GECF

Gas Exporting Countries Forum

MONTHLY GAS MARKET REPORT

June 2026

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Disclaimer

About the GECF

The Gas Exporting Countries Forum (GECF) is an intergovernmental organization comprising the world's leading gas exporters, aimed at fostering cooperation and collaboration among its members by providing a platform for the exchange of views, experiences, information and data on gas-related matters. The GECF includes 20 countries — 12 Member Countries and 8 Observer Countries — spanning four continents. Member Countries are Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago, United Arab Emirates and Venezuela, while Observer Countries include Angola, Azerbaijan, Iraq, Malaysia, Mauritania, Mozambique, Peru and Senegal.

The GECF Monthly Gas Market Report (MGMR) is a monthly publication by the GECF Secretariat that provides insights into short-term developments in the global gas market, covering areas such as the global economy, gas consumption, gas production, gas trade (both pipeline gas and LNG), gas storage and energy prices.

Acknowledgements

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HIGHLIGHTS

Gas consumption: Global gas consumption declined in May 2026, driven by LNG supply disruptions from the Strait of Hormuz blockade, elevated spot prices, and slowing economic activity. In Asia, weaker industrial output and fuel switching to coal reduced demand across China, India, and South Korea. Conversely, Europe recorded modest growth, supported by stronger demand in the industrial and power sectors. Despite tight LNG market conditions, global energy reliability was sustained through increased domestic production, enhanced storage utilization, and greater reliance on alternative fuels.

Gas production: The Middle East conflict dealt a severe supply shock to the global gas market, driving a 30% y-o-y contraction in regional output for May 2026. This steep decline stemmed from critical production losses across the region's top producers (Qatar, the UAE, and Iran) primarily caused by infrastructure damage and the blockade of the Strait of Hormuz. However, the global shock was partially cushioned by expanding production in Eurasia and North America, with the US recording the largest output gains to offset the shortfall.

Gas trade: Global LNG trade remained severely constrained in May 2026 as the ongoing Middle East conflict choked export volumes from Qatar and the UAE, driving a 4.6% y-o-y contraction in global imports to 32.9 Mt. While this global decline showed signs of stabilizing compared to April, Europe bore the brunt of the supply crunch, posting its sharpest monthly import drop since November 2024 as reduced Middle Eastern flows forced flexible US and West African spot cargoes to divert to premium-priced Asian markets. Concurrently, Asian imports faced systematic supply pressure, though the pace of decline softened as regional buyers adjusted to the tight market reality. On the infrastructure front, the 9.5 Mtpa Commonwealth LNG project in the US reached FID.

Gas storage: Global gas inventories showcased highly divergent regional trends throughout May 2026, driven by localised supply dynamics and varying injection paces. In the EU, the monthly average gas storage level rose to 38 bcm, representing 36% of total capacity, down from the 46 bcm in storage one year prior. Conversely, the US monthly average storage level reached 68 bcm, or 50% of capacity, marking a slight increase from the 67 bcm recorded a year ago. In Asia, however, combined LNG stocks in Japan and South Korea stood at 8.0 bcm, which was a 31% decline y-o-y resulting from a tightening market for LNG cargoes.

Energy prices: Gas and LNG spot prices posted a modest recovery after retreating from multi-year highs in the previous month. Market sentiment continued to be shaped by the ongoing conflict in the Middle East, exerting upward pressure on spot prices. TTF prices increased by 4% m-o-m to $16.2/MMBtu, while NEA spot LNG prices increased by 9% m-o-m to $18.0/MMBtu. In North America, HH gas prices followed a similar trend, rising by 6% m-o-m to $2.9/MMBtu. Looking ahead, spot prices are expected to remain firm, supported by seasonal increases in gas demand for cooling as the summer months approach.

FEATURE ARTICLE:

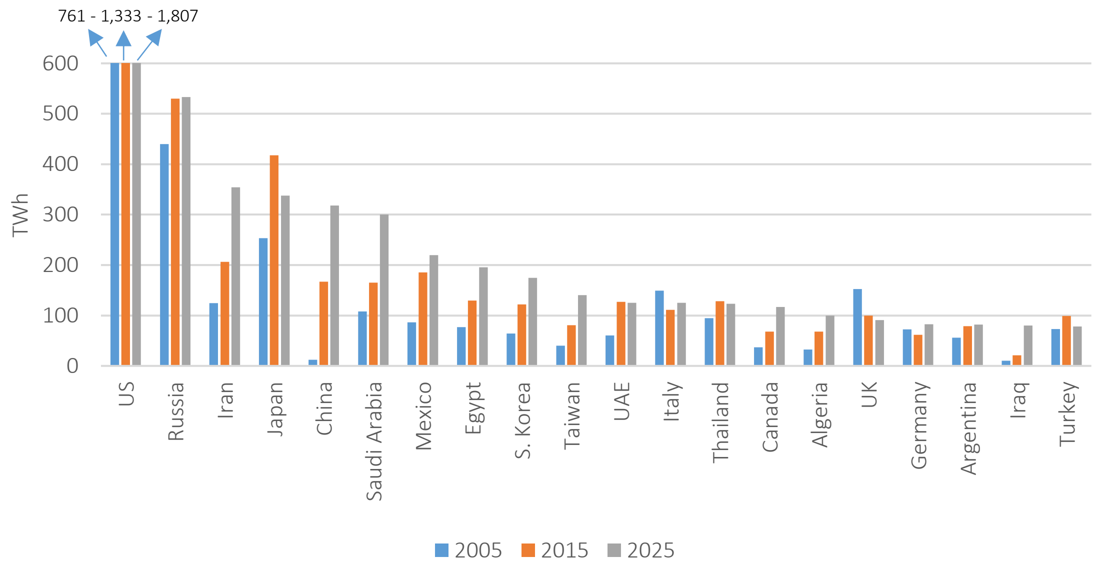
Gas-fired power generation as a growing cornerstone of modern power systems

Global electricity demand continues to increase steadily, driven by population growth, economic expansion, urbanization, electrification, and digitalization. As a result, electricity's share of global final energy consumption has risen from 18% a decade ago to 21% today, reflecting its growing importance across all sectors of the economy and its emergence as the preferred energy carrier. In response to this rising demand, global electricity generation increased by 2.8% in 2025 to a record 31,740 TWh, underscoring the central role of electricity in supporting socioeconomic development, technological advancement, and increasingly integrated energy systems worldwide.

Against this backdrop, natural gas remains a pivotal component of power systems worldwide. Gas-fired electricity generation increased from 6,880 TWh in 2024 to 6,900 TWh in 2025, enabling natural gas to maintain its position as the world's second-largest source of electricity generation with a 22% share of total output, behind only coal at 33%. At the same time, renewables continued their rapid expansion. Solar power recorded the largest increase among all generation sources, growing by 30%, or 630 TWh, to reach 2,750 TWh, while wind generation rose by 8%, or 200 TWh, to 2,710 TWh. Despite this record growth, non-hydro renewables collectively accounted for only 17% of global electricity generation in 2025, up from 15% in 2024. Hydropower and nuclear energy contributed a further 14% and 9%, respectively.

Over the longer term, gas-fired power generation has demonstrated sustained growth, increasing from 3,681 TWh in 2005, equivalent to 20% of global electricity output, to 5,540 TWh in 2015 and 6,900 TWh in 2025. Between 2005 and 2025, the largest absolute increases in gas-fired generation were recorded in the US (+1,046 TWh; from 761 TWh to 1,807 TWh), China (+306 TWh), Iran (+229 TWh), Saudi Arabia (+192 TWh), Egypt (+119 TWh), South Korea (+111 TWh), and Russia (+93 TWh) (Figure i). The US alone accounted for one-third of global growth in gas-fired electricity generation during this period, driven by abundant shale gas supplies and extensive coal-to-gas switching.

Figure i: Trend in gas-fired electricity generation by country, 2005 – 2025



Source: GECF Secretariat based on data from Ember and the Energy Institute Statistical Review of World Energy

Amid this sustained growth, the US, Russia, Iran, Japan, and China rank among the world's largest producers of gas-fired electricity. Generation remains highly concentrated geographically: although 116 countries generate electricity from natural gas, the top 10 producers account for 63% of global gas-fired power output. At the other end of the spectrum, 23 countries each generate less than 1 TWh annually. Notably, while China's gas-fired generation remains below that of the EU as a whole (318 TWh compared with 465 TWh), it exceeds the combined gas-fired output of the EU's four largest gas-fired generators: Italy, Germany, Spain, and the Netherlands.

The role of natural gas in national electricity systems varies considerably, reflecting differences in resource availability, energy policies, market structures, and power sector development. The world's top 10 gas-fired power generators can be broadly grouped into three categories based on the share of natural gas in their electricity mix. The first group exhibits high dependence on natural gas, with gas accounting for more than 60% of electricity generation, including Iran (90%), Egypt (80%), Saudi Arabia (63%), and Mexico (62%). The second group demonstrates moderate reliance, with gas shares ranging from 30% to 60%, including Taiwan (49%), Russia (45%), the US (40%), and Japan (33%). The third group comprises countries where natural gas plays a more limited role, accounting for less than 30% of electricity generation, notably South Korea (28%) and China (3%).

Looking ahead, while traditional drivers such as economic and industrial growth will continue to support rising electricity demand, emerging structural trends are expected to underpin the expansion of gas-fired power generation, including its role in backing up variable renewable energy and meeting growing electricity needs from data centers and space cooling.

Amid expanding wind and solar capacity in some regions, the role of natural gas in power systems is evolving from a primarily baseload function toward an increasingly important dispatchable role that facilitates renewable energy integration. As weather-dependent renewables increase variability in electricity supply, system operators face growing challenges in balancing generation and demand across time horizons. Gas-fired generation helps manage low wind and solar output, particularly during peak demand, while providing flexibility to respond quickly to changing system conditions. Its fast-ramping capability and ability to sustain output over extended periods make it well suited to supporting grid reliability during short-term imbalances and system stress.

The rapid expansion of global data centers, particularly those optimized for AI, has emerged as a major driver of rising electricity demand. According to the IEA, global data center electricity consumption reached 485 TWh in 2025, representing a 17% y-o-y increase, far exceeding the 2.8% rise in overall global electricity demand. Within this total, electricity use by AI-focused data centers expanded even more rapidly, surging by 50% in 2025. Looking ahead, demand from data centers is expected to continue rising, with global electricity consumption projected to double to 950 TWh by 2030. Data centers require a reliable, large-scale electricity supply, as they cannot tolerate interruptions or fluctuations. In this context, gas-fired generation has emerged as one of the most suitable power sources for supporting digital infrastructure growth. Unlike renewable energy sources, whose output depends on weather conditions, gas-fired power plants provide reliable baseload electricity. The widespread availability of natural gas infrastructure and shorter construction timelines further enhance its attractiveness. As a result, gas-fired generation is expected to play a major role in meeting rising data center electricity demand. In the US, the world's largest data center market, natural gas is projected to supply 60% of the additional power required for data center expansion through the end of the decade.

Climate change, manifested through more frequent, intense, and prolonged heatwaves, together with rising living standards, is driving an unprecedented surge in space cooling demand, making it one of the fastest-growing segments of global electricity consumption. According to IEA estimates, electricity consumption for space cooling reached around 2,400 TWh in 2025, accounting for about 8% of global electricity demand, and is projected to exceed 3,000 TWh by 2030. Today, around 3.5 billion people live in tropical regions, yet fewer than 15% of households own an air conditioner, with ownership expected to rise significantly as incomes increase across Asia and Africa. Cooling loads are concentrated during periods of extreme heat, increasing demand for dispatchable and fast-ramping electricity. Against this backdrop, gas-fired generation is emerging as a key source of system flexibility for highly seasonal and weather-dependent cooling demand, responding to short-term demand spikes and multi-day heatwaves.

Moreover, the upcoming El Niño event, with the World Meteorological Organization indicating a 90% probability that El Niño conditions will persist and intensify through the 2026 summer, is expected to contribute to elevated global temperatures and drive cooling demand to exceptionally high levels, placing significant stress on electricity systems. At the same time, persistent heat domes can reduce wind speeds and increase cloud cover, lowering wind and solar generation, while associated drought conditions may reduce inflows to major hydropower reservoirs across Asia and South America. In this context, natural gas is expected to play an important role as a dispatchable energy source, with its fast-ramping capability helping to compensate for renewable generation shortfalls and support grid reliability during periods of extreme heat.

To support these emerging structural trends, many countries are positioning gas-fired power generation as a cornerstone of their long-term energy strategies, given its high efficiency, operational flexibility, and lower emissions compared with oil- and coal-fired generation. This is reflected in the substantial global pipeline of gas-fired capacity under development, including projects at the construction, pre-construction, and announcement stages. Globally, the pipeline totals 930 GW, of which more than 500 GW is expected to be commissioned by 2030, supplementing nearly 2,000 GW of existing operating capacity (Figure ii).

Figure ii: Global gas-fired power capacity expansion outlook, 2026–2030

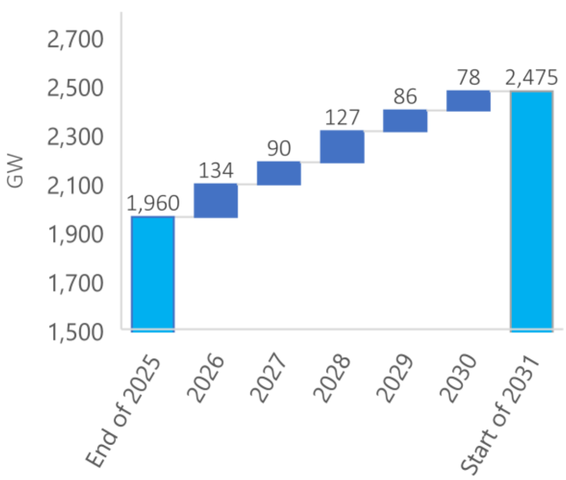
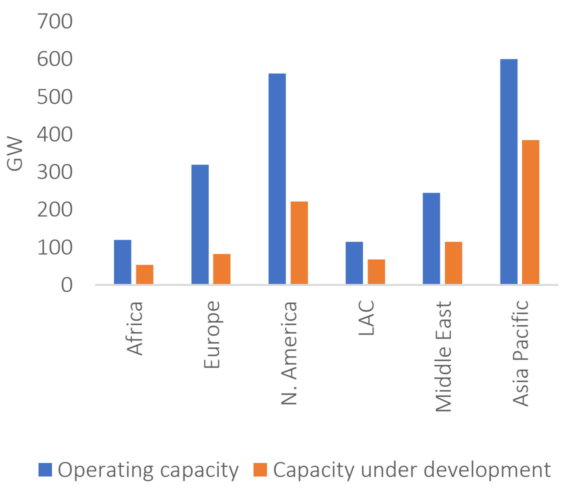


Figure iii: Regional distribution of operating and under-development gas-fired power capacity



Source: GECF Secretariat based on data from Global Energy Monitor

Regionally, Asia Pacific is the world's largest gas-fired power market, with 600 GW of operating capacity and 385 GW under development, reflecting strong electricity demand growth driven by industrialization and economic expansion (Figure iii). North America follows with 560 GW of operating capacity and 220 GW under development, supported by rising demand from data centers. Europe ranks third; however, excluding Russia, it has only 210 GW of operating capacity and 65 GW under development. At the national level, the largest development pipelines are concentrated in the US (210 GW), China (150 GW), Vietnam (55 GW), and Saudi Arabia (30 GW), underscoring the growing role of gas-fired generation across both mature and emerging power markets.

The expansion of gas-fired generation faces some structural challenges across the value chain, spanning equipment manufacturing, natural gas affordability, and grid infrastructure adequacy.

The critical challenge for expanding gas-fired generation capacity lies in scaling gas turbine manufacturing fast enough to support the construction of new power plants. Strong demand for gas turbines has resulted in a cumulative global order backlog exceeding 110 GW, against an annual manufacturing capacity of only 60–70 GW. This imbalance has created a multi-year delivery queue, extending commissioning timelines and requiring developers to adopt longer-term planning horizons. In response, manufacturers are investing in capacity expansions, optimizing production lines, and strengthening supply chain coordination to increase throughput.

Another key challenge relates to the affordability of natural gas. This is particularly important given that, among the top 20 gas-fired generating countries, six are net gas exporters, one is not involved in global gas trade, and the remaining 13 are net importers, leaving most systems exposed to international price volatility and import availability. In this context, the 2026 blockade of the Strait of Hormuz temporarily weakened the competitiveness of natural gas, although the subsequent easing of tensions is expected to support a normalization of spot gas prices and a recovery in gas-fired generation across multiple regions, particularly in Asia.

A further constraint is the need to expand and modernize electricity grid infrastructure. While new gas-fired power plants can often be developed relatively quickly, their integration depends on sufficient transmission and distribution capacity to deliver electricity reliably to consumers. In many countries, aging and underinvested grid networks have become a major bottleneck, requiring extensive upgrades, reinforcement, and expansion. Such projects are typically capital-intensive and time-consuming, involving lengthy permitting procedures, land acquisition challenges, and complex construction requirements. As electricity demand continues to grow and power systems become increasingly interconnected, grid expansion and modernization will remain essential prerequisites for realizing the full potential of new gas-fired generation capacity.

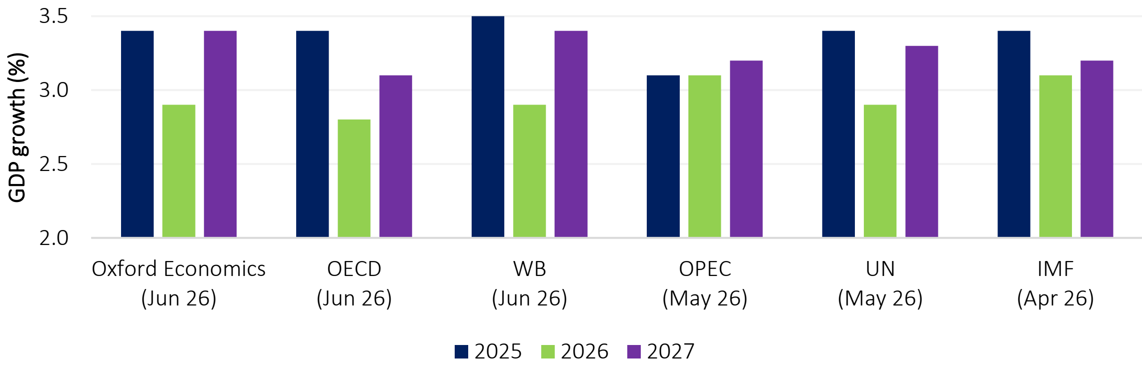
Despite these challenges, gas-fired generation is reinforcing its role as a reliable source of baseload electricity across a wide range of demand segments, including data centers and space cooling. It is also strengthening its role as a key dispatchable resource for integrating variable renewable output and supporting electricity system balance. In addition, it plays a critical role in ensuring system adequacy during peak demand periods, when the margin between supply and demand tightens, and in providing firm capacity to maintain reliability under constrained operating conditions.

1 GLOBAL PERSPECTIVES

1.1 Global economy

Global GDP growth for 2026 based on purchasing power parity was forecast by Oxford Economics in June 2026 to be 2.9% (Figure 1). This forecast remained unchanged from the previous month, as the global economy continued to demonstrate resilience, underpinned by robust industrial activity and sustained AI investment, despite heightened geopolitical tensions in the Middle East. Global growth is anticipated to gain momentum in 2027, with GDP forecast to expand by 3.4%.

