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CAN ANYONE COMPETE WITH US GULF AND QATAR LNG SUPPLY?

Security of supply has taken center stage in global natural gas and LNG. Russia's use of natural gas as weapon against European countries has impacted energy supply decision-making.
Two LNG supply regions have come up ahead, capitalizing on this drive to diversification:
•Qatar – offering large LNG volumes through mega-trains development and highly cost competitive LNG (albeit not necessarily translating into lower priced LNG).
•US Gulf– offering both diversification of pricing mechanism (typically Henry Hub-linked rather than oil linked long-term price formulae), and geography (North America rather than more politically risky regions in the Middle East, Africa, and Russia).
This paper will analyze prospects from both regions and discuss how other countries could compete and gain market share. We will focus on three alternative supply sources (East Africa, Canada, and Australia) and establish their competitive position against Qatar and US Gulf. We will consider the following drivers:
•Cost throughout the LNG value chain – including upstream development, pipelines, liquefaction facilities as well as LNG shipping to Asia and Europe
•Environmental impact of projects – as this driver gains in importance in future contract negotiations
•Government support – including Regulatory and permitting.
•Security of supply contributions and diversification of sources to key buyers in Asia and Europe.