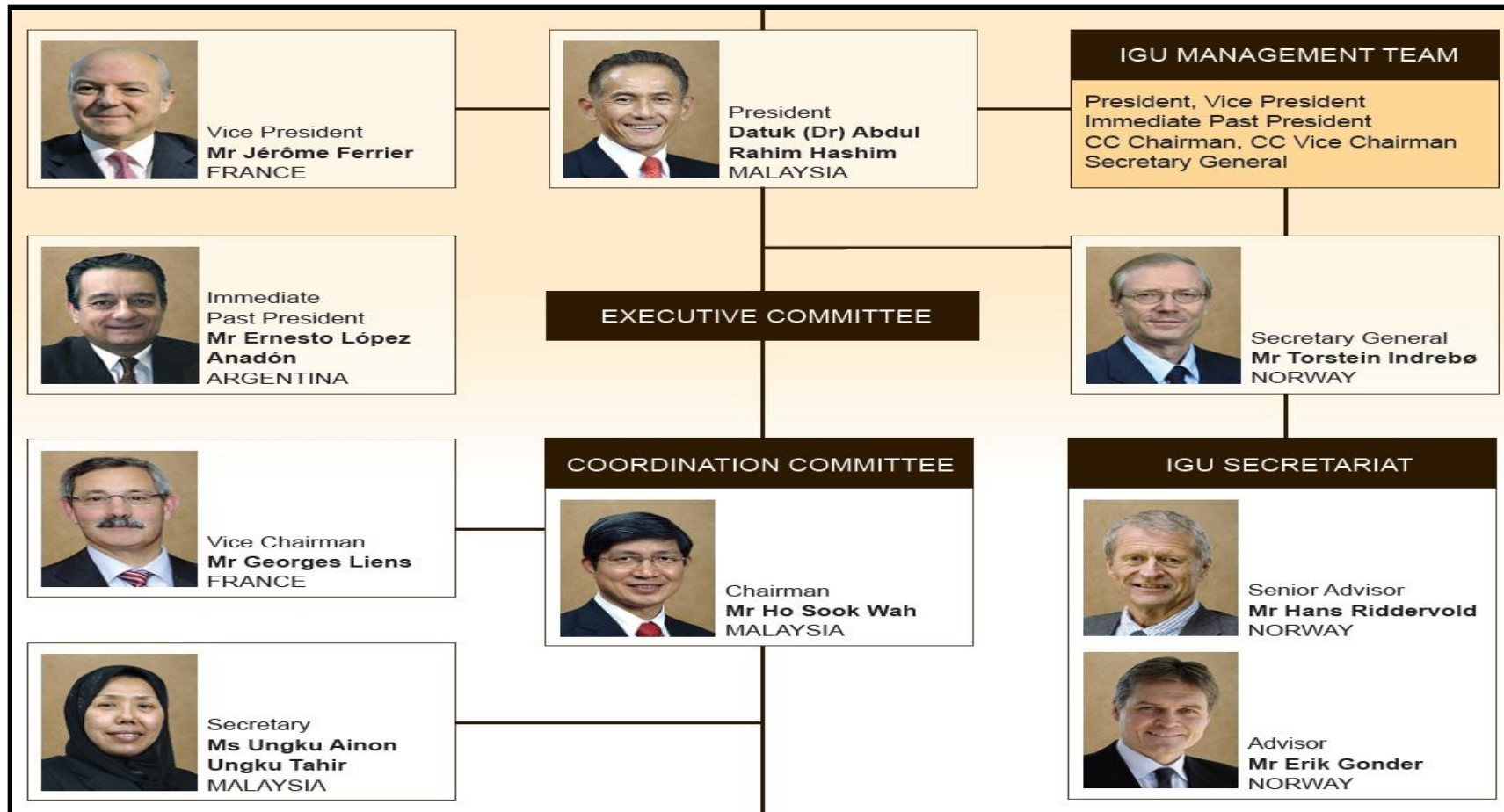
IGU Members responsible for 95% of Global Gas Sales



*N.B.: As of April 2010



IGU Organisation Chart for the 2009 – 2012 Malaysian Triennium



The outlook of world gas pipeline sector



Despite variations in length, both transport natural gas from suppliers to customers

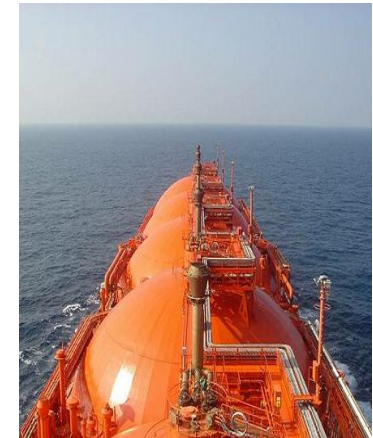
- ◉ **Short-to-medium** : efficient delivery systems
- ◉ **Long** : enhance the integration of various gas markets