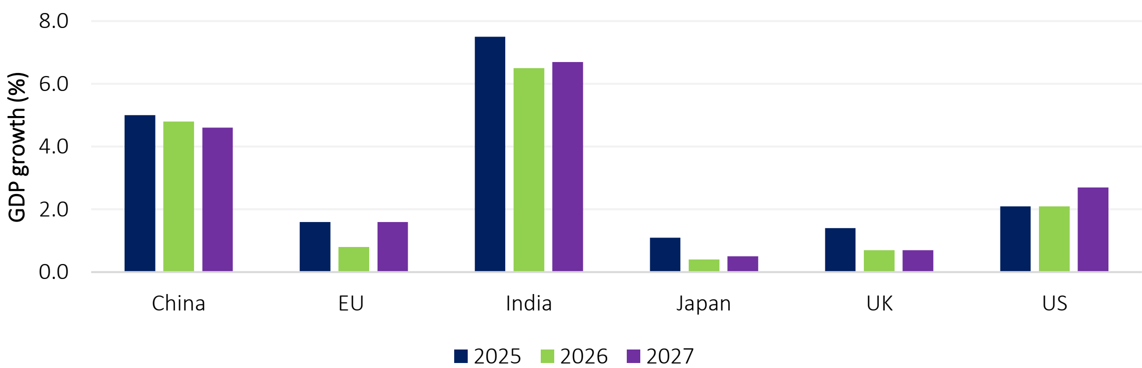
Figure 1: Global GDP growth



Source: GECF Secretariat based on data from Oxford Economics, OPEC, IMF, OECD, WB and UN
Note: Global GDP growth calculated based on Purchasing Power Parity

There were several revisions to GDP growth estimates for major economies compared to the previous month (Figure 2). In the US, the 2026 GDP growth was revised down by 0.1 percentage points to 2.1%, reflecting weaker consumer spending amid elevated energy prices. Growth is expected to accelerate to 2.7% in 2027, as inflationary pressures ease. In the EU, the 2026 GDP growth estimate was also lowered by 0.1 percentage points to 0.8%, as higher inflation continues to constrain economic activity. Growth is projected to improve to 1.6% in 2027. China's 2026 GDP growth forecast was revised upward by 0.2 percentage points to 4.8%, supported by strong export performance and fiscal spending, although growth is expected to moderate to 4.6% in 2027. India's GDP growth is estimated at 6.5% in 2026 and is projected to strengthen slightly to 6.7% in 2027.

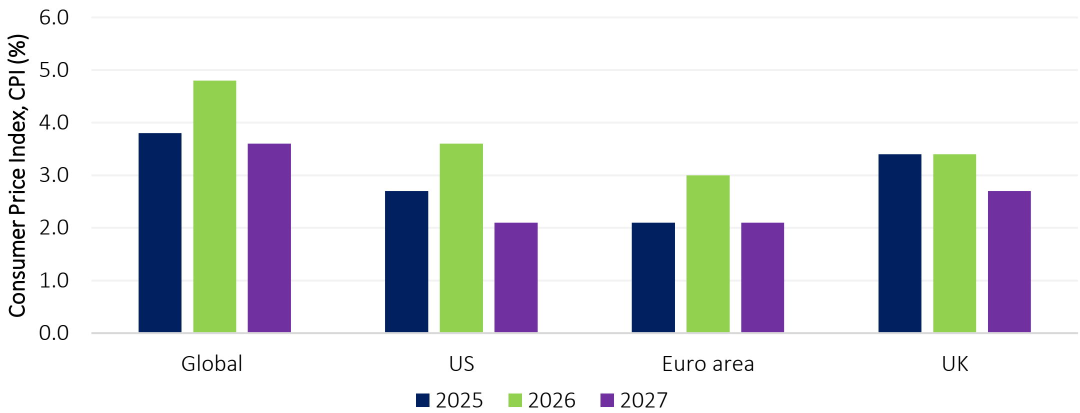
Figure 2: GDP growth in major economies



Source: GECF Secretariat based on data from Oxford Economics

In June 2026, the global inflation estimate for 2026 was raised by 0.8 percentage points to 4.8% by Oxford Economics. The global inflation forecast for 2027 was also raised by 0.3 percentage points to 3.6% in 2027 (Figure 3). Inflation in the Euro area for 2026 was estimated at 3.0% and is forecast to fall to 2.1% in 2027. The UK's inflation was estimated at 3.4% in 2026 and 2.7% in 2027. In the US, inflation was estimated at 3.6% in 2026 but is expected to ease to 2.1% in 2027.

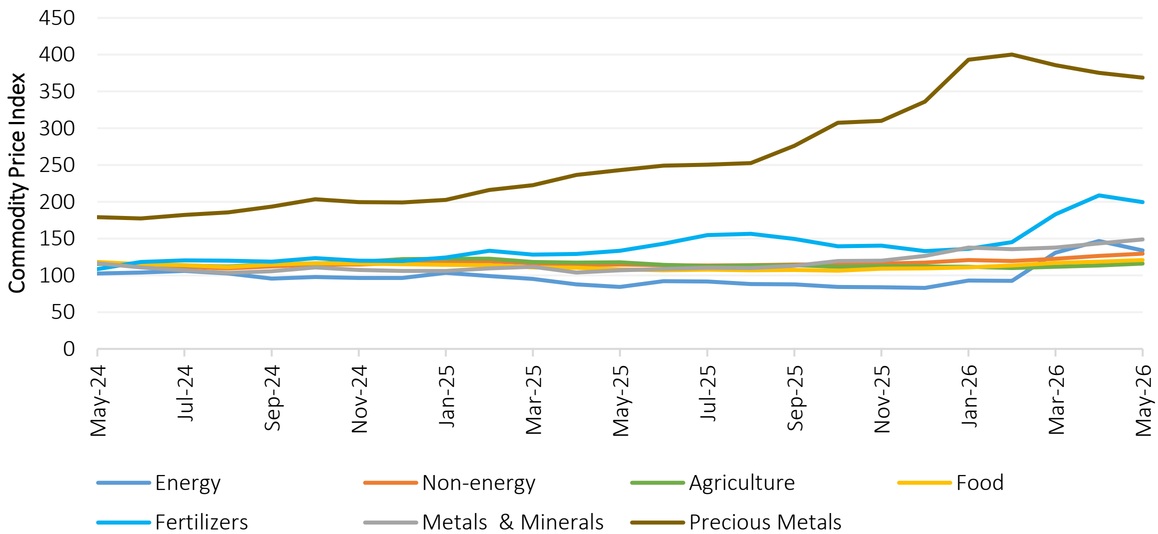
Figure 3: Inflation rates



Source: GECF Secretariat based on data from Oxford Economics

In May 2026, commodity prices showed mixed trends compared with the previous month, (Figure 4). The energy price index declined by 9% m-o-m, primarily due to softer oil prices, although it remained 59% higher than a year earlier. In contrast, the non-energy price index increased by 3% m-o-m and 13% y-o-y. The fertilizer price index recorded its first monthly decline of the year, falling by 4% m-o-m, but was still 50% higher y-o-y. The precious metals price index decreased by 2% m-o-m, marking its third consecutive monthly decline, yet remained 52% above its level a year earlier.

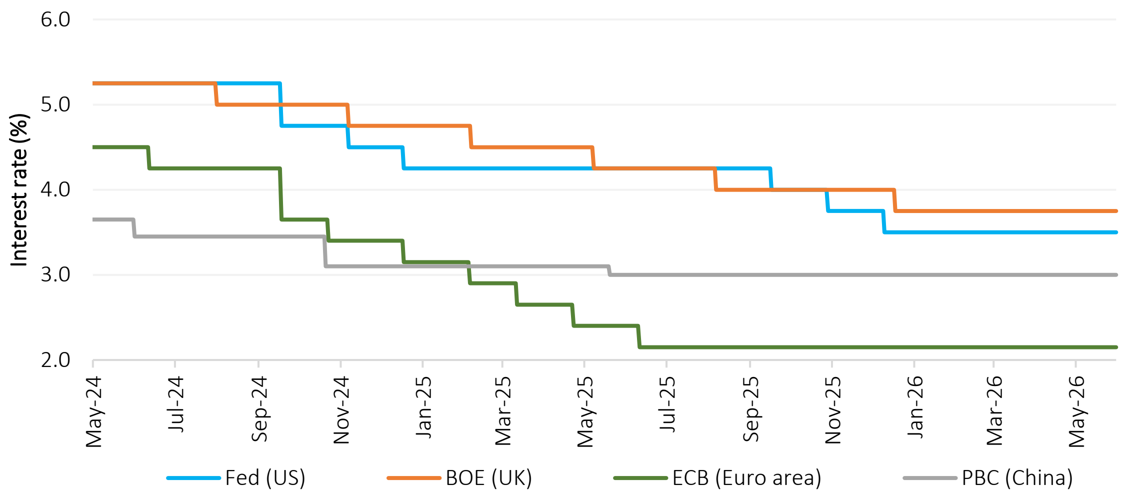
Figure 4: Monthly commodity price indices



Source: GECF Secretariat based on data from World Bank Commodity Price Data
Note: Monthly price indices based on nominal US dollars, 2010=100. The energy price index is calculated using a weighted average of global crude oil (84.6%), gas (10.8%) and coal (4.7%) prices. The non-energy price index is calculated using a weighted average of agriculture (64.9%), metals & minerals (31.6%) and fertilizers (3.6%).

Additionally, in May 2026, global monetary policy remained steady as major central banks chose to maintain their existing benchmark interest rates (Figure 5). The US Federal Reserve (Fed) maintained its benchmark interest rate within the range of 3.5% to 3.75%, which has been unchanged since December 2025. The Bank of England (BOE) kept its benchmark interest rate at 3.75% since December 2025. Notably, on 11 June 2026, the European Central Bank (ECB) announced that its main refinancing operations rate will be increased by 0.25 percentage points to 2.40%, effective 17 June 2026. Meanwhile, the People's Bank of China continued to hold its one-year Loan Prime Rate (LPR) at 3.0%.

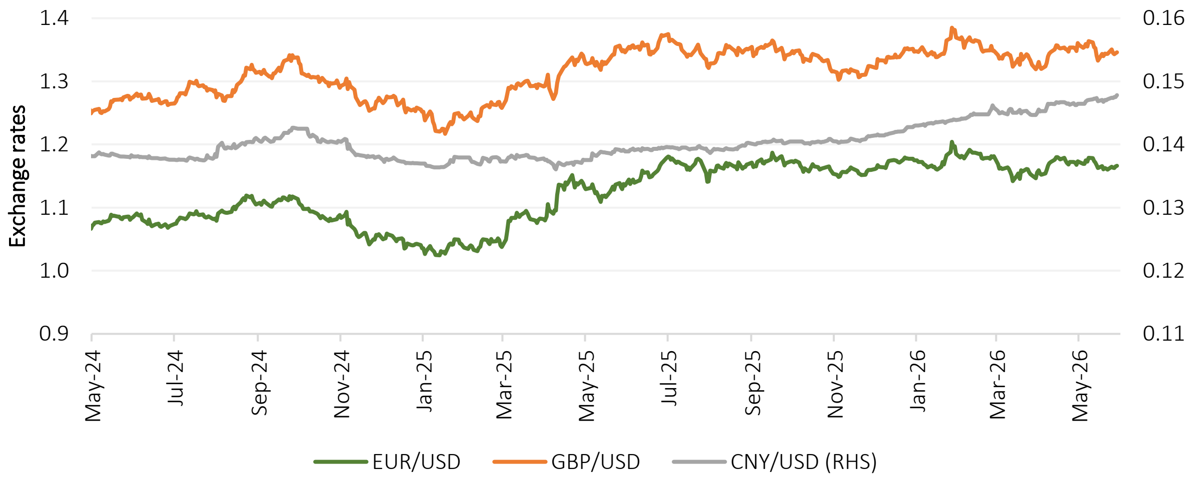
Figure 5: Interest rates in major central banks



Source: GECF Secretariat based on data from US Federal Reserve, Bank of England, European Central Bank and People's Bank of China

In May 2026, major global currencies remained broadly stable against the US dollar (Figure 6). The euro averaged $1.1678 against the US dollar during the month, unchanged from April but 4% higher y-o-y. Similarly, the British pound averaged $1.3490 against the US dollar, remaining broadly stable m-o-m while recording a 1% increase y-o-y. Meanwhile, the Chinese yuan strengthened to an average of $0.1471, reflecting gains of 1% m-o-m and 6% y-o-y.

Figure 6: Exchange rates



Source: GECF Secretariat based on data from LSEG

1.2 Other developments

G7: The G7 Finance Ministers and Central Bank Governors meeting convened on 18-19 May 2026 in Paris, France, alongside the Heads of the International Monetary Fund (IMF), the World Bank Group (WBG), the Organisation for Economic Cooperation and Development (OECD), the Financial Stability Board (FSB), the International Energy Agency (IEA), the Asian Development Bank (ADB) as Chair of the Multilateral Development Banks' Heads Group, and the African Development Bank (AfDB). In their joint communique, the parties acknowledged the heightened risks to global economic growth amidst the Middle East conflict. The ministers also highlighted concerns about global economic imbalances, particularly those arising from weak domestic demand and industrial overcapacity in some countries and called for stronger international cooperation to address these challenges.

BRICS: The BRICS Foreign Ministers meeting was held on 15 May 2026 in New Delhi, India under the theme, 'Building for Resilience, Innovation, Cooperation and Sustainability'. The ministers reaffirmed their commitment to strengthening the BRICS strategic partnership under its three core pillars: political and security, economic and financial, cultural and people-to-people exchanges. In the Chair's Statement, the ministers emphasized that "all affordable, reliable, and sustainable energy sources and technologies, including low-emission and renewable options, play an important role in achieving the SDGs and energy security." They also reaffirmed the importance of advancing just, inclusive, orderly and equitable energy transitions that reflect national circumstances and development priorities. Furthermore, the ministers highlighted the role of diversified energy sources, resilient energy supply chains, and enhanced cooperation among BRICS countries in supporting energy security, economic development, and sustainable growth.

APEC: The APEC Ministers Responsible for Trade (MRT) meeting took place in Suzhou, China on 22-23 May 2026 under the theme, 'Building an Asia-Pacific Community to Prosper Together'. In their joint statement, ministers reaffirmed their commitment to strengthening a rules-based, open, and predictable trading system and to advancing economic integration across the Asia-Pacific region. A key outcome was the emphasis on enhancing supply chain resilience, particularly for essential goods such as energy products, critical inputs, and downstream derivatives, in response to ongoing global disruptions.

IEA: The latest edition of IEA's World Energy Investment 2026, published on 28 May 2026, highlights how the Middle East conflict is reshaping investment priorities, increasing concerns over energy security, and encouraging greater supply diversification. Global energy investment is projected to reach a record $3.4 trillion in 2026, increasing by 5% from 2025. An estimated $1.2 trillion is expected to be directed toward oil, gas and coal. While investment in oil is forecast to decline for a third consecutive year despite elevated oil prices, investment in natural gas is set to reach its highest level in a decade. This growth is being driven primarily by a new wave of LNG export projects, reflecting continued expectations for strong natural gas demand and its role in enhancing energy security and supply flexibility.

2 GAS CONSUMPTION

In the first four months of 2026, aggregated gas consumption in some of the major gas consuming countries, which account for 75% of global gas demand, decreased by 1% y-o-y to reach 1,073 bcm. Decline was recorded in North America and Southern Asia, while EU and Middle East showed growth. For the full year 2026, global gas consumption is expected to decline by 1%.

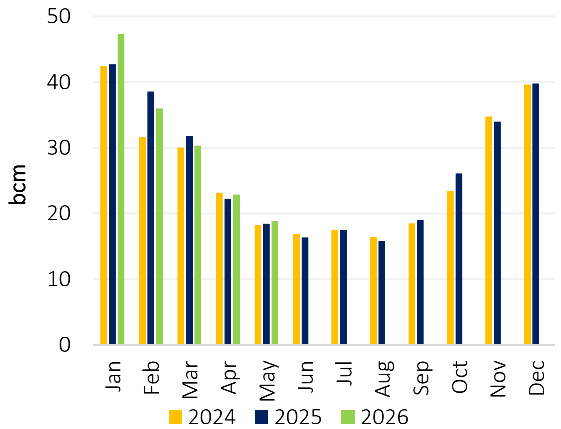
2.1 Europe

2.2.1 European Union

In May 2026, EU natural gas consumption increased by 2.3% y-o-y, reaching 19 bcm (Figure 7). The increase in gas demand was primarily supported by higher gas demand in the industrial and power sectors. In the meantime, the residential sector recorded a decline driven by warmer weather conditions across large parts of Europe, particularly in northeastern and western regions. Average temperatures over European land grew to 13.8°C in May 2026, compared to 12.8°C in May 2025. A sharp shift from cool to exceptionally warm conditions around 20 May triggered an early, intense heatwave that broke several temperature records.

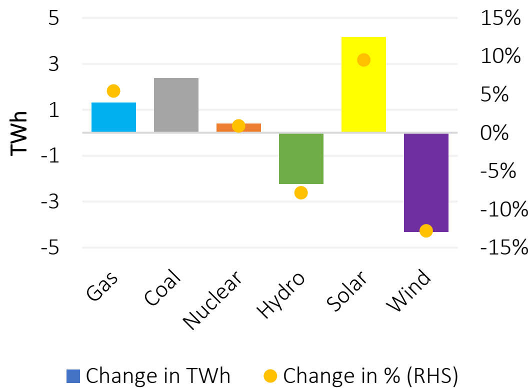
EU electricity generation increased by 1.3% y-o-y to 198 TWh in May. Gas-fired generation rose by 5% y-o-y, supported by weaker wind conditions and reduced hydropower output. Renewable generation continued to expand, led by a 10% y-o-y increase in solar power. Coal- and nuclear-fired generation increased by 17% and 1% y-o-y, respectively (Figure 8). Within the power mix, non-hydro renewables remained the largest source, accounting for 44% of output, followed by nuclear (22%), natural gas (13%), hydropower (13%), and coal (8%). These developments underscore the growing role of renewables in Europe's power sector, while natural gas remains essential for maintaining system flexibility and security of supply.

Figure 7: Gas consumption in the EU



Source: GECF Secretariat based on data from Entsog and LSEG

Figure 8: Trend in electricity production in the EU in May 2026 (y-o-y change)



Source: GECF Secretariat based on data from Ember

For the period Jan-May 2026, the EU's gas consumption rose by 1% y-o-y to 155 bcm.

2.1.1.1 Germany

In May 2026, Germany's natural gas consumption increased to 4.6 bcm, up by 2.2% y-o-y (0.1 bcm) (Figure 9). The growth was mainly driven by stronger demand in the industrial and power generation sectors. Industrial gas demand increased by 16% y-o-y, indicating a rebound in industrial activity following the declines observed in the beginning of the year (Figure 10). Meanwhile, the residential gas consumption declined by 1.3% y-o-y, supported by warmer weather conditions, with average temperatures growing to 14.6°C in May 2026 from 13.3°C in May 2025, reducing heating demand across the country.

Figure 9: Gas consumption in Germany

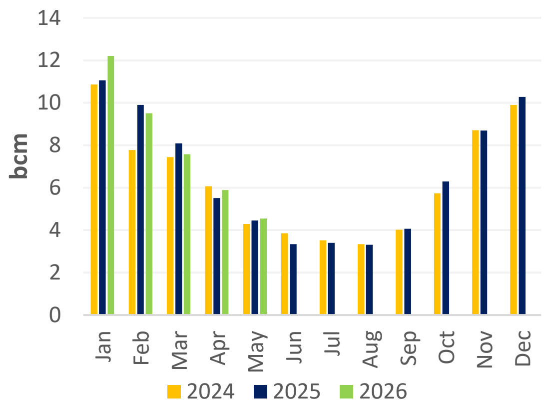
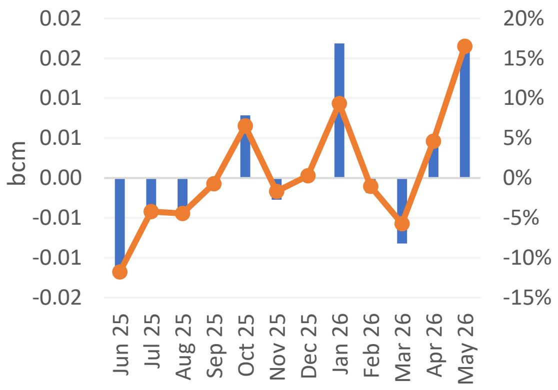


Figure 10: Trend in gas consumption in the industrial sector in Germany (y-o-y change)



Source: GECF Secretariat based on data from LSEG

Germany's electricity output increased by 2.9% y-o-y in May to 35 TWh. The rise was supported by stronger generation from natural gas, coal and solar, while wind and hydro output declined. Gas-based generation expanded by 10% y-o-y, compensating for part of the reduction in wind and hydro electricity production, which fell by 5% and 28% respectively. Coal-fired generation also strengthened significantly, with output rising by 25%, supported by its competitive pricing relative to natural gas and increased coal availability (Figure 11). Non-hydro renewables dominated Germany's power mix, representing 67% of total output, while coal and natural gas accounted for 18% and 10%, respectively (Figure 12).

