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A Golden Age of Gas for All

Jérôme Ferrier

IGU President

IGU is an independent and non-profit global organization gathering 121 members that are associations and corporations of the gas industry representing over 95% of the global gas market. The working organisation of IGU covers the complete value of gas chain, from exploration and production, pipeline gas transmission and LNG international trade, as well as the development of new technologies for the most efficient use of natural gas.

In a report published in June 2011, the International Energy Agency (IEA) asked: *“Are We Entering a Golden Age of Gas?”* The report painted a positive outlook for the global future of natural gas, on the ground of a deserved Quintuple A rating (Availability, with more than 250 years of reserves with the new unconventional resources, environmental Acceptability as the lowest GHG contributor among all fossil fuels, Affordability, Accessibility and Adaptability).

IGU is willing to ensure that natural gas can be fully beneficial not only to the economic and social development of producing countries, but also to the developing countries that have no or a few indigenous resources and can be supplied by pipeline or LNG. In a word IGU’s duty is advocating *“A Golden age of Gas for All”*.

To this end, IGU has commissioned a series of working groups that are issuing recommendations to governments, regulators and national utilities in charge of energy in the developing countries, in particular of sub-Saharan Africa, with a view to triggering their access to natural gas and LNG resources.

These recommendations aim in priority at fostering access to electricity for the largest number of people through natural gas, in particular as a complement and a back up to renewables.

They address four main areas of concern for the energy policy makers in the developing countries:

1. Governments should grant long-term clear and stable regulatory and fiscal frameworks for the actors of the gas to power chain. As for any chain, its strength is that of the weakest link. The most common risk relates to the payment of the electricity delivered to the national grids operators. Frankly speaking, it should not be sufficient for a government to promote IPPs (Independent Power Producers) projects on the one hand, with the intention of enhancing the power supply capacity, if on the other hand they do not provide for the necessary guarantees of payment for the electricity delivered to its national grid.
2. Governments should also reconsider policies of energy subsidies that remain commonplace in many developing countries and are too often economically inefficient and socially ill addressed. IEA has evidenced that, while they respond to the noble rationale of alleviating fuel poverty and triggering economic development, they may generate high costs and create distortion and abuse. IEA also suggests that subsidies should no longer apply on electricity or natural gas tariff prices across the board but be selectively granted to the lowest income segment of the people.
3. Developing countries should cooperate for fostering a better regional energy integration of their economy. Natural gas pipeline and LNG projects constitute essential vectors for the success of this integration. Such projects are mutually beneficial both for the producing and consuming countries: I have in mind the Dolphin Pipeline, between Qatar and the UAE and Oman, the West African Gas Pipeline, between Nigeria, Benin, Togo and Ghana, and many others in South America. The surge in the natural gas potential in East Africa has created much rationale for a new East African gas pipeline connecting, in particular, Kenya, Mozambique, Zimbabwe and South Africa.
4. The energy industries are job creating and more specifically they offer a wide range of possibilities for upgrading the human potential in developing countries. One of the major goal of the 2012-2015 IGU triennium is to create and develop bridges between the gas industry and governments, the academic institutions or the national energy companies of its fellow members' countries, on a wide range of issues of common interest. Concrete achievements, such as: identifying the medium and long-term human resources needs in the gas and power sectors, educational activities at college level and sharing R&D programmes with universities.

To conclude, let me say that it is IGU's duty, privilege and challenge to ensure that natural gas will benefit to the largest number of people in the world, that no country shall remain in the iron age for gas, nor even in the silver age, but that it will be actually a *Gold Age for All*.

