



International
Energy Agency



Third IEA–IEF–OPEC Symposium on Gas and Coal Market Outlooks

Wednesday 14 December 2016

UIC-P Conference Centre
16 rue Jean Rey
75015 PARIS, France

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on

Gas and Coal Market Outlooks

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The Third Symposium on Gas and Coal Markets Outlooks has been jointly organised by the International Energy Agency (IEA), the International Energy Forum (IEF) and the Organization of the Petroleum Exporting Countries (OPEC), in response to the call from G20 Leaders at the Cannes November 2011 Summit for continued dialogue annually between producers and consumers on short-, medium- and long-term outlooks and forecasts for oil, gas and coal. Furthermore, at their recent ministerial meetings in 2015 and 2016 the IEF and the G20 Energy Ministers encouraged the IEA, the IEF and OPEC to continue their fruitful collaboration.

Abundance will characterise gas and coal markets to the end of the decade leading to relatively more moderate prices for both fuels. In many countries, the position of gas is under pressure by a slowdown in global economic growth, the increasing use of low-price coal and by the introduction of more renewables. Structural changes in the dynamics of energy supply and demand across regions and economic sectors are determining the future of coal and gas in the medium term. The global consensus reached with the adoption of the UN Paris Agreement in 2015 and the Sustainable Development Agenda to 2030, is likely to have major implications for the share of gas and coal in the longer-term evolution of energy matrices. Innovation and the deployment rate of clean energy and other technologies, such as carbon capture and storage and high efficiency – low-emission, super-critical power generation – will be key in order to achieve global goals.

While the gas market rebalances and upstream and infrastructure investments are delayed, uncertainty about gas-market security in the 2020s grows. In the meantime, the arrival of new gas volumes is set to push more volumes into shorter-term arrangements and on to spot markets, deepening global natural gas market liquidity also through greater interconnectivity and trade among key demand and supply regions. Producers will have to reduce cost to accommodate consumers' aspirations to obtain more competitive prices and offer greater flexibility in destination and take-or-pay clauses, as well as other key contract terms. In this environment, natural gas and coal market data transparency, including enhanced producer-consumer dialogue on more sustainable supply and demand patterns, the evolution of price discovery mechanisms, natural gas contracts and industry business models are all important elements in the agenda to enable investment in the secure and sustainable functioning of natural gas and coal markets. Economic growth prospects and implementation of climate and energy access goals in dynamically developing economies remain key for demand growth of both fuels.

This Symposium will focus on the main developments and trends in the gas and coal markets and the new evolving dynamics between these two fuels. In the first two sessions the gas and coal market outlooks will be discussed. The gas session will also focus on to what extent well-supplied markets are accelerating changes towards more flexible demand and supply patterns, including their impact on contract structures and pricing mechanisms. Session three will focus on the competition between the two fuels in light of the implementation of the recently agreed UN Paris Agreement and Sustainable Development Agenda to 2030.

The Symposium, which will be held under [Chatham House Rule](#), is structured to encourage participation of all attendees after each set of presentations.

Session 1: Gas Market Developments in the Short, Medium and Long Term

(including demand, supply and trade)

- How is gas demand developing? How are economic developments influencing gas markets?
- What impact will environmental policies and the increasing share of renewables have on gas supply and demand?
- What are the consequences for the global gas trade of abundances in the market?
- Will global gas prices remain under pressure?
- What is the status of new natural gas and LNG projects and which market is the probable destination?
- How are policymakers, markets and industry all addressing the infrastructure and how are they financial challenges for natural gas and LNG?
- How are new market conditions, policies, pricing and regulations shaping natural gas movements?
- To what extent are well-supplied markets accelerating changes towards more flexible contractual structures?

Session 2: Coal Market Developments in the Short, Medium and Long Term

(including demand, supply and trade)

- How is coal demand developing? How are economic developments affecting the coal market?
- To what extent can abundance be balanced? Are coal prices able to recover structurally, taking into account the continuous pressure of low gas prices, stronger climate policies as well as the rebalancing of Chinese markets?
- How are new market conditions, policies, pricing and regulations shaping coal movements?
- What impact will environmental policies have on coal supply and demand?
- What is the impact of energy-policy shifts in Asian growth economies on international coal markets?