Figure 11: Trend in electricity production in Germany in May 2026 (y-o-y change)

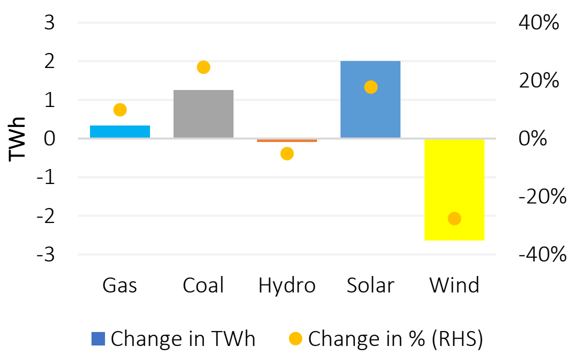
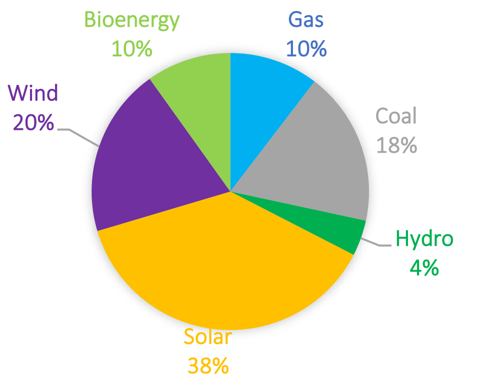


Figure 12: German electricity mix in May 2026



Source: GECF Secretariat based on data from LSEG and Ember

For the period Jan-May, Germany's gas consumption rose by 1.8% y-o-y to 39.7 bcm.

2.1.1.2 Italy

In May 2026, Italy's natural gas consumption rose by 7% y-o-y to 3.7 bcm (Figure 13), mainly driven by the power generation sector. Residential and commercial gas demand grew by 0.3% y-o-y to 1.15 bcm. However, industrial gas consumption declined by 1.9% y-o-y to 1 bcm, marking the second consecutive contraction following two consecutive months of recovery (Figure 14). In the power sector, higher gas consumption was largely attributable to stronger demand for electricity generation during the month.

Figure 13: Gas consumption in Italy

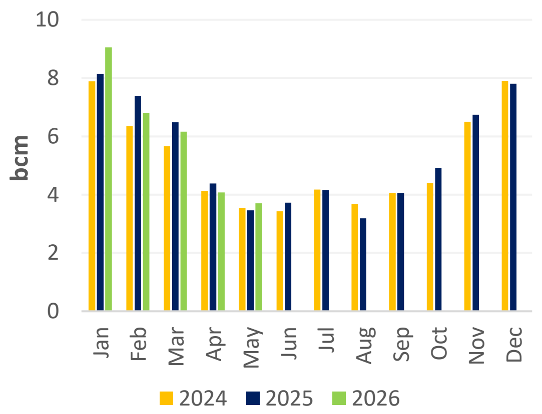
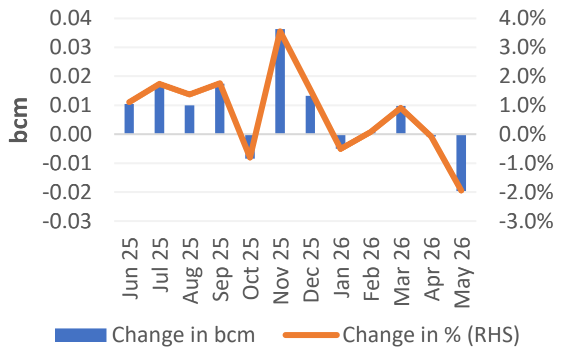


Figure 14: Trend in gas consumption in the industrial sector in Italy (y-o-y change)



Source: GECF Secretariat based on data from Snam

Italy's total electricity generation increased by 17% y-o-y to 20.7 TWh. Gas-fired power generation grew by 22% y-o-y, amid a strong expansion in renewable output, particularly from solar and hydro sources, which rose by 19% and 14%, respectively (Figure 15). Natural gas remained a cornerstone of Italy's electricity system, accounting for 33% of total generation. At the same time, non-hydro renewables represented 46% of the power mix, underscoring the growing role of renewables while highlighting the continued importance of natural gas in ensuring grid stability and system reliability alongside increasing renewable penetration (Figure 16).

Figure 15: Trend in electricity production in Italy in May 2026 (y-o-y change)

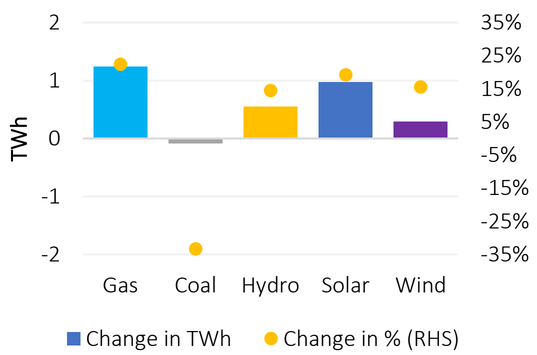
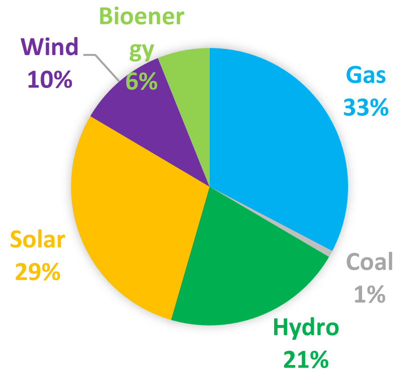


Figure 16: Italian electricity mix in May 2026



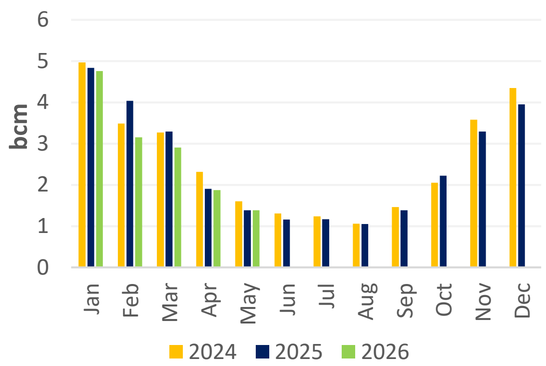
Source: GECF Secretariat based on data from Terna, LSEG and Ember

For the period Jan-May 2026, Italy's gas consumption declined by 0.2% y-o-y to 29.8 bcm.

2.1.1.3 France

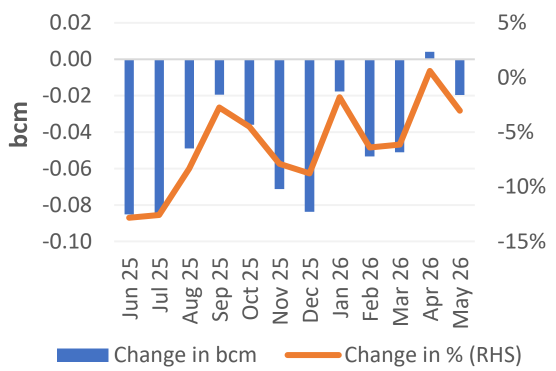
In May 2026, France's natural gas consumption increased by 0.2% y-o-y to 1.4 bcm (Figure 17), largely reflecting higher demand from the residential and power generation sector. Residential gas use increased by 14% y-o-y to 0.8 bcm. By contrast, industrial gas demand reverted to contraction after posting its first growth in the previous month, with consumption reaching 0.6 bcm. This decline was primarily driven by weaker industrial activity and subdued demand from energy-intensive sectors (Figure 18).

Figure 17: Gas consumption in France



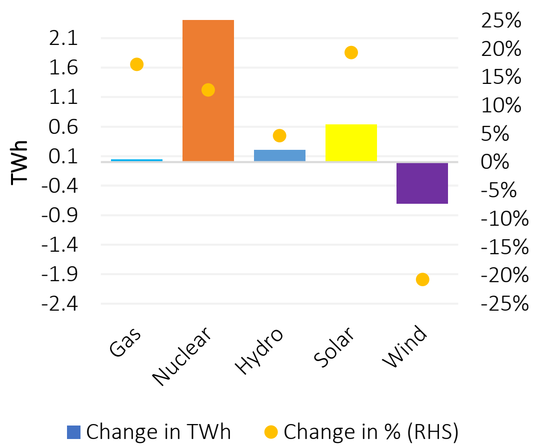
Source: GECF Secretariat based on data from GRTgaz

Figure 18: Trend in gas consumption in the industrial sector in France (y-o-y change)



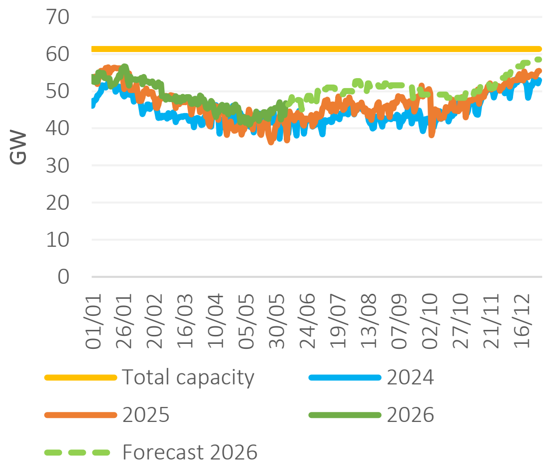
Total electricity generation in France increased by 9% to reach 40.6 TWh. Natural gas generation rose by 17% y-o-y, as hydro, solar and nuclear output grew by 5%, 15% and 13% y-o-y respectively (Figure 19). French nuclear capacity availability rose by 6.1% y-o-y and declined by 21% m-o-m (Figure 20). In the overall power mix, nuclear energy continued to dominate, representing 71% of total electricity supply, followed by non-hydro renewables (17%), hydro (12%) and natural gas (1%).

Figure 19: Trend in electricity production in France in May 2026 (y-o-y change)



Source: GECF Secretariat based on data from Ember

Figure 20: French nuclear capacity availability



Source: GECF Secretariat based on LSEG and RTE

For the period Jan-May 2026, France's gas consumption declined by 8.9% y-o-y to 14 bcm.

2.1.1.4 Spain

In May 2026, Spain's gas consumption declined by 1% y-o-y to 2.1 bcm (Figure 21). Unlike previous months, when stronger gas demand from the power generation compensated for weaker industrial and residential consumption, the power sector provided less support to overall gas demand this month. Gas use in the electricity sector decreased amid higher solar and nuclear power generation output. Similarly, industrial gas consumption declined by 0.7% y-o-y, extending its downward trend and reflecting weaker industrial activity. The decline was largely driven by lower consumption in the metallurgy sector (-10.5%), construction sector (-6.9%), textile (-2.7%) and the agro-food sector (-2.6%) (Figure 22).

Figure 21: Gas consumption in Spain

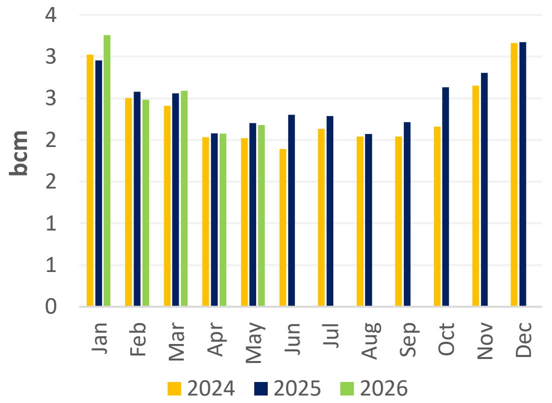
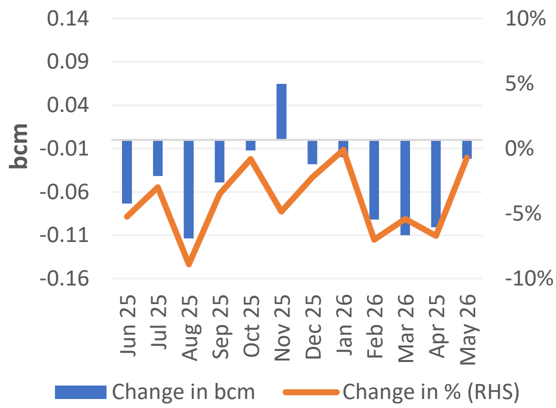


Figure 22: Trend in gas consumption in the industrial sector in Spain (y-o-y change)



Source: GECF Secretariat based on data from Enagas

Spain's electricity generation rose by 0.6% y-o-y in May 2026 to 19.8 TWh. Despite the overall increase in power output, gas-fired generation declined by 3% y-o-y, driven by stronger nuclear and solar output caused by favourable weather conditions (Figure 23). Wind power generation fell by 3% compared with the same period last year. Non-hydro renewables continued to dominate the electricity mix, accounting for 51% of total generation, while natural gas represented 18%, highlighting its key role in ensuring system flexibility and balancing renewable intermittency (Figure 24).

Figure 23: Trend in electricity production in Spain in May 2026 (y-o-y change)

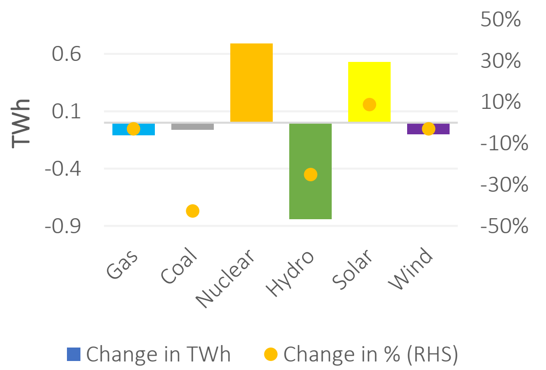
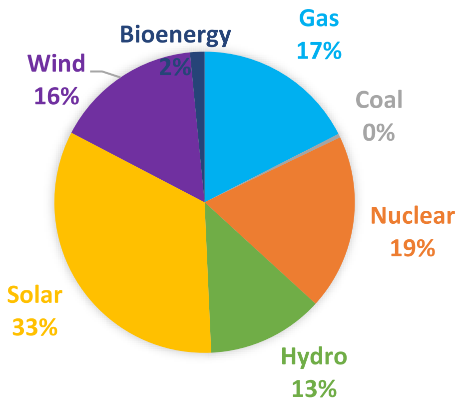


Figure 24: Spanish electricity mix in May 2026



Source: GECF Secretariat based on data from Ember and Ree

For the period Jan-May 2026, Spain's gas consumption rose by 1.8% y-o-y to 12.6 bcm.

2.1.2 United Kingdom

In May 2026, natural gas consumption in the UK increased by 14% year-on-year to 3.3 bcm (Figure 25), primarily driven by stronger demand from the power generation and residential sectors. Gas consumption in the power sector rose by 14% y-o-y to 0.9 bcm, while residential consumption increased by 14% y-o-y to 2.3 bcm. In contrast, industrial gas demand declined by 6% y-o-y (Figure 26).

Figure 25: Gas consumption in the UK

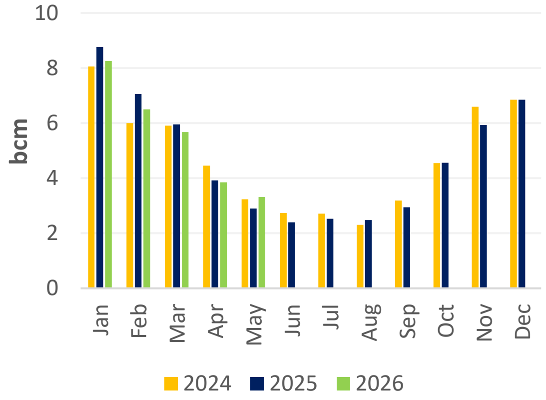
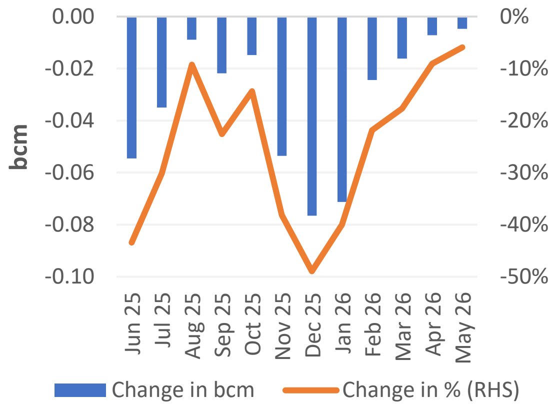


Figure 26: Trend in gas consumption in the industrial sector in the UK (y-o-y change)



Source: GECF Secretariat based on data from LSEG

For the period January to May 2026, aggregated gas consumption in the EU and UK increased by 0.3% y-o-y (0.6 bcm) to reach 183 bcm (Figure 27). The EU was the main contributor to this growth, with a y-o-y increase of 1.6 bcm (Figure 28).

Figure 27: YTD EU and UK gas consumption

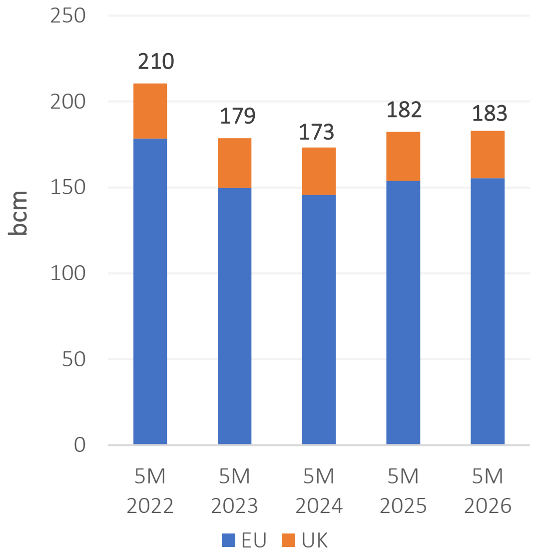
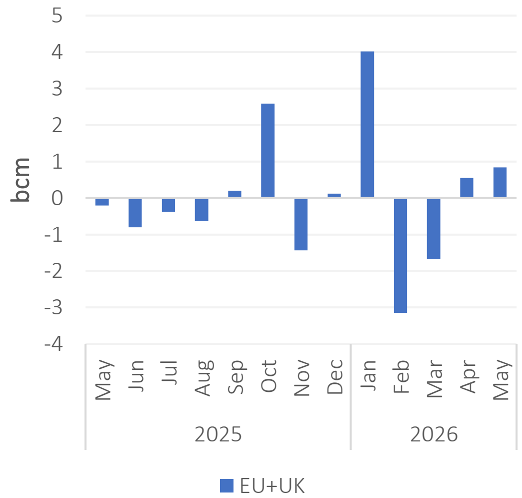


Figure 28: Y-o-y variation in EU and UK gas consumption



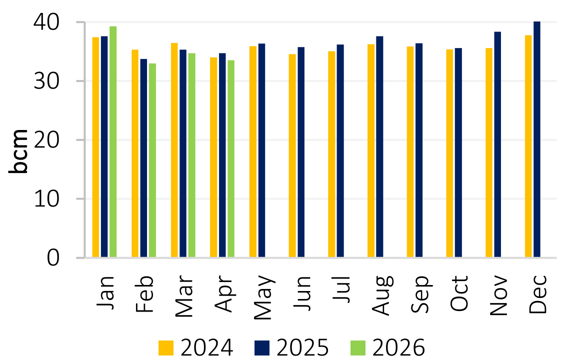
Source: GECF Secretariat based on data from LSEG

2.2 Asia

2.2.1 China

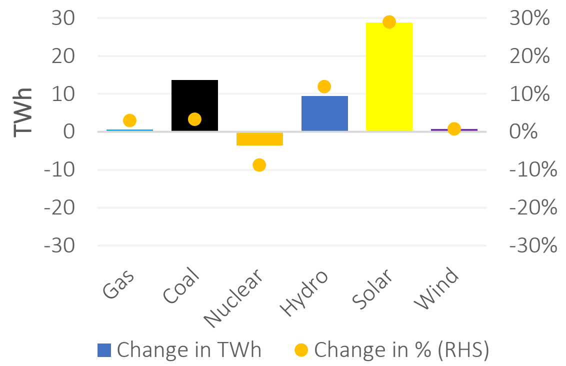
In April 2026, China's apparent gas demand (production + LNG and pipeline gas imports) recorded a third consecutive decline of 3.5% y-o-y to reach 33.5 bcm (Figure 29). For the period Jan-Apr 2026, Chinese gas consumption declined by 1% y-o-y to 141 bcm, reflecting weaker demand across industrial and power generation sectors. Industrial gas use fell significantly in major manufacturing regions such as Jiangsu. At the same time, gas-fired power generation reduced, particularly in Guangdong, following lower gas supply allocations and increased reliance on coal. China's electricity generation reached 824 TWh in April, a rise of 6.4% y-o-y (Figure 30).