IGU Messages on Natural Gas



- ◉ Clean, efficient, versatile and environmental friendly fuel
- ◉ Available and abundant
- ◉ Continue to play a substantial role in global energy demand
- ◉ Basis for sustainable economic growth



Natural gas
– major part of the long term energy solution



Varying levels of gas markets across regions provide impacts on the pipeline sector

Major gas trade movements worldwide (billion cubic metres)



The Strategic Goals under the Malaysian Triennium in the context of world gas pipeline sector

4 Strategic Guidelines (SG)

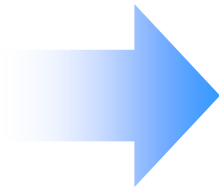
1. **Enhance the role of gas** for sustainable development and balancing the needs of all stakeholders
2. **Improve availability of gas** and access to markets
3. **Maximise efficiency** throughout the expanding gas value chain
4. **Ensure adequate human capability** to enable growth and integrity of the industry



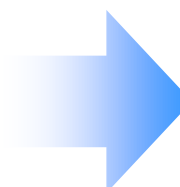
SG 1 : Enhancing the role of gas



High energy prices



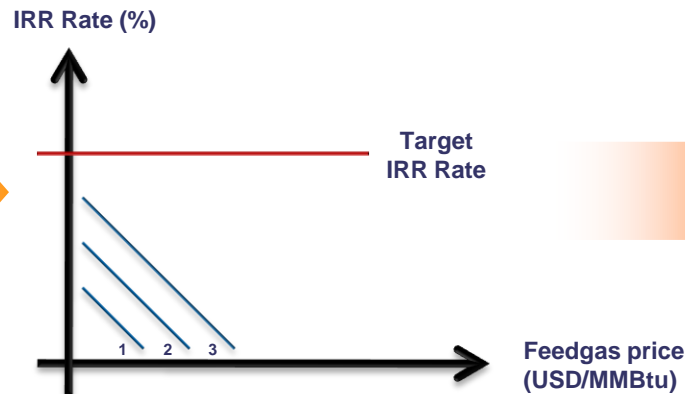
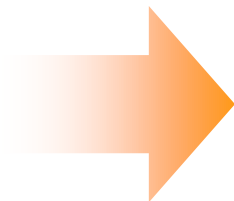
Rising gas infrastructure costs



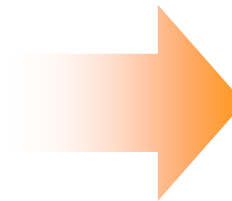
Project deferrals



Low energy prices



uneconomical project



Low profit margin

⊙ Natural gas rallies in an intensely competitive global energy market



Rapid growth in the role of natural gas

- Offers practical immediate solution in climate change mitigations
- Provides long term flexibility for a sustainable energy future
- Piped gas and/or LNG contribute to supply security