Session 3: Gas and Coal Competition from a Long-Term Sustainability Perspective

- What are the driving factors for competition between gas and coal and how do these vary among regions?
- How is gas/coal competition in power generation affected by governments' economic, energy and environmental policies?
- What will the consequence be of prolonged low gas prices for the share of coal and gas in power generation?
- In which countries is the use of coal still growing and thus reducing the share of gas?
- What are the prospects for carbon pricing and how will this affect relative competitiveness of gas and coal for power generation? What are the impacts in terms of climate change mitigation?
- How will policies favouring renewables and deployment of clean energy technologies affect coal and gas markets?
- What are the prospects for new upstream coal investment at current market prices?
- How does the investment prospective differ between gas and coal power generation?

THIRD IEA-IEF-OPEC SYMPOSIUM ON GAS AND COAL MARKET OUTLOOKS

Wednesday 14 December 2016

08:30 – 09:00 *Registration and Coffee*

09:00 – 09:30 **WELCOME AND OPENING REMARKS**

Chair: **Keisuke Sadamori**, Director, Energy Markets and Security, **IEA**

- ♦ **Dr. Fatih Birol**, Executive Director, **IEA**
- ♦ **Oswaldo Tapia**, Head Energy Studies Department, in charge of Research Division, **OPEC**
- ♦ **Fuad Al Zayer**, Co-ordinator Energy Data Transparency (JODI), **IEF**

SESSION 1 GAS MARKET DEVELOPMENT IN THE SHORT, MEDIUM AND LONG TERM

(15-minute presentations) Moderator: **Fuad Al Zayer**, Co-ordinator Energy Data Transparency (JODI), **IEF**

- 09:30 – 09:45** ♦ Natural Gas Market Outlook, **Costanza Jacazio**, Senior Gas Expert, **IEA**
- 09:45 – 10:00** ♦ Natural Gas Developments and Prospects, **Dr. Roberto Aguilera**, Research Analyst, **OPEC**
- 10:00 – 10:15** ♦ Who Will Invest in an Oversupplied Gas Market and the Current Low-Price Environment? **Antonio Llardén**, President, **Enagás**

10:15 – 11:00 *Followed by roundtable discussions*

11:00 – 11:30 *Coffee Break*

- 11:30 – 11:45** ♦ The Joint Organisations Data Initiative Action Plan to 2020, **Yuichiro Torikata**, Energy Analyst, **IEF**
- 11:45 – 12:00** ♦ Are There Consequences to Global Gas Trading in a Looser Market? **Teddy Kott**, Head of Global Gas Analysis, **EDF Trading**

12:00 – 12:30 *Followed by roundtable discussions*

12.30 – 13.30 *Lunch*

SESSION 2 COAL MARKET DEVELOPMENT IN THE SHORT, MEDIUM AND LONG TERM

(15-minute presentations) Moderator: **Dr. Erfan Vafaie Fard**, Analyst – Alternative Sources of Energy, **OPEC**

- 13:30 – 13:45** ♦ Coal Market Outlook, **Carlos Fernández Alvarez**, Senior Coal Expert, **IEA**
- 13:45 – 14:00** ♦ Coal Developments and Prospects, **Moufid Benmerabet**, Analyst – Downstream Oil Industry, **OPEC**
- 14:00 – 14:15** ♦ The Impact of the Paris Agreement on the Coal Market? **Mauricio Bemudez-Neubauer**, Independent Consultant

14:15 – 14:30 *Q&As*

- 14:30 – 14:45** ♦ Deep Dive into the Asian Market. **Sylvie Cornot-Gandolphe**, Independent Consultant, Energy and Raw Materials

14:45 – 15:15 *Coffee Break*

15:15 – 16:00 *Followed by roundtable discussions*

SESSION 3 GAS AND COAL COMPETITION FROM A LONG-TERM SUSTAINABILITY PERSPECTIVE

(15-minute presentations) Moderator: **Keisuke Sadamori**, Director, Energy Markets and Security, **IEA**

- 16:00 – 16:15** ♦ The Future Role of Gas in Competition with Renewables and Coal, **Speaker GECF** (TBC)
- 16:15 – 16:30** ♦ Prospects for CCS, constraints and opportunities. **Speaker Statoil** (TBC)
- 16:30 – 17:00** ♦ *Followed by roundtable discussions*

17:00 – 17:15 Closing remarks: **OPEC, the IEF and the IEA**

17.15 – 18:30 *Cocktail*