Figure 29: Gas consumption in China



Source: GECF Secretariat based on data from LSEG

Figure 30: Y-o-y electricity variation in China

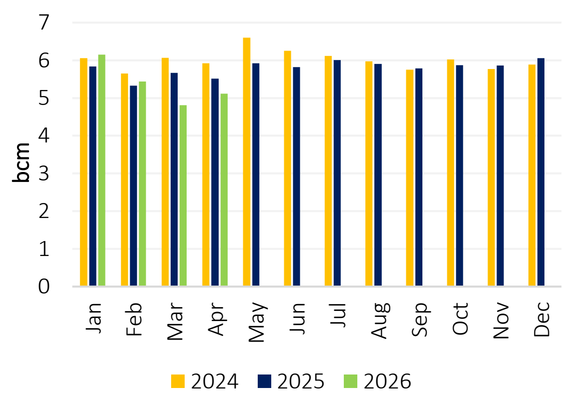


Source: GECF Secretariat based on data from Ember

2.2.2 India

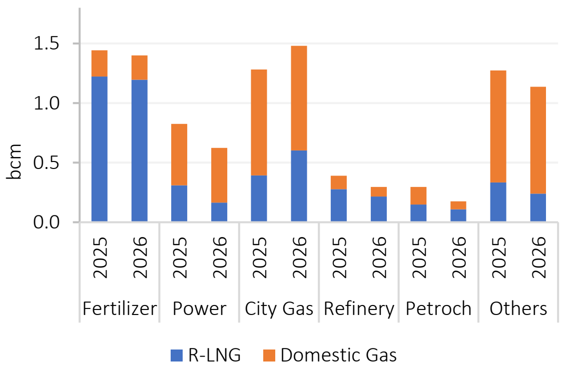
In April 2026, India's natural gas consumption declined by 7.2% y-o-y to 5.1 bcm, marking a second consecutive contraction driven by lower LNG imports amid elevated prices linked to the conflict in the Middle East (Figure 31). The downturn was mainly attributed to weaker gas demand across several key sectors. Consumption in the fertilizer, petrochemical, refinery and power generation sectors fell by 3% (0.05 bcm), 41% (0.12 bcm), 24% (0.1 bcm) and 24% (0.2 bcm) y-o-y, respectively. As a result of the decline in fertilizer production, the city gas distribution sector became the largest source of gas demand, accounting for 29% of total consumption, followed by the fertilizer sector with a 27% share (Figure 32).

Figure 31: Gas consumption in India



Source: GECF Secretariat based on data from PPAC

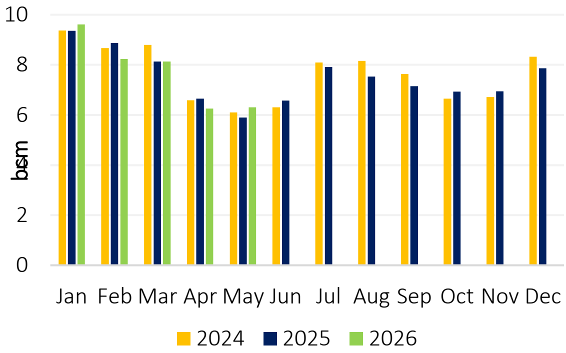
Figure 32: India's gas consumption by sector in April 2026



2.2.3 Japan

In May 2026, Japan's gas consumption increased by 7% y-o-y to 6.3 bcm (Figure 33). Power demand rose by 1.1% y-o-y, driven by early air-conditioning use during unusually warm conditions. Japan will not issue a summer power-saving request, as adequate generation capacity and fuel supplies are expected to meet peak demand despite hotter-than-normal weather forecasts. Stable fuel inventories and higher nuclear output are expected to support electricity supply reliability.

Figure 33: Gas consumption in Japan

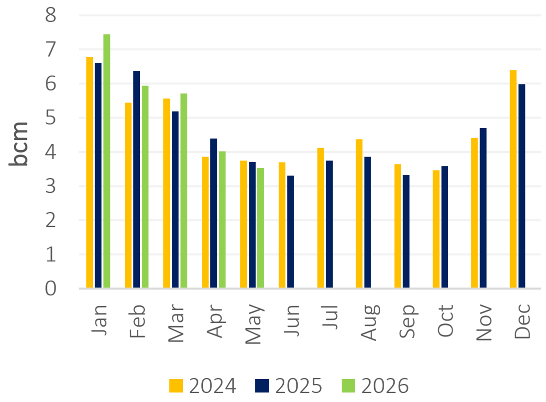


Source: GECF Secretariat based on data from LSEG

2.2.4 South Korea

In May 2026, S. Korea's gas consumption decreased by 4.6% y-o-y to reach 3.5 bcm (Figure 34). South Korea's early heatwave increased power demand, although gas-fired generation declined by 1.9% y-o-y amid ongoing efforts to switch from gas to coal. LNG imports fell because of Middle East supply disruptions and reduced Qatari deliveries, tightening market balances.

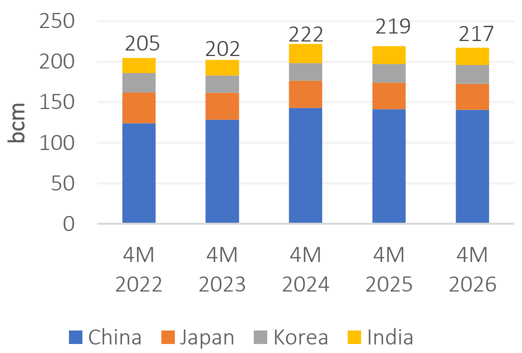
Figure 34: Gas consumption in South Korea



Source: GECF Secretariat based on data from LSEG

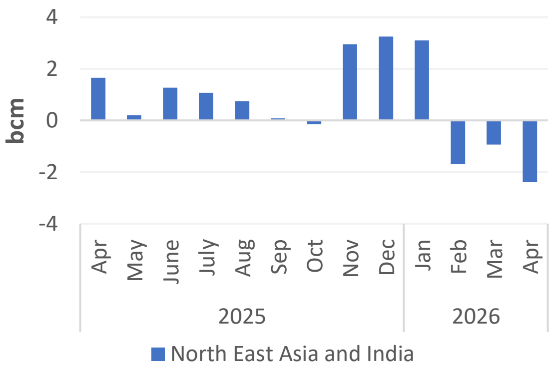
The regional aggregated gas consumption data for the period January-April 2026 in major Asian gas consuming countries, namely China, India, Japan and South Korea, declined by 2 bcm y-o-y to reach 217 bcm (Figure 35), driven largely by a decrease of a total of 1 bcm each for both China and India (Figure 36).

Figure 35: YTD gas consumption in North East Asia and India



Source: GECF Secretariat based on data from PPCA, LSEG and Chinese custom

Figure 36: Y-o-y variation in aggregated gas consumption of North East Asia and India

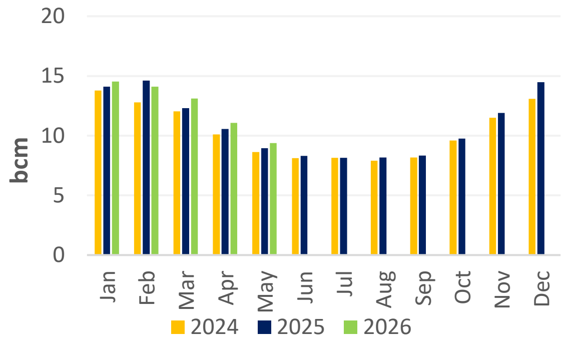


2.3 North America

2.3.1 Canada

In May 2026, Canada's gas consumption grew by 4.7% y-o-y to 9.4 bcm (Figure 37), as colder-than-normal weather conditions took hold across the country at some days during the month. This saw residential and commercial demand increase by 12% and 9% respectively, to meet heightened space-heating needs, while the industrial and power generation sectors expanded by 3.5% to support rising electricity needs. In Jan-May 2026, gas consumption rose by 2.8% y-o-y to 62.2 bcm.

Figure 37: Gas consumption in Canada



Source: GECF Secretariat based on data from LSEG

2.3.2 US

In May 2026, US gas consumption decreased by 0.8% y-o-y to 64.1 bcm (Figure 38), reflecting lower demand in the residential, commercial and industrial sectors. Residential and commercial gas use declined by 7.6% and 9.8% y-o-y respectively. Industrial gas demand also slipped by 1.3% y-o-y, driven by softer manufacturing activity, indicating that economic fluctuations are increasingly influencing overall seasonal energy requirements.

Total electricity generation in the US increased by 0.8% y-o-y to 352 TWh. Natural gas-fired power generation declined by 2.3% y-o-y (Figure 39). Natural gas remained the largest contributor to the power mix, accounting for 38%, while nuclear, coal and non-hydro renewables made up 18%, 12% and 26% respectively.

Figure 38: Gas consumption in the US

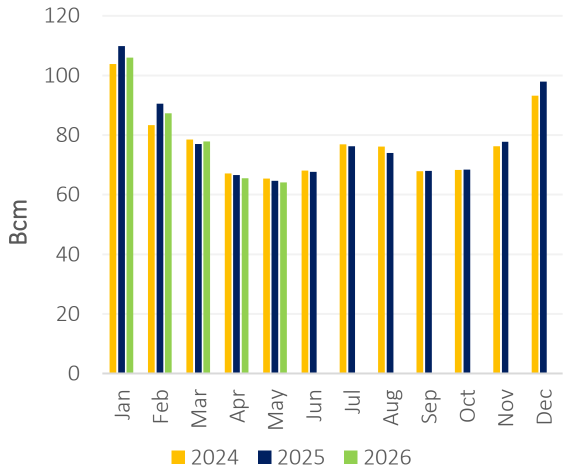
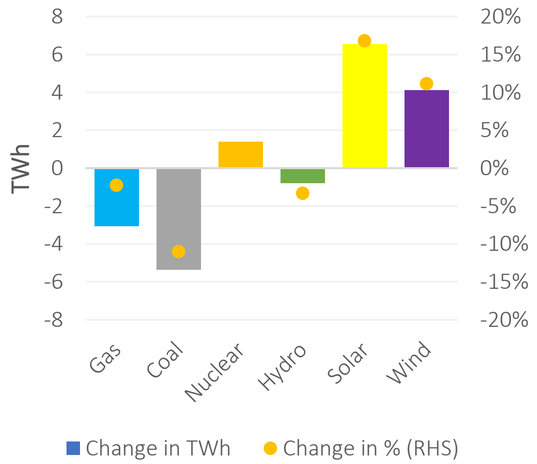


Figure 39: Electricity production in US in May 2026



Source: GECF Secretariat based on data from EIA and LSEG

For the period Jan-May 2026, US gas consumption declined by 1.9% y-o-y to 401 bcm.

2.4 Other developments

2.4.1 Sectoral developments

South Africa's Eskom secures LNG deal for 3,000 MW Richards Bay power project: South Africa's Eskom has entered into LNG supply agreement with Zululand Energy Terminal to serve as the foundation customer for a planned 3,000 MW gas-to-power plant in Richards Bay. Targeted for commercial operation by 2028, this strategic development will utilize an FSU and an onshore regasification system. The terminal will initially provide 2 Mtpa of capacity, with potential expansion to 5 Mtpa, to fuel Eskom's massive power generation facility, supply local industrial users, and satisfy half of South Africa's broader 6,000 MW national gas-fired energy target.

South Korea's Kepco secures Saudi gas-fired cogeneration plant project: South Korean utility Kepco has secured a contract with Saudi Aramco to build and operate the 331 MW second phase of the Jafurah gas-fired cogeneration power plant, scheduled for completion in June 2029 and deepening its footprint in the Saudi gas market. The 17-year agreement, supported by construction from Doosan Enerbility, will utilize local natural gas to generate electricity and 465 tonnes of steam per hour for the Jafurah unconventional gas field.

Vietnam commences construction on 1.5 GW Quynh Lap LNG power project: Construction has officially commenced on Vietnam's Quynh Lap LNG power project in Nghe An province. Developed by a consortium consisting of South Korea's SK Innovation, Vietnam's state-owned PV Power, and local partner NASU, the $2.3 billion mega-infrastructure project is slated for commercial operation by December 2030. Centred on a massive 1.5 GW gas-fired combined-cycle power plant, the complex will consume up to 1.6 Mt of LNG annually. This critical project will satisfy key requirements under Vietnam's national power grid strategy while accelerating high-tech industrial ecosystems in the region.

Japan’s Chugoku to build new gas-fired unit at Yanai: Japanese utility Chugoku Electric Power plans to construct a new 523 MW combined-cycle gas turbine (CCGT) unit at its Yanai power complex in Yamaguchi prefecture to modernize its thermal fleet and improve generation efficiency. Scheduled to begin construction in July 2027 with commercial operations targeted for July 2030, this advanced gas-fired plant will replace two aging 198 MW units that are slated for decommissioning. By integrating this highly efficient gas technology, Chugoku Electric will boost the overall output capacity of the Yanai complex from 1.5 GW to 1.7 GW, utilizing the company's LNG infrastructure to strengthen regional grid stability.

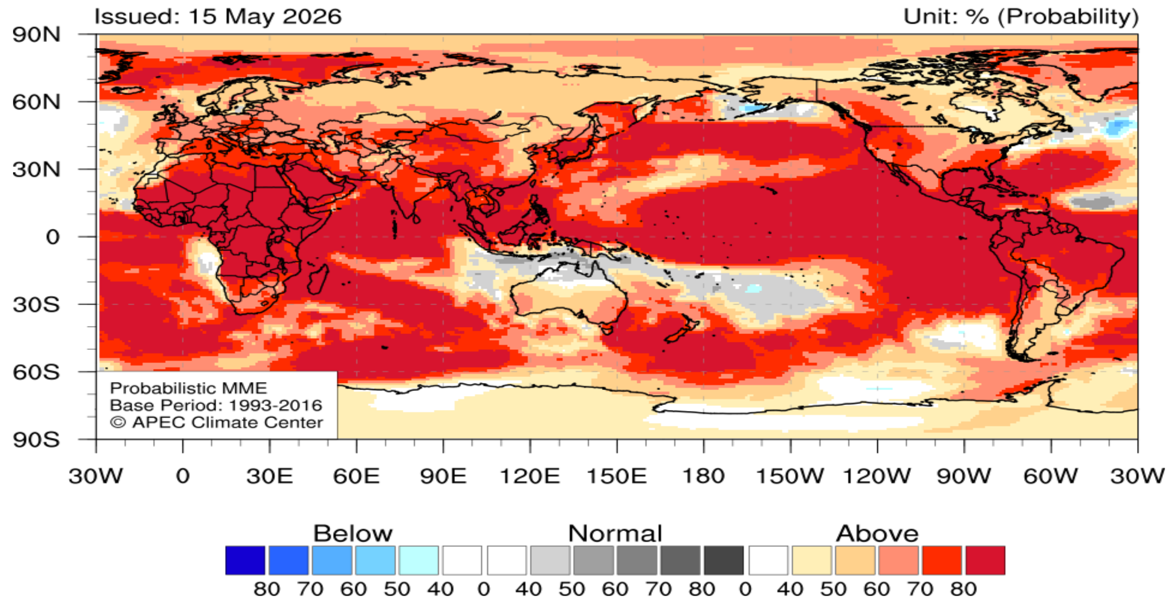
Bahamas' first LNG project progresses with tank deliveries for 60 MW power plant: The Bahamas' transition to cleaner electricity has marked a major milestone with the arrival of the first storage tanks for its upcoming 15,000 m^3 LNG regasification terminal. This foundational infrastructure is built to fuel a new 60 MW gas-fired combined-cycle power plant using natural gas imported from the US. Beyond this initial facility, the project anchors the nation's broader strategy to expand gas-fired power generation, paving the way for a separate $200 million LNG terminal designed to supply a larger 177 MW gas-fired power plant.

LNG-powered vessels drive surge in alternative-fuel ship orders: The global alternative-fuel ship orderbook rebounded to 38 total vessels in April 2026, with LNG-powered vessels securing the clear majority of 20 orders. Driven by shipowners navigating stringent decarbonization mandates like FuelEU Maritime and the EU ETS, LNG remains the leading choice for sustainable maritime transport. The April LNG orderbook diversified significantly to include eight car carriers, six container vessels, four crude oil tankers, and two cruise ships.

2.4.2 Weather forecast

According to the APEC Climate Center, El Niño alert is now issued for the first time, after three months of El Niño Watch in the last previsions. Between June-August 2026, above-normal temperatures are expected across most regions worldwide, except in some parts of the North Atlantic (Figure 40).

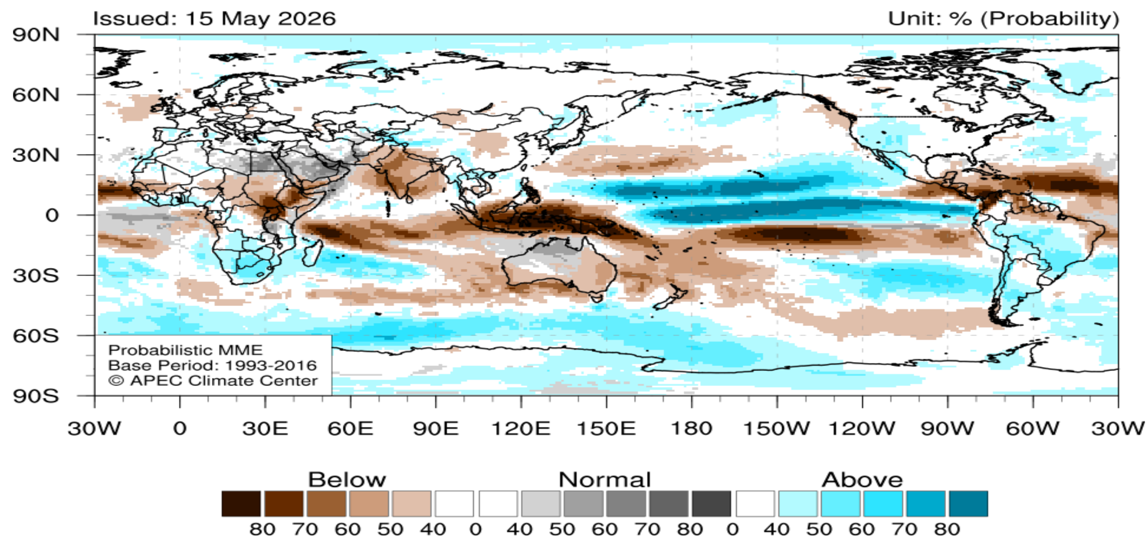
Figure 40: Temperature forecast for June - August 2026



Source: APEC Climate Center

According to the same source, precipitation is expected to be above average in the equatorial North Pacific, the Southeastern Pacific, Southern Indian Ocean, South Africa, the western United States, and Central South America. Rainfall is likely near normal in the eastern equatorial Atlantic, northwestern Africa, the Arabian Peninsula, and northern Australia, while below-average precipitation is forecast for the central equatorial South Pacific, parts of Indonesia, the western tropical southern Indian Ocean, East Africa, the tropical North Atlantic, the northern ends of Central and South America western to central North Pacific, India, the tropical Southwest Pacific, central China and western Australia (Figure 41).

