

TASK FORCE ON RESEARCH AND DEVELOPMENT

Introduction

At the end of the 2003-2006 triennium, the work undertaken by the Task Force on Research and Development (R&D) will be summed up in the following deliverables:

- Review of recent gas industry trends on the conduct and financing of R&D
- Survey amongst IGU members of their views about areas in the gas sector which are in need of R&D
- Strategic Round Table to happen at the World Gas Conference 2006, in Amsterdam

During the drawing of the 2006-2009 Triennial Work Programme (TWP), the total output of these deliverables will still not have been fully assimilated, especially the valuable conclusions expected from the Strategic Round Table, where business and technology representatives will meet to debate about the common grounds they see between them in the future.

However, the results from the studies conducted until now do provide relevant and consistent information regarding trends and tendencies of R&D within the gas industry. These will be the starting point of the Task Force R&D for the 2006-2009 triennium, which include the following:

- Over last decade there has been a decline in R&D investment in the gas industry
- Liberalisation of energy markets has made R&D to be considered irrelevant if it is not directly related to gaining immediate competitive advantages
- Gas utilisation is the area where the decline is most pronounced
- Drivers still exist for R&D in areas like security of supply, asset integrity, safety, and sustainability
- Financing of R&D is an issue which should involve gas companies and governments
- Gas companies however, carry the responsibility that R&D issues are raised and prioritised

Purpose and Objectives

From the starting base detailed above, the Task Force R&D for 2006-2009 will largely focus in two areas:

- I. Review, identify and assess means for the effective promotion of R&D throughout the gas industry**
- II. Support and contribute to the success of IGU Gas Research Conference (IGRC)**

The first objective is strongly related to IGU's mission of promoting technological development, and its aim of encouraging research and development towards new and better technologies for the gas community. These goals have been ratified and highlighted by the Strategic Guidelines of the 2006-2009 TWP, specifically on the development and application of new technologies designed to optimise the

economics of the entire gas chain, while emphasising sound environmental performance, safety and reliability.

Different themes will be considered, which could be divided into two groups: the transverse topics which cut across the entire axis of the gas industry (like safety and sustainability), and those related to specific gas chain segments. We envisage therefore a strong interaction with the other working and programme committees (WOC/PGC). In a similar way we look forward to a fruitful exchange with related organisations like the IGU Gas Marketing (IGM), which together with WOC 5 (Gas Utilisation) we hope to draw a fair picture of the need for enhancing R&D in gas usage.

On the corporate policy side of R&D, we also intend to explore the management aspects together with the connection between R&D and the strategy of the company, and how it is being conducted by the senior leadership.

Finally, and in view of the downside effect of deregulation on private R&D investment, we will also gauge the possibilities and manner of direct or indirect government involvement.

On the second objective for the triennium, our task force will support the activities of the IGRC, which will hold their conference in Paris in October 2008. This support will consist mainly on monitoring the interest and reaction of the gas industry on the topics selected by the IGRC, providing feedback from their observations and proposals.

The Task Force will be composed by a limited number of members with R&D experience and qualifications, from companies who have shown sustained interest and investment in the subject. We also intend to develop a reasonable global coverage from the designated team.