

Total upstream, midstream investments in natural gas to reach \$8.7tn by 2050: GECF



The Gas Exporting Countries Forum (GECF) has projected that the total upstream and midstream investments in natural gas will reach a hefty \$8.7tn by 2050.

A lack of investment will lead to higher gas prices, which, coupled with higher carbon prices, may result in inflationary pressures so high that they may trigger people's resistance to energy transition policies in developed countries, GECF noted in the 'GECF Global Gas Outlook 2050'.

The ripple effect of these undercurrents will be even more dramatic in developing countries, it said and noted investment in natural gas is critical for the stability of global energy systems.

GECF yesterday unveiled its annual 'GECF Global Gas Outlook 2050', which is a comprehensive report on the status of natural gas up to 2050.

In the sixth edition, the outlook finds that natural gas can become the fuel of choice in satisfying the growing world energy needs, addressing climate change and improving air quality. It predicts the share of natural gas in the energy

mix will increase from 23% today to 27% by 2050.

In his overview of new-edition outlook, Mohamed Hamel, secretary-general, GECF, highlighted the continued prominence of natural gas in various energy outlooks and pathways.

Hamel said, "The GECF Global Gas Outlook 2050 underscores that investment in natural gas is critical for the stability of global energy systems. It projects that by 2050, total upstream and midstream investments will reach a hefty \$8.7tn."

In his foreword, Hamel said, "Recent energy markets developments have underlined the critical role of natural gas in ensuring a continuous and affordable supply to end-consumers, in particular when the wind is not blowing and the sun not shining. They have also epitomised the globalisation and increased financialisation of natural gas markets.

"Additionally, they have emphasised the positive role that natural gas plays in many important sectors and for the daily life of people. This even includes food security, as natural gas is a key input in the production of fertilisers.

"Environmental policies are a key driver of the projections contained in the outlook. In this context, whilst upholding that natural gas is the cleanest of hydrocarbon fuels, the outlook explores the state of technologies that will make it even cleaner.

"Carbon capture, utilisation, and storage (CCUS) is a promising pathway, as it involves proven technologies and attracts increased interest. The number of new CCUS projects launched in 2021 has sharply increased. Methane emissions are expected to be reduced, especially considering that in most cases, this is a commercially-sound undertaking.

"Blue hydrogen derived from natural gas is the least costly option to decarbonise high-temperature process industries, such as steel and cement industries. Direct air capture, though still very expensive, is also attracting more attention and research funds."

The GECF Global Gas Outlook 2050 is the flagship publication of the association of 19 countries, who together represent 71% of the world's proven gas reserves, 43% of its marketed production, 52% of pipeline, and 58% of LNG exports in the world.

The outlook is based on a proprietary GECF Global Gas Model.