Figure 41: Precipitation forecast June - August 2026

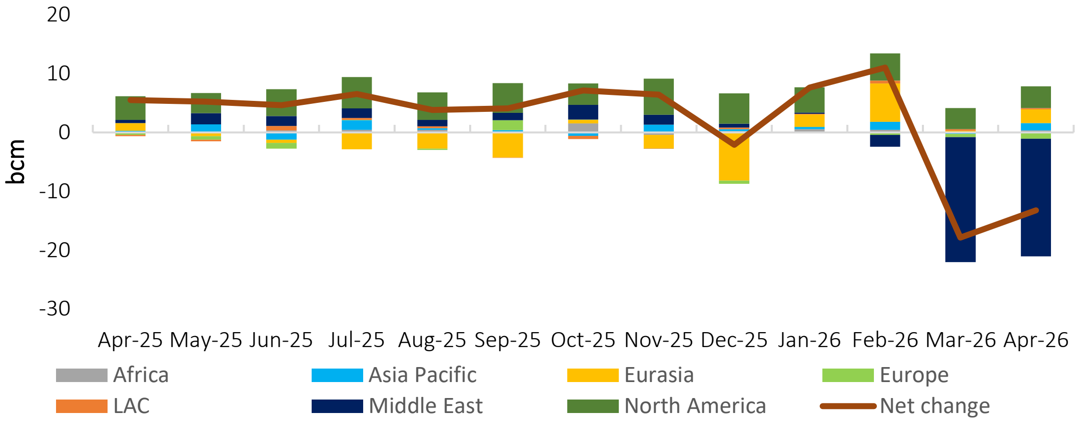


Source: APEC Climate Center

3 GAS PRODUCTION

In April 2026, global gas production was estimated to have declined by 3.6% y-o-y to stand at 338 bcm. Global production was heavily impacted by the supply shock in the Middle East, as a result of the ongoing geopolitical conflict and the closure of the Strait of Hormuz, with the region's supply declining by more than 30% on a y-o-y basis. This was mainly driven by the large decline in the region's gas and LNG main producers, with Qatar facing the largest reduction. On the other hand, the sustained increase in the North American and Eurasian gas production partially offset the greater impact of the Middle Eastern supply disruption on the global gas supply, with the US and Russia production leading that growth (Figure 42).

Figure 42: Y-o-y variation in global gas production



Source: GECF Secretariat estimation

From a regional perspective, there was a structural shift in the regional distribution of the global gas supply, driven by the conflict in the Middle East, with North America keeping its leading position as the frontrunner producing region (dominated by US production), accounting for 33% of global gas production (rising from 30% in April 2025), followed by Eurasia and the Middle East with 21%, and Asia Pacific with 18%, whilst the Middle East share declined to 13% down from 18% in April 2025. Africa, Europe, Latin America and the Caribbean (LAC) held shares ranging from 4% to 6% (Figure 43).

For the period January - April 2026, global gas production was estimated to have declined by 1% y-o-y to stand at 1,390 bcm (Figure 44). This decline was mainly driven by decrease in the Middle East supply; however, it was counterbalanced by the strong production growth in North America and Eurasia.

Figure 43: Regional gas production in April 2026

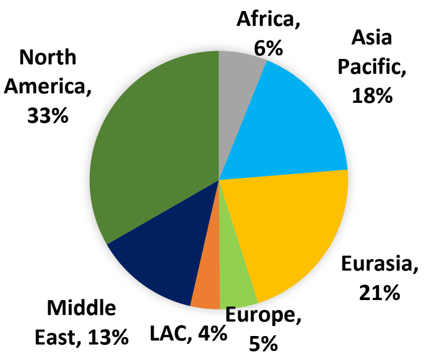
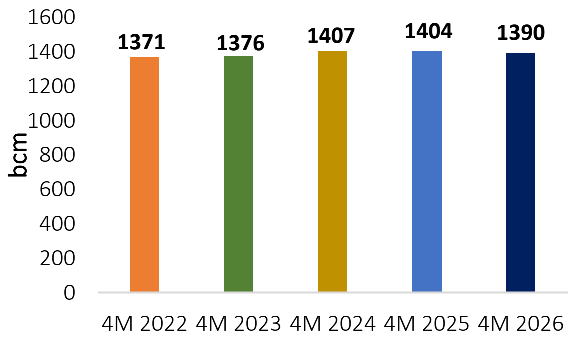


Figure 44: YTD global gas production



Source: GECF Secretariat estimation

3.1 Europe

In April 2026, gas production in Europe recorded a 3.1% y-o-y decline, with a total output of 15.2 bcm (Figure 45). This is the fourth month in 2026 to record a y-o-y decrease in the European output, mainly driven by lower gas production in Norway, UK and the Netherlands. However, the magnitude of overall European production decline in April was limited by a rise in Denmark's gas output, mainly from Tyra phase II gas field in the North Sea, along with the slight rise in Türkiye's gas production (Figure 46). Notably, monthly gas production in the EU stood at 2.3 bcm (mirroring 2025 level), with the Netherlands and Romania maintaining their positions as top producers.

Figure 45: Europe's monthly gas production

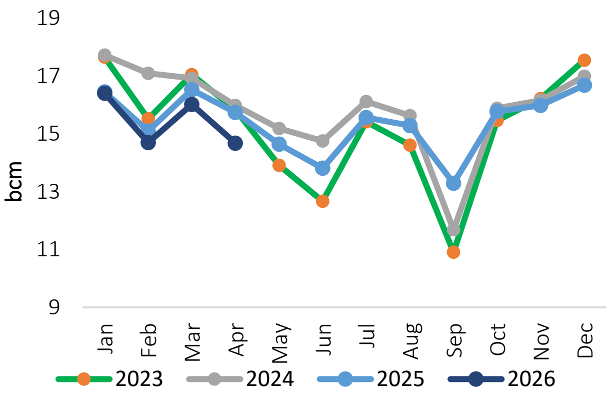
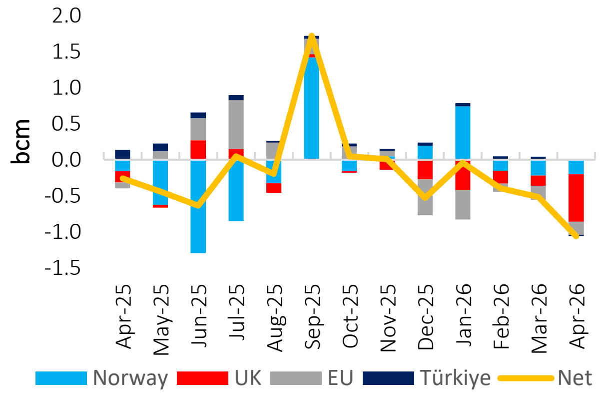


Figure 46: Y-o-y variation in Europe's gas production



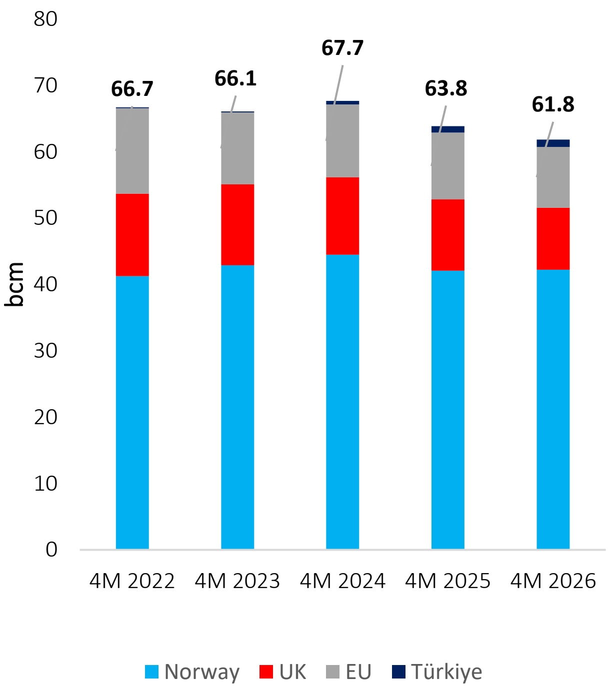
Source: GECF Secretariat based on data from LSEG, the Norwegian Offshore Directorate and JODI Gas
Note: EU countries include Austria, Denmark, Germany, Italy, Netherlands, Poland and Romania

For the period January - April 2026, the aggregated gas output in Europe amounted to 61.8 bcm (Figure 47), representing a 3.2% y-o-y decline, compared with the production level during the same period in 2025, and recording the lowest output in the last 5-year period.

This result indicates a negative production projection in Europe for the full year of 2026. Norway - the largest European gas producer with nearly 68% of cumulative European production - was the main driver for the European gas production reduction over this period, with the UK and the Netherlands also showing notable declines.

Denmark is anticipated to have a positive production trend in 2026, driven by the rise of Tyra gas field, with both Romania and Türkiye also showing positive output projections.

Figure 47: YTD Europe's gas production



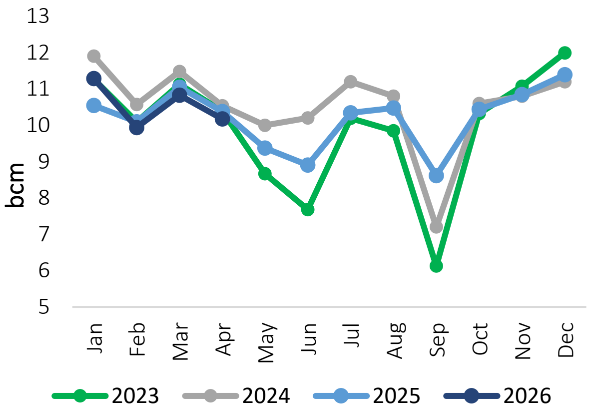
Source: GECF Secretariat based on data from Refinitiv, the Norwegian Offshore Directorate and JODI Gas

3.1.1 Norway

Norway's gas output recorded a decline of 1.9% y-o-y, to stand at the level of 10.2 bcm (Figure 48). Notably, the 127 mcm/d Troll gas field witnessed reduced production for 2 days, as a result of unplanned outage. In addition, the 31.9 mcm/d Åsgard gas field underwent planned maintenance, which slashed its output by 10 mcm/d, for a period of 3 days.

For the period Jan - April 2026, cumulative output amounted to 42.3 bcm, representing a 0.4% y-o-y growth, driven by lower planned and unplanned maintenance durations.

Figure 48: Trend in gas production in Norway



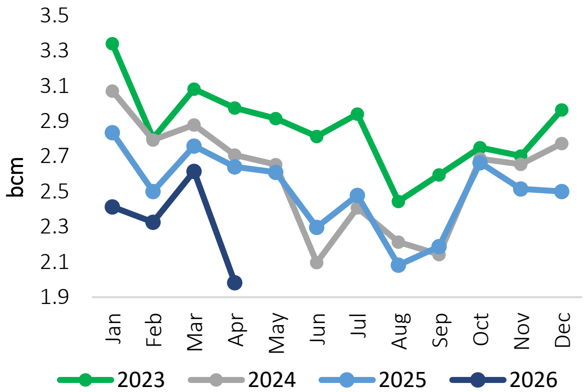
Source: GECF Secretariat based on data from the Norwegian Offshore Directorate

3.1.2 UK

UK gas production declined by 25% y-o-y to stand at 2 bcm (Figure 49). This is a continuation of the declining trend over the past period, with this being the lowest April monthly production over the last decade, as a result of reduced output from the UK's mature fields, lack of new gas projects and longer than expected maintenance periods. Unplanned maintenance activities took place at the 8.2 mcm/d Bacton Perenco terminal that stopped its production for 5 days.

For the period Jan–Apr 2026, cumulative production reached 9.3 bcm, representing an 10.7% y-o-y decline.

Figure 49: Trend in gas production in the UK



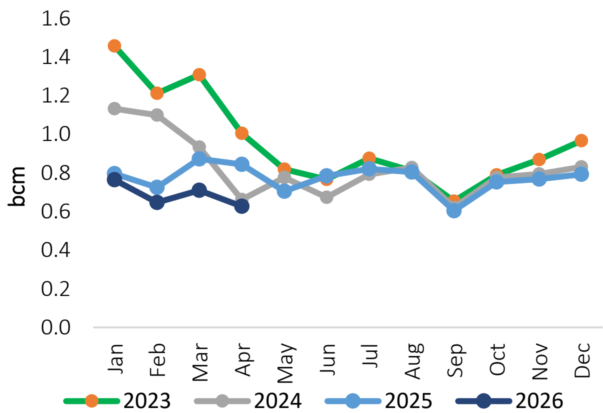
Source: GECF Secretariat based on data from LSEG

3.1.3 Netherlands

The Netherlands' annual gas production maintained a declining trend, with a 25.8% y-o-y decrease, to stand at 0.6 bcm (Figure 50). For the period Jan - April 2026, cumulative production in the Netherlands reached 2.75 bcm, representing a 15.1% y-o-y decline.

With the absence of new field development or rejuvenation, this production drop from the ageing Dutch fields is likely to continue in the coming years, with the remaining reserves reaching depletion in 8 years.

Figure 50: Trend in gas production in the Netherlands



3.2 Asia Pacific

In April 2026, gas output in Asia Pacific was estimated to stand at 59.4 bcm, representing a 2.1% y-o-y rise. This increase was driven by the rise in Chinese gas production which counterbalanced the declining output in some regional Asia Pacific producers. For the period January – April 2026, the cumulative production reached 238.3 bcm, representing a 1.1% rise.

3.2.1 China

In April 2026, China's gas production maintained its growth trend to stand at 21.9 bcm, representing a 2.1% y-o-y growth (Figure 51). Coal bed methane production continued its annual growth as well, with 11% y-o-y rise, to stand at 1.4 bcm. Notably, Sinopec has secured approval for the country's first ultra-deep shale gas field. Located in the Sichuan basin, Ziyang Dongfeng is a large, integrated shale gas field discovered in the Qiongzhusi formation. For the period January - April 2026, cumulative production in China reached 89.9 bcm, representing a 2.8% y-o-y uptick (Figure 52).

Figure 51: Trend in gas production in China

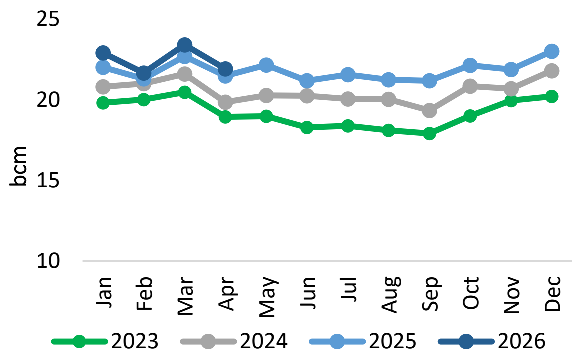
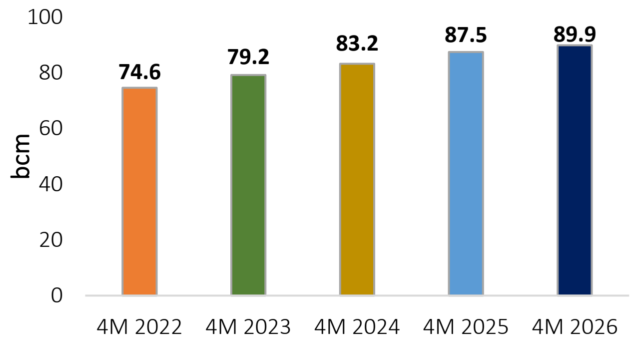


Figure 52: YTD China's gas production



Source: GECF Secretariat based on data from the National Bureau of Statistics of China (NBS)

3.2.2 India

In April 2026, India's gas production continued its negative trend, declining by 4.9% y-o-y to stand at 2.73 bcm (Figure 53). The decrease was driven by a reduction in offshore gas output, which represented 73% of Indian production, along with reduced production from the onshore Rajasthan field. Meanwhile, the CBM gas fields recorded a 1.5% y-o-y growth, mainly from the West Bengal fields. For the period January - April 2026, the cumulative production in India amounted to 11 bcm, representing a 4.6% y-o-y decline (Figure 54).

Figure 53: Trend in gas production in India

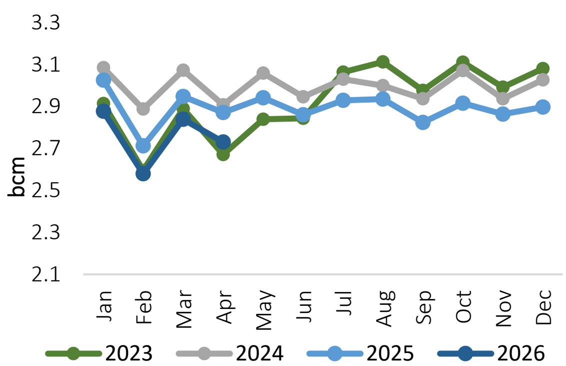
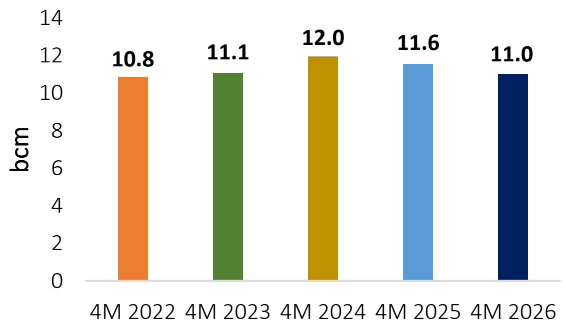


Figure 54: YTD India's gas production

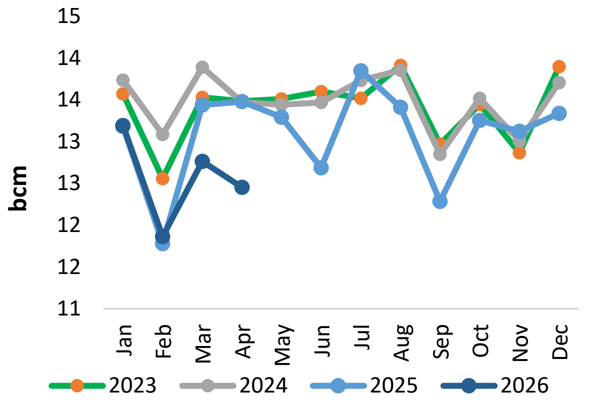


Source: GECF Secretariat based on data from the Ministry of Petroleum and Natural Gas (PPAC)

3.2.3 Australia

In April 2026, Australia's gas production declined by 1.3% y-o-y, to stand at 12.5 bcm (Figure 55). Gas production from CBM fields amounted to 3.5 bcm, representing a 2.4 % y-o-y growth and accounted for 28% of the domestic production. Notably, Australia kept its position as the global leader in terms of CBM production, with sustained growth in the past years and CBM being used as feedstock for LNG export terminals. For the period January - April 2026, the cumulative production in Australia amounted to 50.3 bcm, representing a 3.1% y-o-y decline.