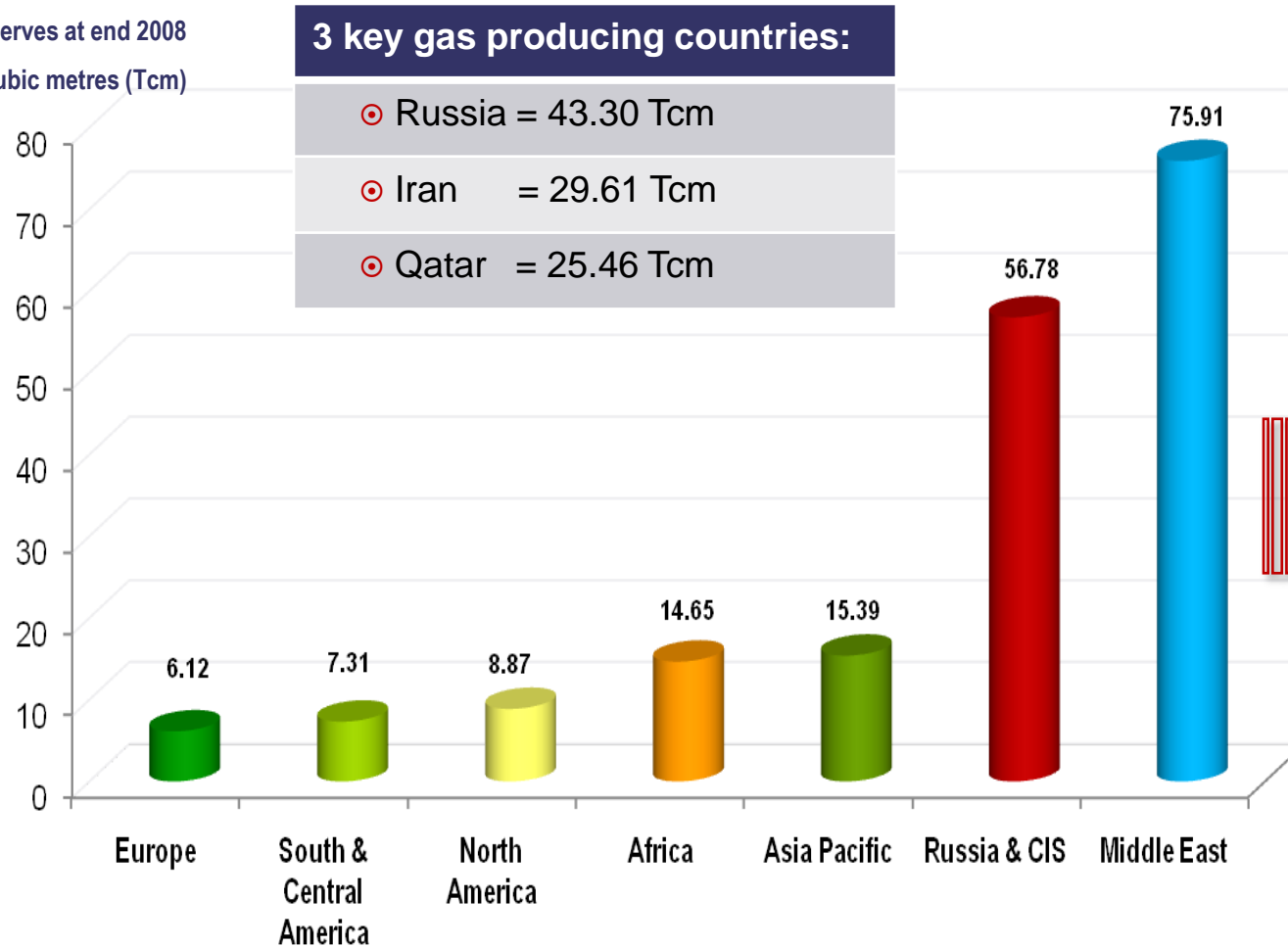


SG 2 : Improving the availability of natural gas

⊙ The world's proven natural gas is amounted to 185 Tcm

Proven gas reserves at end 2008

Trillion cubic metres (Tcm)



3 key gas producing countries:

- ⊙ Russia = 43.30 Tcm
- ⊙ Iran = 29.61 Tcm
- ⊙ Qatar = 25.46 Tcm

Total volume represents more than 60 years of consumption at today's rate



Two authoritative reports highlight the robustness of future global pipeline industry

Over the period 2009 - 2013

Offshore pipeline by Infield Systems



- Over 80, 000 km to be built
- Estimated Capex = ~ USD 269 bn

Onshore pipeline by Douglas Westwood



- Around 139,000 km to be built
- Estimated Capex = over USD 144 bn

Total investments = over a staggering **USD 413 billion**



SG 3 : Maximising efficiency

⊙ Choices for wider utilisation of natural gas

Gas District Cooling



Fuel for Industrial



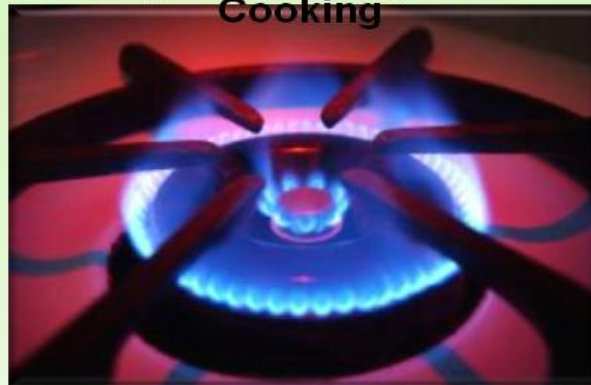
NGV in Transport



Power Sector



**Fuel for Residential
Space Heating and
Cooking**



Petrochemical Industry



SG 4 : Ensuring adequate human resource capability



- ⊙ Significant technical skills shortage within the gas industry over recent years
- ⊙ IGU's Task Force 1 "Building Strategic Human Capital" will recommend way forward



The IGU Working Committee on gas transmission (WOC-3)

