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Year in Review - Key developments in the global gas sector in 2023

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The global LNG industry will look back at 2023 as the year when the US became its undisputed leader, not just today but for the foreseeable future. The US ends the year with 91.3 mtpa of production capacity in operation and 78.6 mtpa of capacity under construction, putting it on track for 170 mtpa of capacity by 2028. No other country comes close – and numerous other US projects could reach FID in 2024.

READ: Year in Review: US on track to outpace rivals with 170 mtpa LNG output by 2028 [1]

As for Qatar, the country's LNG sector is facing formidable challenges to come in 2024. Marketing the capacity at the North Field Expansion not yet sold is one immense task, not least because QatarEnergy also needs to re-market the capacity of its existing 14 trains, as long-term contracts agreed decades ago progressively come to the end of their terms.

READ: Year in Review: Qatar ends 2023 with vast LNG capacity looking for buyers [2]

Meanwhile, Australia – also a top three LNG exporter – wrapped up an eventful year with December's announcement that Woodside and Santos are in talks about a merger, potentially creating the world's seventh largest public LNG producer. Regulatory approval by Australia's Competition and Consumer Commission (ACCC) may be a hindrance, however, as the merged company would control a large part of domestic gas supplies.

READ: Year in Review: Merger talks wraps up eventful year in Australia's energy sector [3]

As for M&A, 2023 was rife with energy sector consolidation, as majors deployed profits earned during the post-covid gas price boom of 2021 to 2022. Deals largely focused on expanding into new markets and diversifying portfolios, while others sought to enter low carbon verticals by buying into already established operations.

READ: Year in Review: 2023 a bumper year for M&A in energy [4]

Gas prices have eased considerably over the course of 2023 but there is consensus that they are now at new normals, at least for the time being. A key question therefore what pricing developments might 2024 bring? In Europe, an exceptionally mild autumn means that storage facilities are still close to 90% full and many analysts expect them to be around 50% full by the end of the heating season in March.

READ: Year in Review: gas prices down to new normals from 2022's startling peaks [5]



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