Figure 55: Trend in gas production in Australia

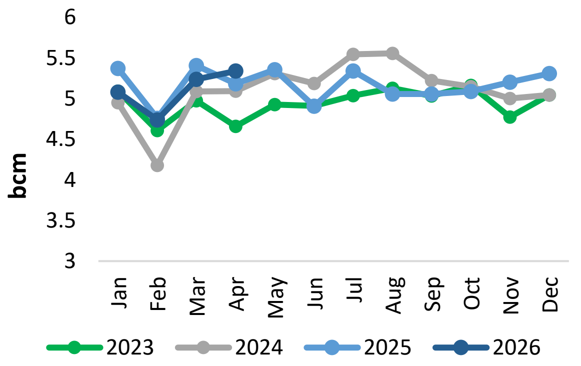


Source: GECF Secretariat based on data from the Australian Department of Energy

3.2.4 Indonesia

In April 2026, Indonesia's gas output rose by 3% y-o-y to 5.3 bcm (Figure 56). This was driven by an extensive development drilling campaign, with 51 new development wells drilled during the month. Their incremental production was able to exceed the natural decline in the producing fields. In addition, 6 new exploration wells were drilled, which represented an acceleration for the drilling activity. For the period January - April 2026, the cumulative production amounted to 20.4 bcm, representing a 1.5% y-o-y decline

Figure 56: Trend in gas production in Indonesia

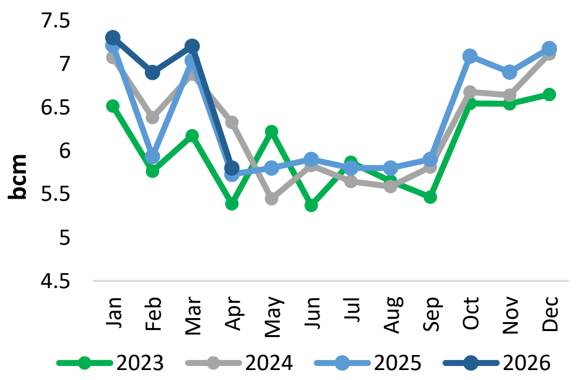


Source: GECF Secretariat based on data from SKK Migas and JODI Gas

3.2.5 Malaysia

In April 2026, Malaysia's gas output was estimated at 5.8 bcm, representing a production growth of 1.3% y-o-y (Figure 57). For the period January - April 2026, the cumulative production in Malaysia amounted to 27.2 bcm, representing a 5% y-o-y growth.

Figure 57: Trend in gas production in Malaysia



Source: GECF Secretariat based on data from the JODI

3.3 North America

In April 2026, gas production in North America (including Mexico) rose by 2.8% y-o-y to reach 112.3 bcm, driven by strong gas supply growth in the US and Canada. In January - April 2026, cumulative production in North America reached 448 bcm, representing a 3.2% y-o-y growth.

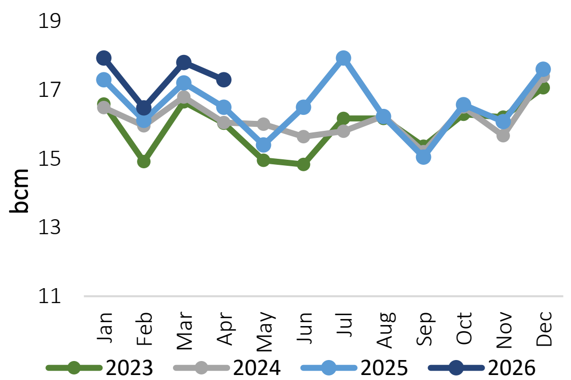
3.3.1 Canada

In April 2026, Canada's gas production grew by 4.8% y-o-y to 17.3 bcm (Figure 58), supported by an LNG export rise. From a regional perspective, Alberta was responsible for 10.2 bcm of the production, mainly originating from the Bakken shale production, whilst British Columbia accounted for 6.7 bcm, stemming from tight gas production from the Montney Basin.

For the period January-April 2026, the cumulative production amounted to 69.5 bcm, representing a 3.6% y-o-y uptick. In this context, Canada is well poised to continue strong production growth, driven by the rising LNG exports and favourable market conditions.

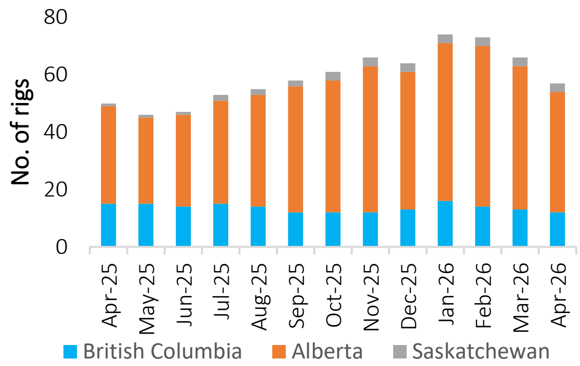
In terms of gas drilling activity, there was an overall 9-rig-decrease in April 2026, with Alberta and British Columbia releasing 8 and 1 drilling rigs, respectively, while Saskatchewan kept the same level. Moreover, this still represented a 7-rig-increase in the number of drilling rigs, as compared to April 2025 (Figure 59).

Figure 58: Trend in gas production in Canada



Source: GECF Secretariat based on data from CER, Alberta and British Colombia Energy Regulators

Figure 59: Gas rig count in Canada



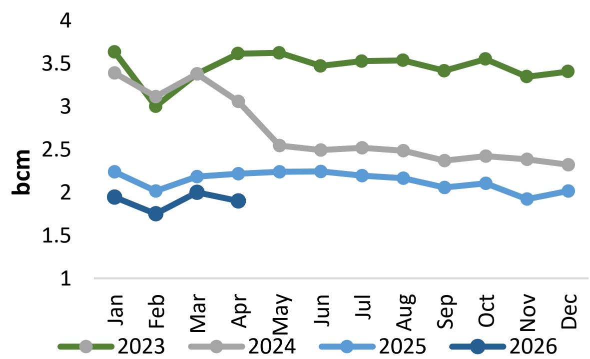
Source: GECF Secretariat based on data from LSEG

3.3.2 Mexico

In April 2026, Mexico's gas output was estimated at 1.9 bcm, representing a production decrease of 14% y-o-y (Figure 60). This reduction was driven by the natural decline in the Mexican legacy fields and lack of new gas fields' commission.

Associated gas production from oil fields represented 41% of the total Mexican production, at 0.78 bcm.

Figure 60:Trend in gas production in Mexico



Source: GECF Secretariat based on data from the JODI

3.3.3 US

In May 2026, US total gas production maintained its growth trend, with monthly output rising by 4.1% y-o-y to 97.1 bcm (Figure 61). This growth reflected the favourable market dynamics, driven by the increased Henry Hub gas prices, rising gas demand, along with the increased feed gas directed to LNG exports terminals.

In terms of supply distribution, shale dry gas production sustained its frontrunner position in the US dry gas output, accounting for 82% and represented the main driver for the growth, with a 2.8% rise, while conventional gas and associated gas production from shale oil represented the remaining 18%. In terms of field type, associated gas production represented about 24% of total gas output. From a regional perspective, the Appalachian region accounted for 31% of total production, followed by the Permian region output with 22% and Haynesville with 14%.

For the period Jan-May 2026, cumulative gas production in the US reached 471 bcm (Figure 62), representing 4.1% y-o-y growth and therefore provided a robust start in domestic gas output for the full year.

Figure 61: Trend in gas production in the US

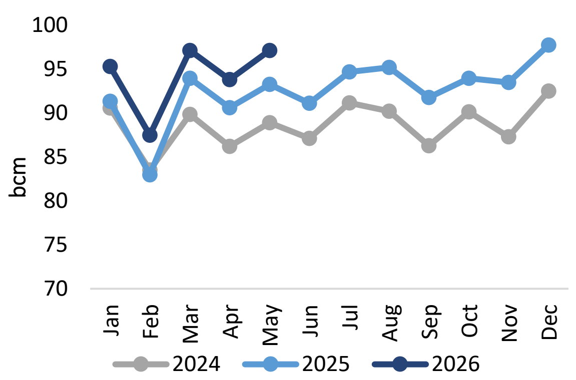
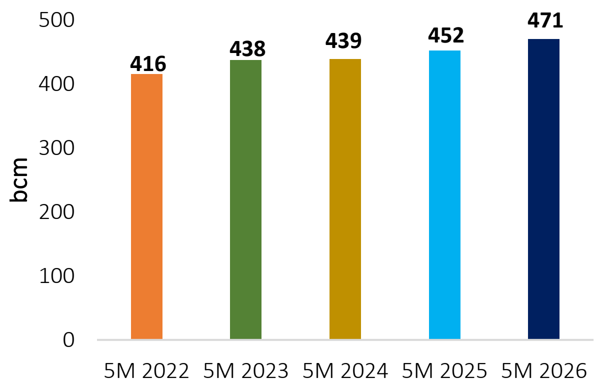


Figure 62: YTD gas production in the US



Source: GECF Secretariat based on data from the US EIA

As of May 2026, the number of gas drilling rigs operating in the US stood at 127, marking a 1-rig decrease compared to April 2026, and a 19-rig rise, compared to May 2025 (Figure 63), giving evidence of accelerated upstream activity in the US. Additionally in May 2026, the total number of drilled but uncompleted (DUC) wells in the US onshore regions amounted to 4,952, marking a 37-well m-o-m decrease and 669 wells lower than May 2025 (Figure 64). This reduction in DUCs reflected the reliance of the operators on their inventory of drilled wells, targeting the benefits of bringing the gas to market, during favourable conditions.

Figure 63: Gas rig count in the US

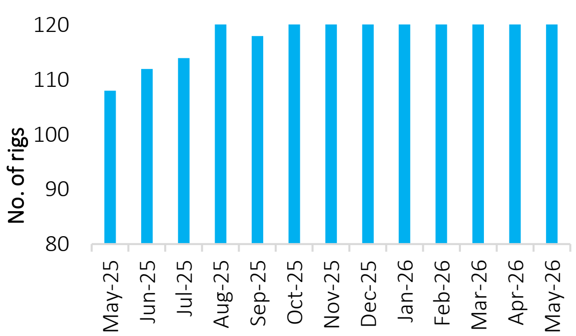
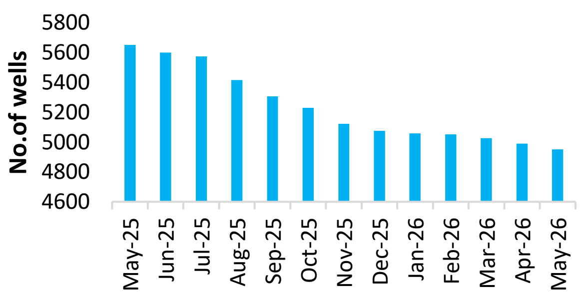


Figure 64: DUC wells count in the US



Source: GECF Secretariat based on data from Baker Hughes

Source: GECF Secretariat based on data from the US EIA

3.4 Latin America and the Caribbean (LAC)

In April 2026, gas production in LAC was estimated at 12.5 bcm (1.7% y-o-y rise), mainly driven by higher output in Brazil and Argentina. For the period January - April 2026, cumulative production reached 50.4 bcm, representing a 2.2% y-o-y growth.

3.4.1 Argentina

In April 2026, Argentina's gas production stood at 4.2 bcm, representing a 3.1% y-o-y growth (Figure 65). Most of the gas output originated from the Vaca Muerta (shale gas) Basin, however the conventional gas fields witnessed an 8% the reduction. Notably, shale gas production witnessed a 20% y-o-y rise to stand at 2.5 bcm, accounting for 59% of total gas production (Figure 66). Moreover, tight gas production reached 0.35 bcm representing an 8.3% share of the total production, whilst the remaining output was produced from conventional fields. For the period January – April 2026, cumulative production in Argentina reached 16.6 bcm, a 0.1% y-o-y uptick.

Figure 65: Trend in gas production in Argentina

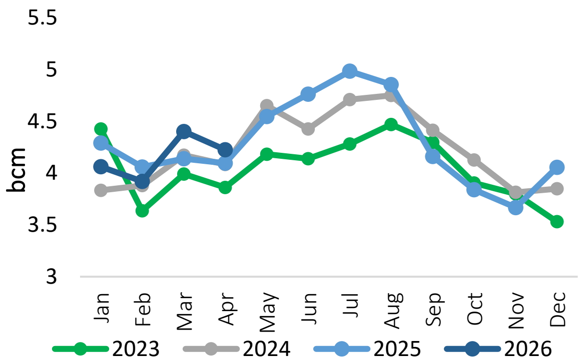
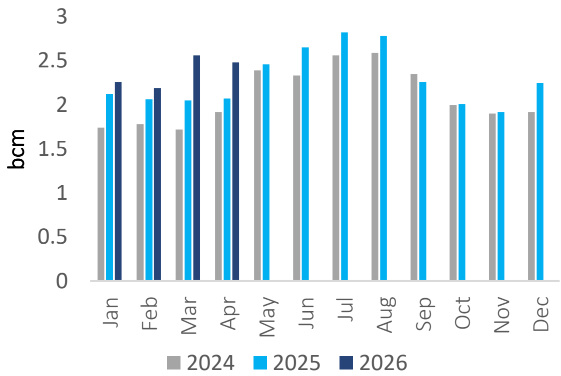


Figure 66: Shale gas output in Argentina



Source: GECF Secretariat based on data from Argentinian Ministry of Economy

3.4.2 Brazil

In April 2026, Brazil's marketed gas production continued its remarkable growth, to achieve an output level of 1.8 bcm (7.1% y-o-y increase) driven by high gross gas production that stood at 6.2 bcm (23 % y-o-y rise) and large reinjection volumes (Figure 67), with the pre-salt fields representing 79% of the total production. Notably, 89% of production originated from offshore fields. In terms of distribution, 58% of gross gas production was reinjected into reservoirs, while there was a 17.2% decrease in flaring compared to the previous month, and a 9.3% decrease compared to April 2025 (Figure 68). For the period January - April 2026, cumulative production reached 7.4 bcm, a 23% y-o-y growth.

Figure 67: Marketed gas production in Brazil

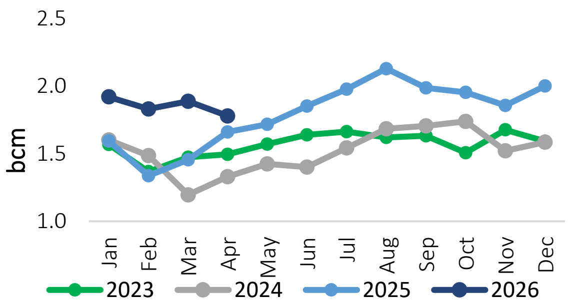
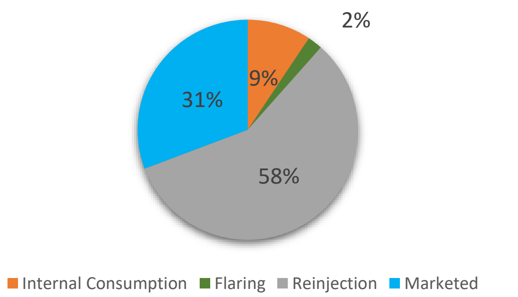


Figure 68: Distribution of gross gas production



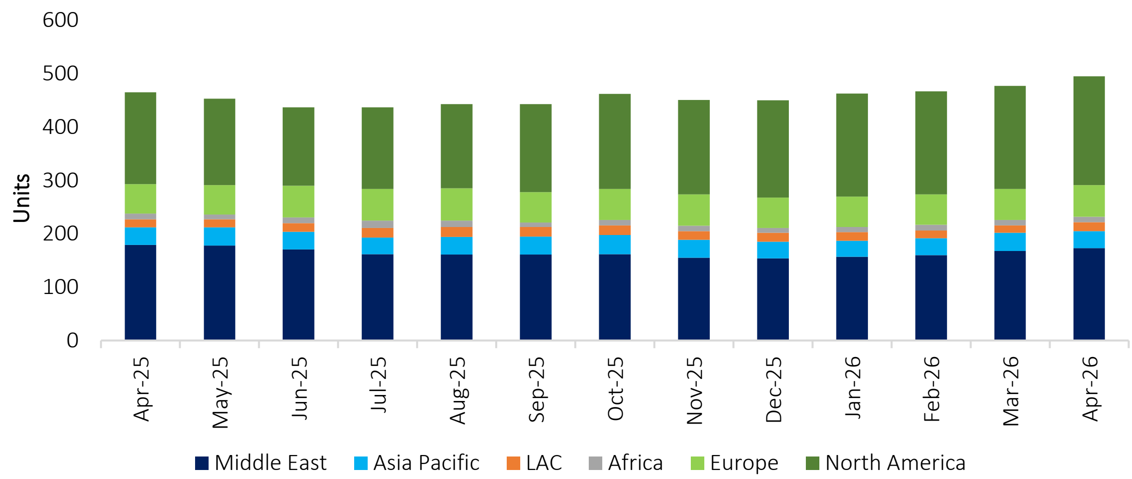
Source: GECF Secretariat based on data from the Brazilian National Agency of Petroleum (ANP)

3.5 Other developments

3.5.1 Upstream tracker

In April 2026, the number of gas drilling rigs globally slowed down by 9 additional units m-o-m, reaching 473 rigs (Figure 69). This was driven mainly by the reduced drilling activity in North America, specifically in Canada. Onshore drilling accounted for the majority with 440 units, while offshore accounted for 33 rigs.

Figure 69: Trend in monthly global gas rig count



Source: GECF Secretariat based on data from Baker Hughes
Note: Figure excludes Eurasia and Iran

In April 2026, global exploration activity resulted in the total volume of discovered gas and liquids amounting to 1,250 million barrels of oil equivalent (boe) (Figure 70). Natural gas dominated the discoveries with 60% of the discovered volumes (127 bcm), while oil constituted 500 million Bbl. Announced discoveries in April mark a relatively strong monthly outcome but one that remains highly concentrated in a limited number of assets. In terms of regional distribution, Asia Pacific (Indonesia) dominated the new discovered volumes with 59%, Africa (mainly Egypt) followed by 30% (Figure 71). The Geliga discovery offshore Indonesia, which alone accounted for around 709 million boe, was the most significant discovery during the month. For the period January - April 2026, cumulative discovered volumes reached 1.9 billion boe.

Figure 70: Monthly discovered oil and gas volumes

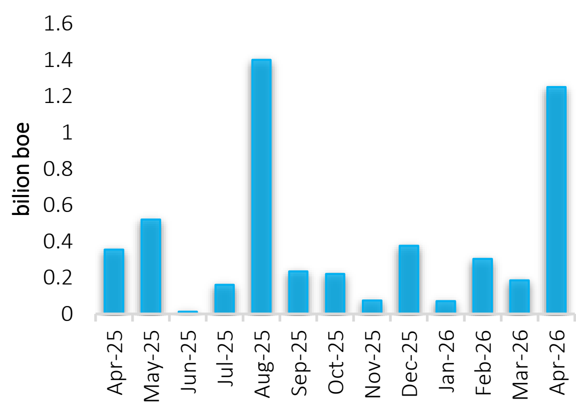
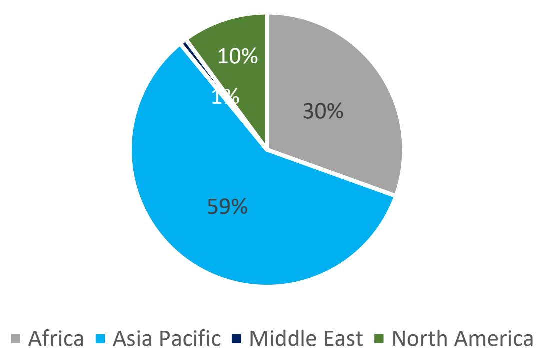


Figure 71: Discovered oil and gas volumes in April 2026 by region



Source: GECF Secretariat based on data from Rystad

3.5.2 Regional developments

Eni announced a major gas discovery offshore Indonesia: Eni announces a new giant gas discovery made by the Geliga-1 exploration well, drilled in the Ganal block in the Kutei Basin, offshore Indonesia, approximately 70 km from the East Kalimantan coast. Preliminary estimates indicate in-place resources of approximately 140 bcm (5 tcf) of gas and 300 million barrels of condensate in the encountered interval. The Geliga-1 well was drilled to a total depth of around 5,100 meters in a water depth of about 2,000 meters and encountered a significant gas column in the targeted Miocene interval, characterized by excellent petrophysical properties. The Geliga gas discovery confirms the strategic potential of Indonesia’s Kutei Basin and unlocks significant new volumes for domestic and international markets.