Natural gas value chain

Exploration
&
Production

Storage

Transmission

Distribution

Utilisation

Working Committee 3 (WOC-3) : Gas Transmission



Chairman:
Mr. Erik Dam,
The Netherlands



Vice Chairman:
Mr. Jorge Bonetto
Argentina

Subgroup 3.1 : Strategic gas infrastructure projects



Leader:
Enno Freese
The Netherlands

Subgroup 3.2 : Integrity of gas transmission systems
footprint reduction



Leader:
Mohd Nazmi
Malaysia

Subgroup 3.3 : Securing sufficient expertise to operate
safely and adequately gas transmission
systems

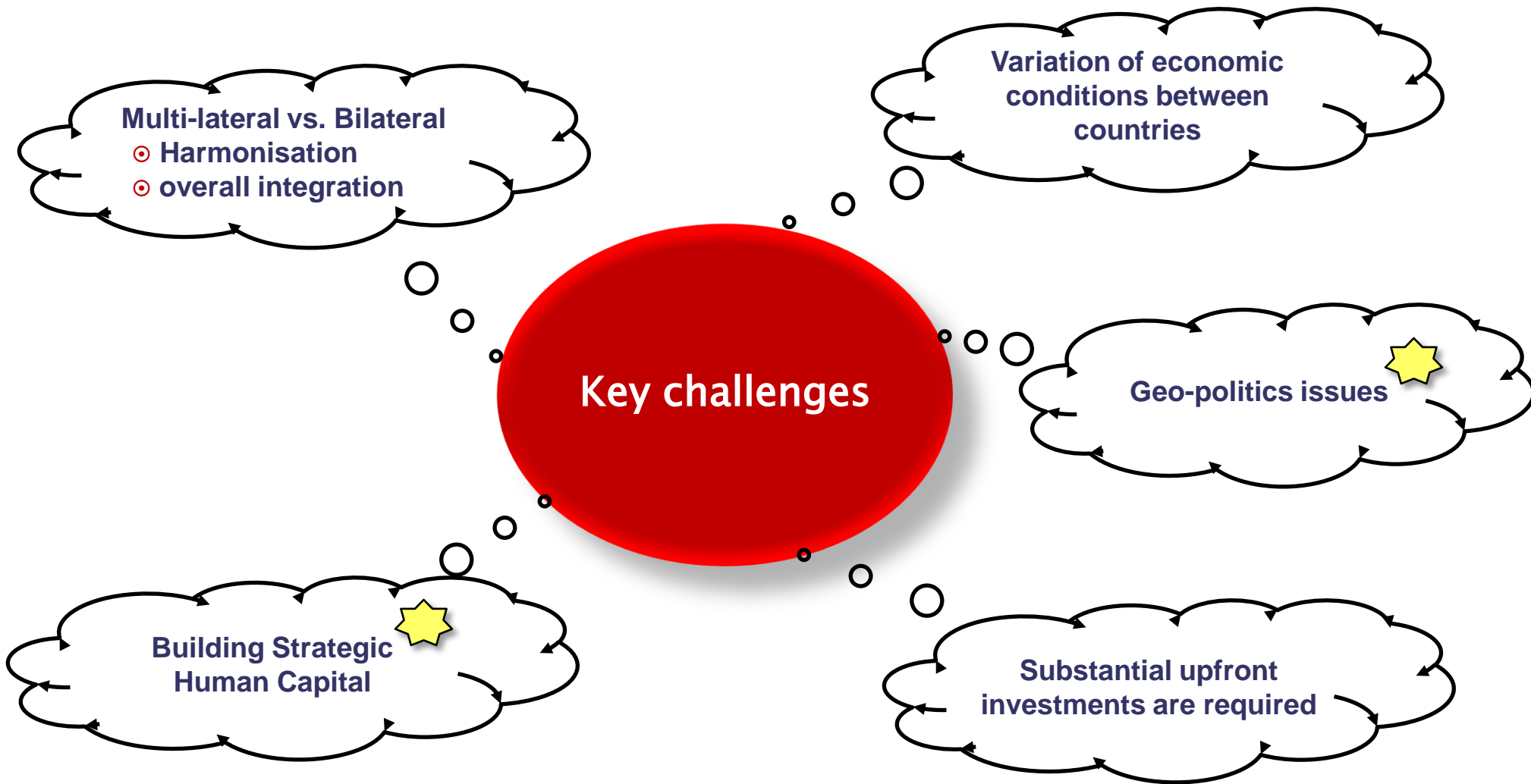


Leader:
Barbara Jinks
Australia





