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Nat Gas Supply Crunch to Get More Public in Early 2022

The current market situation in Europe will influence global natural gas prices in the coming months. They will also have a profound impact on the European market itself. Whilst most of the gas price surge has been driven by fundamentals, the geopolitical impact of Nord Stream 2 and Ukraine/Russia tension is clear and is not easily resolved.

The impact of the natural gas price surge can be felt in the power market where prices have jumped significantly. These price rises are impacting business and households, who will see their annual fuel bills rise. Governments will need to support the most vulnerable in society but there are limits of what they can do in the near term.

What is most concerning is this is all happening before we get into Q1, 2022, which normally brings “unexpected” issues and constraints.

Current market conditions are stretching individual households, businesses and energy companies, be they utility or trader house, regulators and governments. Whilst Omicron has dominated thoughts up until the run into Christmas and New Year, I am sure the energy supply crunch will get more public in early 2022. We are ill prepared for a significant extreme weather event -- and we have carbon reduction as a key ambition across all energy sectors?

It looks like we will be busier than ever in 2022! ■

(Source: LinkedIn post 22/12/21)

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