Turkmenistan plans 10 bcm gas processing plant at Galkynysh field: Turkmenistan's state gas company and China's CNPC signed a deal to build the fourth phase of Turkmenistan's Galkynysh gas field, which produces much of the country's annual 30 bcm in gas exports to China. Under the deal, CNPC will build a facility for processing an additional 10 bcm of commercial gas per year at the field in the deserts of eastern Turkmenistan, along with drilling new production wells. The Galkynysh gas field, located in eastern Turkmenistan, is one of the largest in the world. The field was discovered in 2006, and commercial production began in 2013 under the management of Turkmengaz State Concern.

BP started commercial gas production at Azerbaijan's ACG field: According to BP announcement, the commercial production of non-associated gas has begun at the Azeri-Chirag-Gunashli (ACG) field off the coast of Azerbaijan. ACG, which has been producing oil for nearly three decades, holds estimated non-associated gas resources of 115 bcm (4 tcf) of recoverable reserves, with potential upside to 6 tcf. The first well was drilled from the existing West Chirag platform in the Azerbaijani sector of the Caspian Sea, establishing it as a critical integrated oil and gas asset.

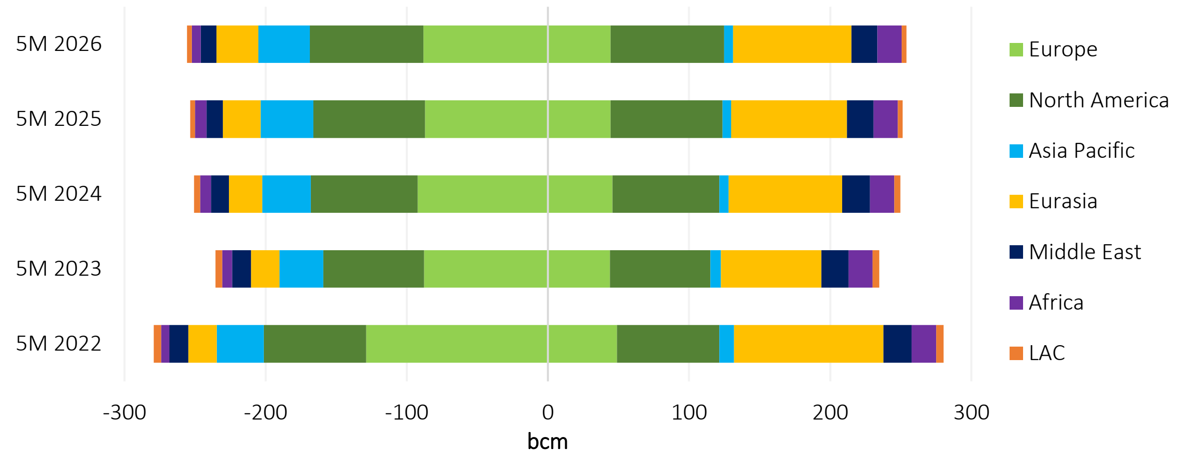
QatarEnergy, ExxonMobil sign deal with Egypt to study Cyprus gas development: QatarEnergy announced that it had signed a preliminary deal with ExxonMobil and the Egyptian government to study the development and commercialization of gas discoveries in Cyprus using Egypt's existing gas and LNG infrastructure. The memorandum of understanding highlights Egypt’s role as a potential hub for Eastern Mediterranean gas, supporting deeper integration between Egypt and Cyprus in the field of natural gas while optimizing the utilization of existing LNG infrastructure.

4 GAS TRADE

4.1 PNG trade

From January to May 2026, cumulative global PNG imports reached an estimated 256 bcm, which was a 1% increase from one year ago (Figure 72). Rising import volumes in Kazakhstan, Canada, and the EU helped offset declining inflows to Egypt, China, and Tunisia. Eurasia maintained its position as the top PNG exporting region, while intra-North American flows and intra-Asian flows both increased by 2% y-o-y.

Figure 72: Global PNG imports (-) and exports (+) by region

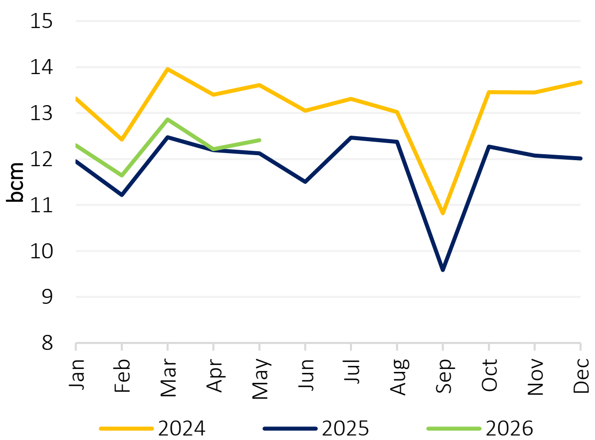


Source: GECF Secretariat based on data from Cedigaz, ENARGAS, Eurostat, GACC, JODI, LSEG and US EIA

4.1.1 Europe

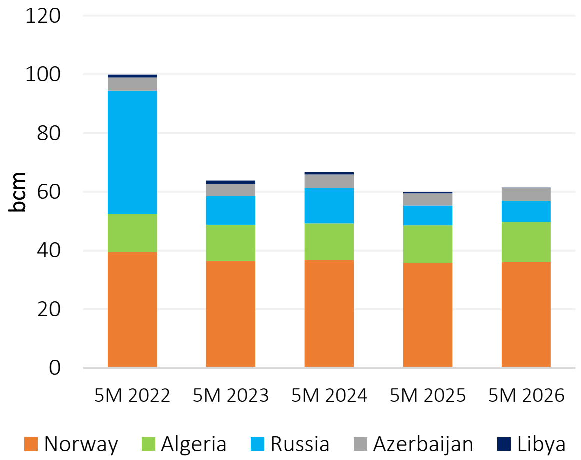
In May 2026, EU countries imported 12.4 bcm of PNG, which was 2% higher y-o-y (Figure 73). At 400 mmcmd, this rate in May was however 2% lower than the previous month. After five months of 2026, the EU's cumulative PNG imports reached 61 bcm, an increase of 2% compared to one year prior, supported by increased flows from all suppliers except Libya (Figure 74).

Figure 73: Monthly PNG imports to the EU



Source: GECF Secretariat based on data from LSEG

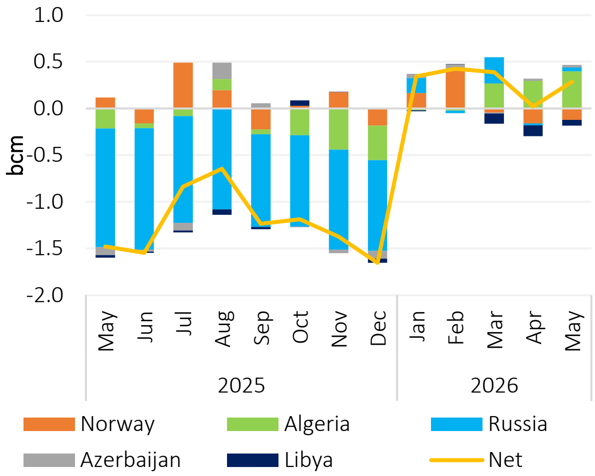
Figure 74: Year-to-date EU PNG imports by supplier



Source: GECF Secretariat based on data from LSEG

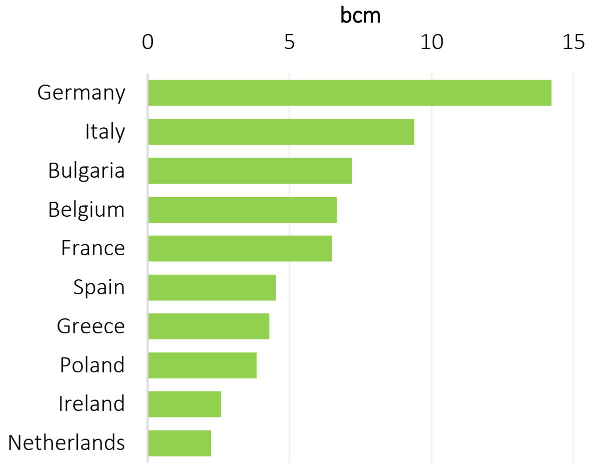
The EU experienced y-o-y growth in PNG imports during every month of 2026 thus far, particularly bolstered by a surge in Algerian supply (Figure 75). Between January and May, import volumes increased across all regional PNG entry points, with the sole exception of the Netherlands. Notably, Italian imports rose by 2% y-o-y, accounting for 15% of the bloc's total PNG inflows (Figure 76).

Figure 75: Y-o-y variation in EU PNG supply



Source: GECF Secretariat based on data from LSEG

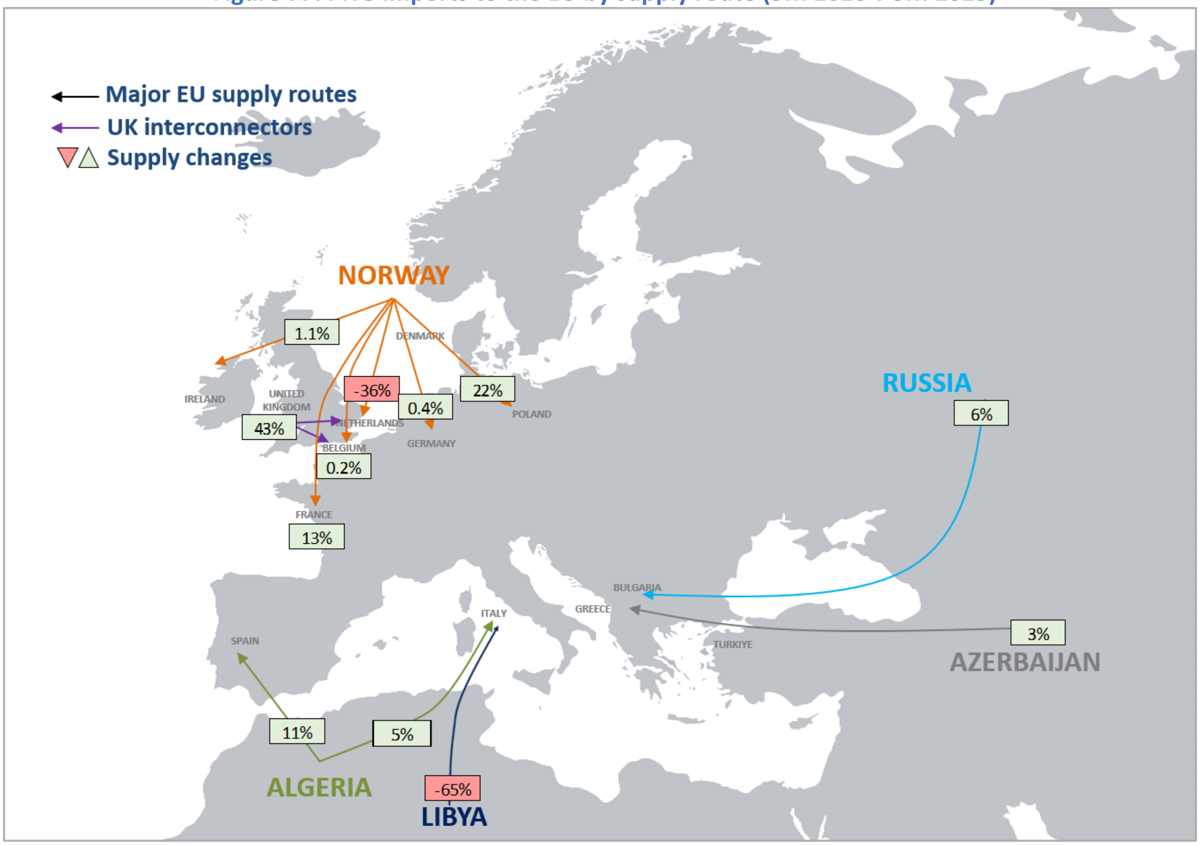
Figure 76: EU PNG imports by entry, after 4M 2026



Source: GECF Secretariat based on data from LSEG

Figure 77 shows the PNG imports to the EU via the major supply routes during the 5M 2026 period, compared with 5M 2025. Poland and France each recorded major increases in imports from Norway, by 22% and 13% y-o-y respectively. Conversely, PNG imports to the Netherlands remained significantly depressed, down 36% compared to the previous year. Moreover, Russian flows via Turkstream increased by 6% compared to one year ago. In 2026 thus far, net gas imports via the interconnectors from the UK to mainland Europe reached 1.9 bcm, which was an increase of 43% compared to one year ago.

Figure 77: PNG imports to the EU by supply route (5M 2026 v 5M 2025)



Source: GECF Secretariat based on data from LSEG

4.1.2 Asia

In April 2026, Chinese PNG imports rebounded by 15% from the previous month to reach 6.6 bcm (Figure 78). Nevertheless, this quantity of PNG imports remained 3% lower than one year ago, reflecting China's strategic optimisation of gas inflows in 2026. PNG imports accounted for 58% of China's gas imports during April, a level not seen in any month for ten years. Moreover, PNG accounted for 51% of China's gas imports in 2026 thus far. During this period, cumulative Chinese PNG imports totalled 25 bcm, a decrease of 2% compared to 2025 (Figure 79).

Figure 78: Monthly PNG imports in China

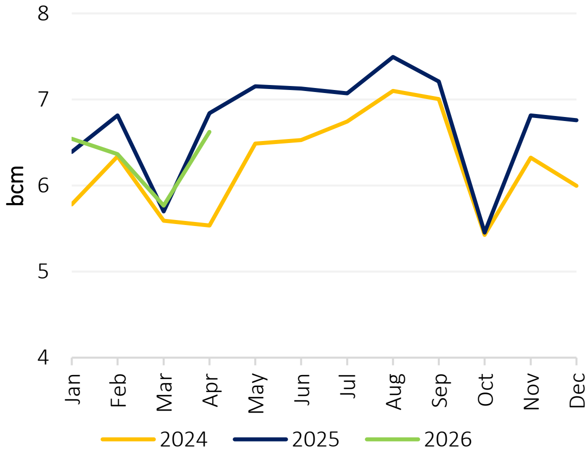
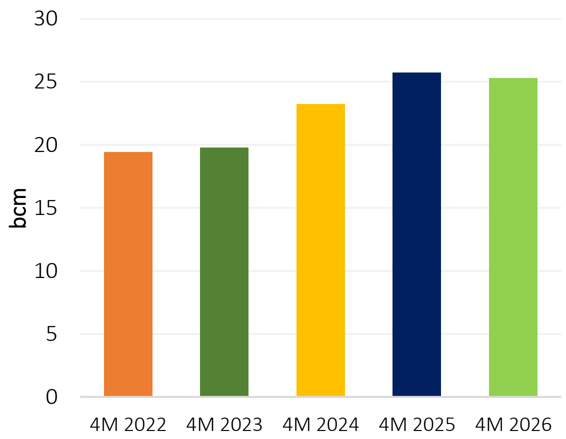


Figure 79: Year-to-date PNG imports in China



Source: GECF Secretariat based on data from LSEG and General Administration of Customs China

In March 2026, Singapore's PNG imports from Indonesia and Malaysia reached 0.54 bcm, which was 16% higher than one year prior, but 12% less than the previous month (Figure 80). After three months of 2026, cumulative PNG imports increased by 13% to reach 1.7 bcm.

In the same month, Thailand imported 0.36 bcm of PNG from Myanmar, which was 12% lower y-o-y, but 12% greater than one month prior (Figure 81). Cumulative PNG imports in 2026 thus far reached 1.0 bcm, a 25% decrease from one year ago.

Figure 80: Monthly PNG imports in Singapore

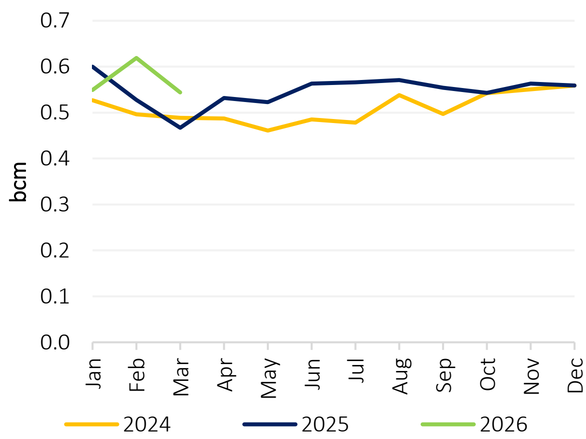
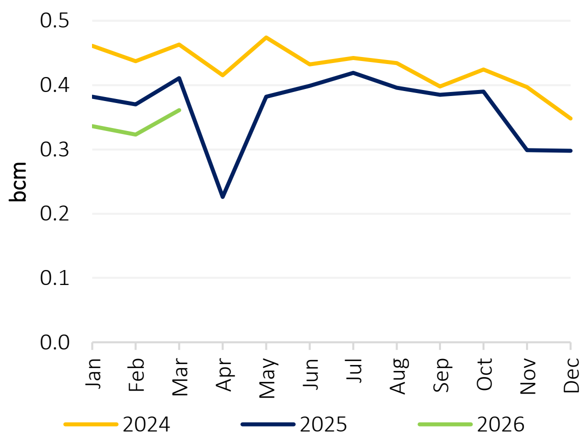


Figure 81: Monthly PNG imports in Thailand



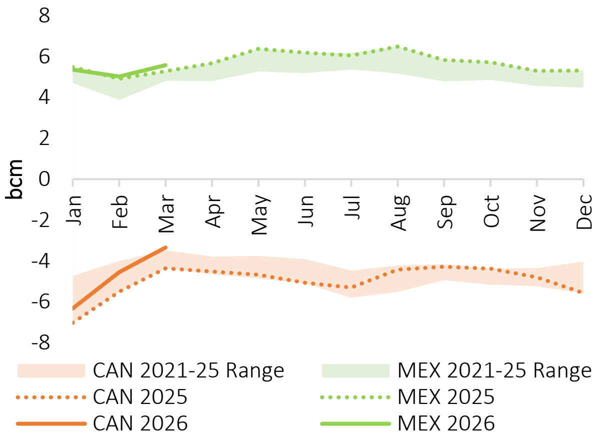
Source: GECF Secretariat based on data from JODI Gas

4.1.3 North America

In March 2026, Mexico imported 5.6 bcm of PNG from the US, which was 6% higher y-o-y and 11% higher m-o-m (Figure 82). After the first quarter of 2026, total Mexican imports increased by 2% to reach 16 bcm.

In the same month, there were 3.3 bcm of net PNG flows from Canada to the US, representing decreases of 23% y-o-y and 27% m-o-m. During the month, flows from Canada to the US decreased m-o-m to 6.8 bcm, while flows from the US to Canada increased m-o-m to 3.4 bcm. In 2026 thus far, net flows from Canada to the US decreased by 16% to reach 14 bcm.