Issues relating to world gas pipeline sector



 Key deliverables at the 25th World Gas Conference (WGC), Kuala Lumpur in 2012





Issues relating to world gas pipeline sector



Gas is the cleanest of the fossil fuels



25th World Gas Conference

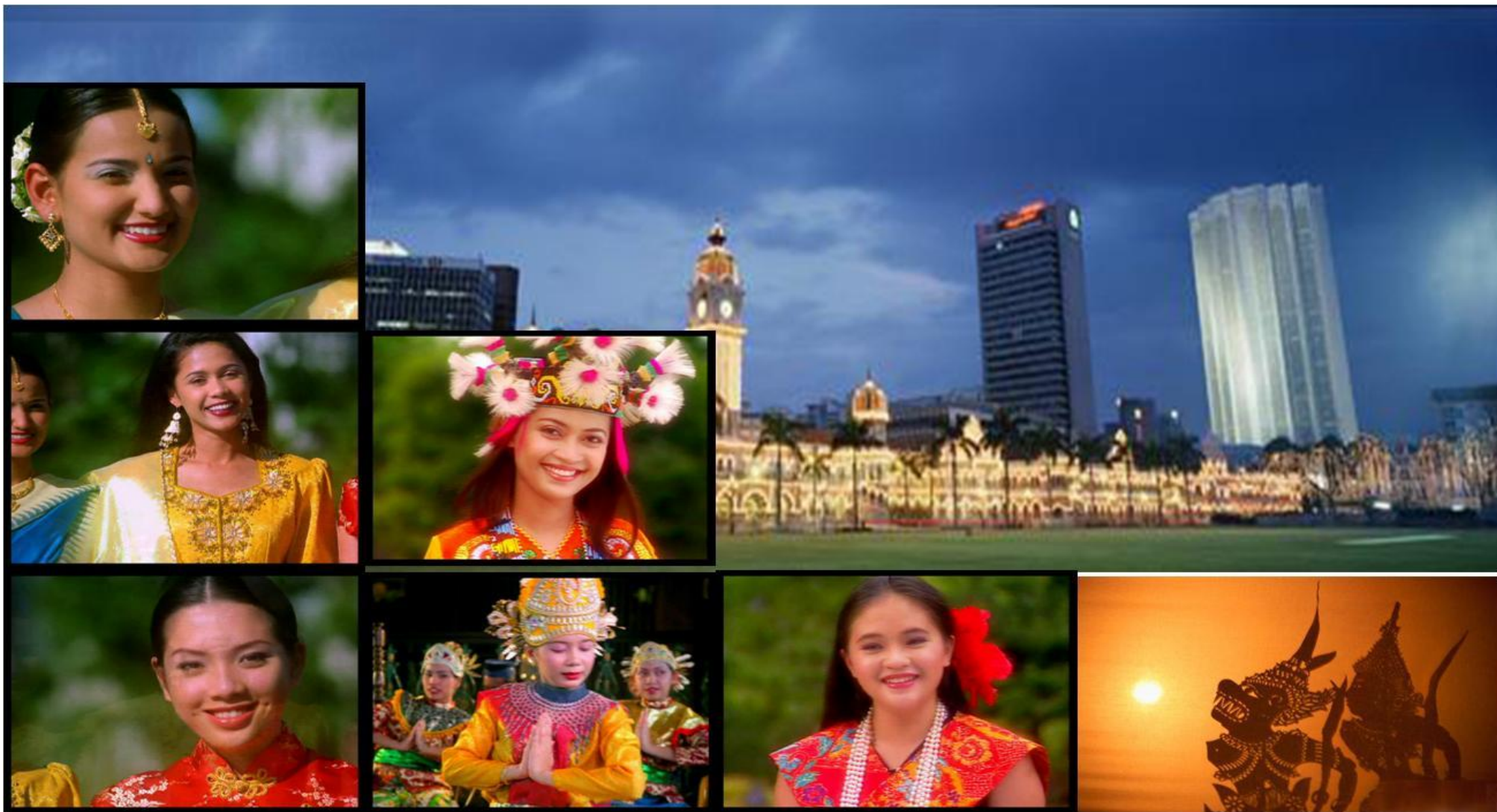


**“GAS : SUSTAINING FUTURE
GLOBAL GROWTH”**

**Kuala Lumpur Convention Centre
4 to 8 June, 2012**



Should not miss our Malaysian Hospitality



THANK YOU FOR KIND ATTENTION!



Welcome to
**25th World Gas Conference
and Exhibition**



**4-8 June 2012
Kuala Lumpur, Malaysia**

<http://www.igu.org/>

<http://wgc2012.com/>

KUALA LUMPUR
CONVENTION CENTRE

