

Valery Chow

Vice President, Head of APAC Gas & LNG Research
Wood Mackenzie



Gas is the real battleground between Europe and Asia today.

We've seen a lot of Chinese buyers step out of the spot market. There is still a bit of buying going on in Japan, Korea, and Thailand where for domestic reasons, they've been forced to enter the spot market. But in the main, Asian LNG demand and imports have fallen almost 10% this year, and that number does not show the real violence of it. Chinese demand has dropped by more than 20% and India is down 18%. Given that China is the largest LNG importer in the world, that's a massive drop-off and spot cargoes can only head one way - to Europe. As for the price caps on Russian energy being considered by the EU, I suspect that at the very end, they will back away from them, as there's no consensus among member states to implement them, similar to the crude and products story. Price caps are very difficult to implement in practice.

Future Investment in Oil.

I think companies have reached a point where capital discipline seems to be taking precedence. They are more willing to pay dividends and do share buybacks than invest further. And to a large extent, the ESG lobby has pushed that agenda. The same argument applies to the oil tanker fleets of the world. It is phenomenally difficult for anyone to raise new capital for new oil tankers. But, in a world where demand is still rising over the coming decade, the question is will we have enough oil tankers? I am not that positive we will. We may end up having a fleet of relatively old tankers, with sub-par technology, plying the world's trade routes, and that will be inadequate. I can only see tanker prices rising over the longer term if we don't get new investment. ■

**Paraphrased Comments*

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