Figure 82: Net US PNG exports (+) and imports (-)



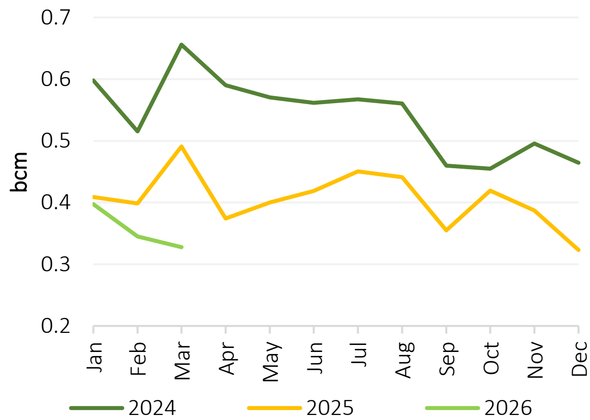
Source: GECF Secretariat based on data from US EIA

4.1.4 Latin America and the Caribbean

In March 2026, Bolivia exported 0.33 bcm of PNG to Brazil and Argentina, which was 33% lower than one year ago, as well as 5% lower than the previous month (Figure 83). After three months of 2026, cumulative Bolivian exports decreased by 18% to reach 1.1 bcm.

Argentina exported 0.34 bcm of PNG in April 2026, to Brazil, Chile and Uruguay. This represented an increase of 16% compared to the previous year but was 9% lower than the previous month. Total Argentinian PNG exports after four months of 2026 increased by 19% to reach 1.4 bcm.

Figure 83: Monthly PNG exports from Bolivia



Source: GECF Secretariat based on data from JODI Gas

4.1.5 Other developments

Algeria begins construction on TSGP: Algeria has broken ground on its segment of the Trans-Saharan Gas Pipeline, a major billion-dollar megaproject aimed at supplying Europe with up to 30 bcm of gas annually, in particular from Nigeria. The 4,100 km pipeline is progressing through a multi-phase construction timeline: Nigeria has already advanced a significant portion of its southern infrastructure, Algeria has commenced its new 1,210-kilometer desert section, and Niger is scheduled to begin work on its transit segment in early 2027. The pipeline is projected for operational launch in the early 2030s.

AI data centres and LNG exports fuel need for massive natural gas buildout: The Interstate Natural Gas Association of America Foundation’s 2025 report reveals that North America will require over US$1 trillion in midstream energy investment and 225,000 km of new pipelines through 2052 to maintain a reliable energy system. Driven by surging electricity demand from AI data centres and a projected tripling of LNG exports, the study highlights that gas remains a foundational element of the grid even under aggressive low-carbon scenarios.

4.2 LNG trade

4.2.1 LNG imports

In May 2026, global LNG imports continued to decline, falling by 4.6% (1.59 Mt) y-o-y to 32.87 Mt (Figure 84), although the pace of contraction moderated compared with April. The decline was driven by weaker LNG imports in Asia and Europe, partly offset by stronger imports in Latin America and the Caribbean (LAC). Ongoing restrictions on LNG transit through the Strait of Hormuz amid the Middle East conflict continued to constrain regional LNG exports, reducing global LNG supply and weighing on import volumes worldwide.

For the period January to May 2026, global LNG imports reached 181.67 Mt, up 1.5% (2.76 Mt) y-o-y, driven by stronger imports in Europe and the Middle East and Africa (MEA) (Figure 85).

Figure 84: Trend in global monthly LNG imports

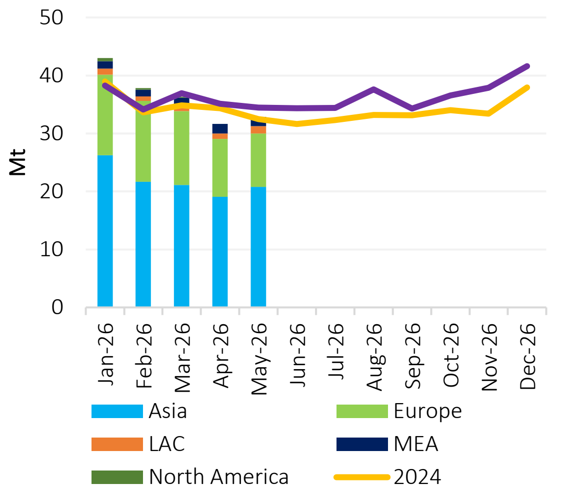
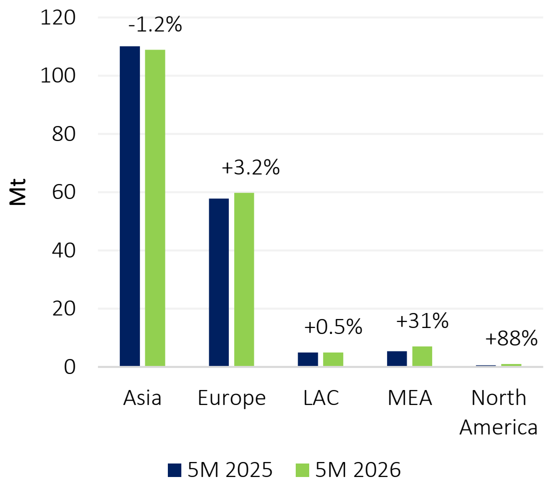


Figure 85: Trend in regional YTD LNG imports



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.1.1 Europe

In May 2026, Europe's LNG imports declined by 11% (1.09 Mt) y-o-y to 9.21 Mt, marking the steepest monthly decline since November 2024 (Figure 86). The decline reflected tighter global LNG supply following lower exports from the Middle East due to ongoing restrictions on LNG transit through the Strait of Hormuz, as well as the diversion of some US and Nigerian LNG cargoes to higher-priced Asian and Egyptian markets. Asian spot LNG prices continued to trade at a significant premium to the European TTF price, while Egypt's LNG procurement strategy, based on a premium to TTF, provided more attractive netbacks for LNG suppliers. At the country level, Belgium, France, the Netherlands and Spain recorded the largest declines, while Germany registered an increase in LNG imports (Figure 87).

For the period January to May 2026, Europe's LNG imports reached 59.74 Mt, representing an increase of 3.2% (1.88 Mt) y-o-y.

The decline in Belgium's LNG imports was driven mainly by lower volumes from Qatar and the US. In France and the Netherlands, weaker imports from the US accounted for most of the contraction, while Spain's LNG imports fell due to lower arrivals from Nigeria and the US. In contrast, Germany's LNG imports increased, supported primarily by stronger inflows from the US. Although Italy experienced a significant reduction in LNG imports from Qatar, the impact was largely offset by higher imports from the US.

Figure 86: Trend in Europe's monthly LNG imports

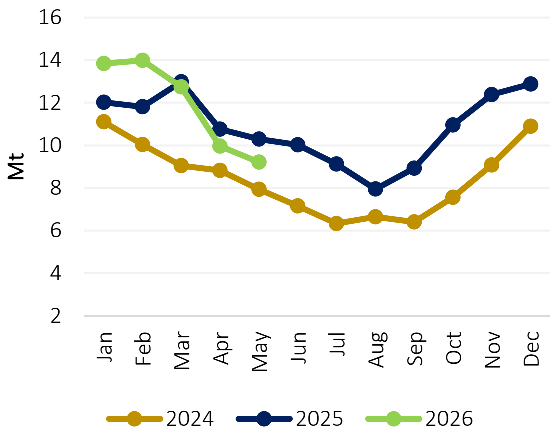
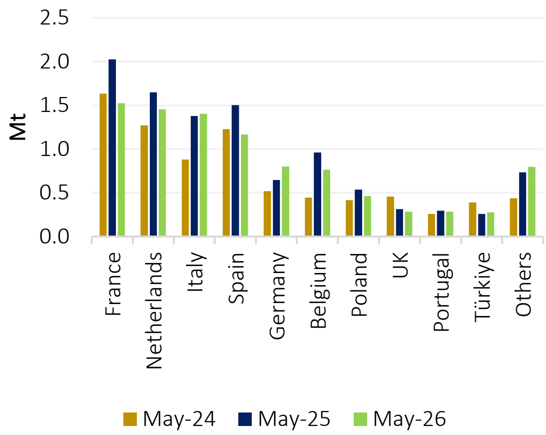


Figure 87: Top LNG importers in Europe



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.1.2 Asia

In May 2026, Asia's LNG imports declined by 3.5% (0.76 Mt) y-o-y to 20.79 Mt, although the pace of decline moderated compared with March and April (Figure 88). Continued restrictions on LNG transit through the Strait of Hormuz constrained LNG supply from Qatar and the UAE, weighing on Asian imports. China, Pakistan, Singapore and South Korea recorded the largest declines, while higher imports in Bangladesh, India and Thailand partially offset the regional downturn (Figure 89).

For the period January to May 2026, Asia's LNG imports fell by 1.2% (1.28 Mt) y-o-y to 108.89 Mt.

The decline in LNG imports in China, Pakistan, Singapore and South Korea was driven primarily by a sharp reduction in volumes from Qatar. Although imports from other LNG suppliers increased, they were insufficient to fully offset the loss of Qatari supply. Elevated spot LNG prices also discouraged spot market purchases. Nevertheless, the pace of decline moderated compared with previous months as China began replenishing inventories ahead of the summer season. Meanwhile, Bangladesh, India and Thailand remained active in the spot LNG market, securing additional cargoes, particularly from the US, to compensate for lower Qatari imports and meet growing domestic gas demand.

Figure 88: Trend in Asia's monthly LNG imports

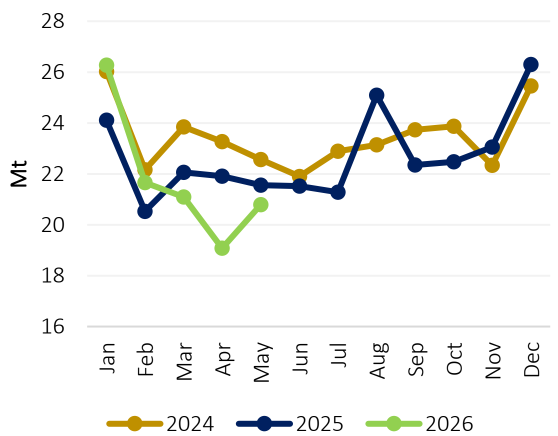
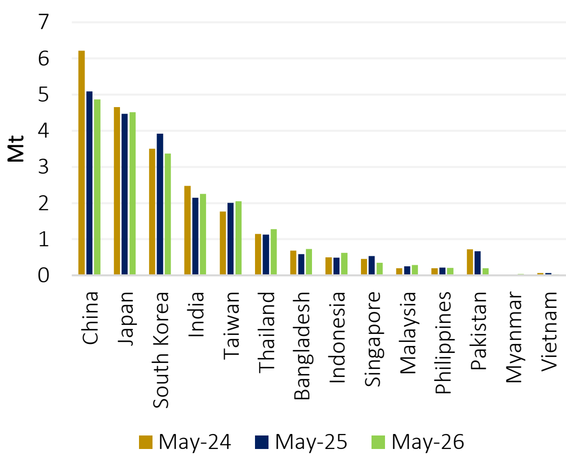


Figure 89: LNG imports in Asia Pacific by country



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.1.3 Latin America & the Caribbean (LAC)

In May 2026, LNG imports in LAC increased by 24% (0.24 Mt) y-o-y to 1.26 Mt, the highest monthly level since August 2025 (Figure 90). The increase was driven primarily by stronger imports in Brazil, Colombia, the Dominican Republic, El Salvador and Jamaica (Figure 91).

For the period January to May 2026, LAC's LNG imports remained broadly stable at 4.99 Mt, representing a marginal increase of 0.5% (0.02 Mt) y-o-y.

The rise in LNG imports in Brazil, Colombia and the Dominican Republic was supported by stronger gas burn. In Colombia, LNG imports reached a record high as the country sought to preserve hydroelectric reserves and increase gas-fired generation amid growing concerns that El Niño could bring drought conditions. Meanwhile, higher LNG imports from Trinidad and Tobago and Nigeria supported increased LNG receipts in El Salvador and Jamaica, respectively.

Figure 90: Trend in LAC's monthly LNG imports

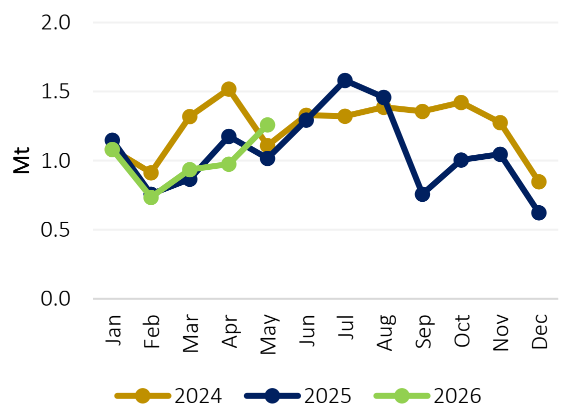
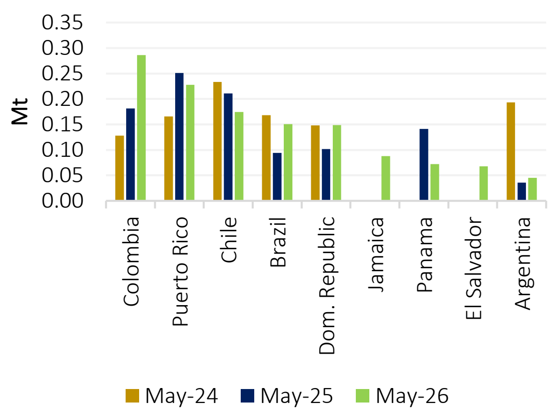


Figure 91: Top LNG importers in LAC



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.1.4 Middle East and Africa (MEA)

In May 2026, LNG imports in the MEA remained broadly unchanged y-o-y at 1.60 Mt (Figure 92). A continued surge in Egypt's LNG imports offset lower imports in Jordan and Kuwait. The increase in Egypt's LNG imports was driven by lower domestic gas availability, while LNG imports in Kuwait remained affected by the impact of Middle East conflict (Figure 93).

For the period Jan-May 2026, MEA's LNG imports jumped by 31% (1.67 Mt) y-o-y to 7.03 Mt.

Figure 92: Trend in MEA's monthly LNG imports

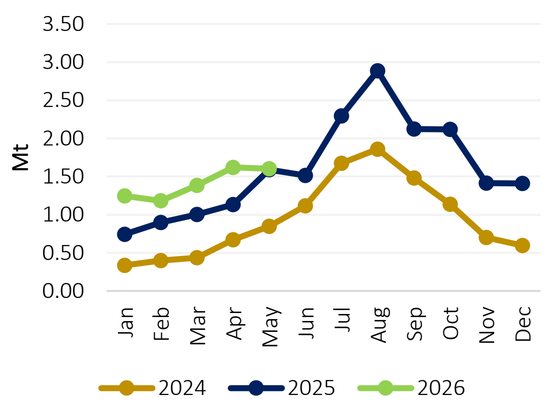
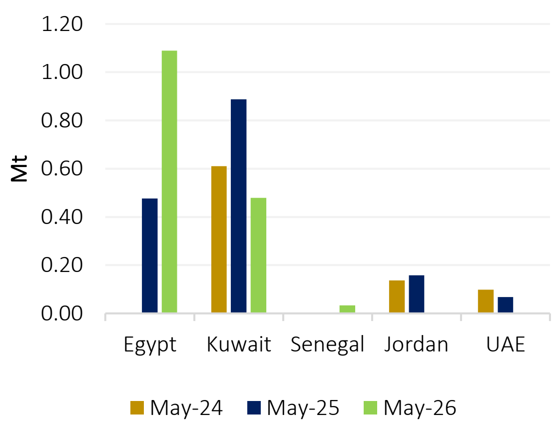


Figure 93: Top LNG importers in MEA



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.2 LNG exports

In May 2026, global LNG exports continued to decline, falling by 5.8% (2.01 Mt) y-o-y to 32.61 Mt, the lowest monthly level since July 2024 (Figure 94). The contraction was driven primarily by ongoing restrictions on LNG transit through the Strait of Hormuz amid the Middle East conflict. Higher LNG exports from non-GECF countries, together with stronger LNG re-exports, partially offset the decline in exports from GECF member countries.

For the period January to May 2026, global LNG exports increased by 1.9% (3.30 Mt) y-o-y to 181.12 Mt, supported by stronger exports from non-GECF countries (Figure 95).

As a result, the share of non-GECF countries and LNG re-exports in global LNG supply rose from 54.7% and 0.2% in May 2025 to 64.6% and 0.5% in May 2026, respectively, while the share of GECF member countries declined from 45.1% to 34.9%.

The US, Australia and Russia were the world's largest LNG exporters during May 2026.

Figure 94: Trend in global monthly LNG exports

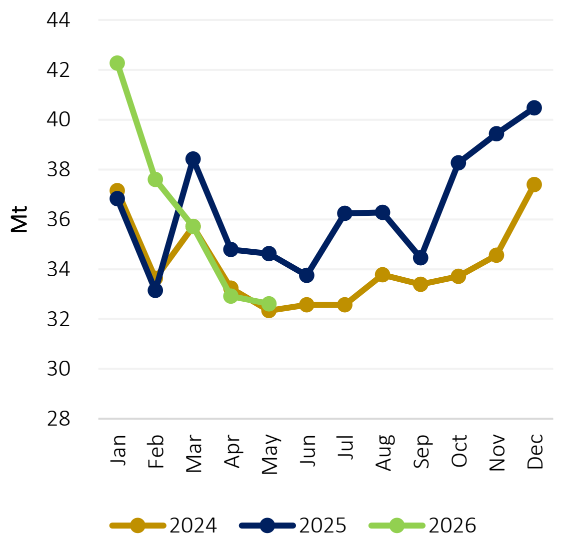
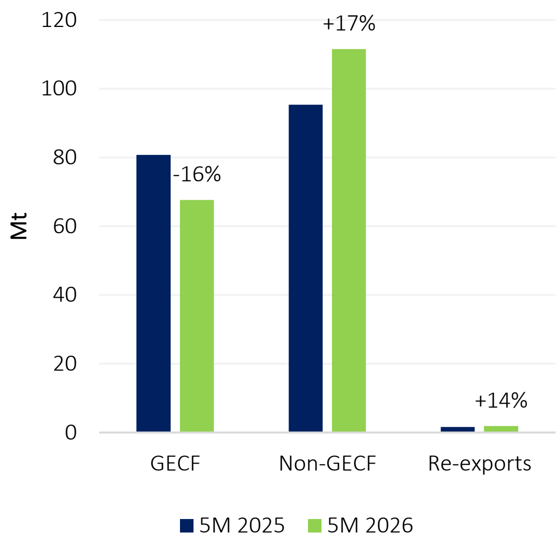


Figure 95: Trend in YTD LNG exports by supplier



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.2.1 GECF

In May 2026, LNG exports from GECF Member Countries totalled 11.38 Mt, down 27% (4.23 Mt) y-o-y (Figure 96). Although exports continued to decline, the pace of contraction moderated compared with March and April. The decrease was driven mainly by lower exports from Qatar and the United Arab Emirates (UAE), partly offset by higher exports from Malaysia, Mauritania, Nigeria, Russia and Senegal (Figure 97).

For the period January to May 2026, cumulative LNG exports from GECF Member Countries fell by 16% (13.12 Mt) y-o-y to 67.66 Mt.

The continued decline in exports from Qatar and the UAE reflected ongoing restrictions on LNG transit through the Strait of Hormuz amid the Middle East conflict. In contrast, lower maintenance activity at Malaysia's Bintulu LNG complex supported higher exports, while the continued ramp-up of the Greater Tortue Ahmeyim (GTA) FLNG project boosted exports from Mauritania and Senegal. Improved feed gas availability increased Nigeria's LNG exports, while higher output from the Arctic LNG 2 and Yamal LNG projects supported stronger exports from Russia.

Figure 96: Trend in GECF monthly LNG exports

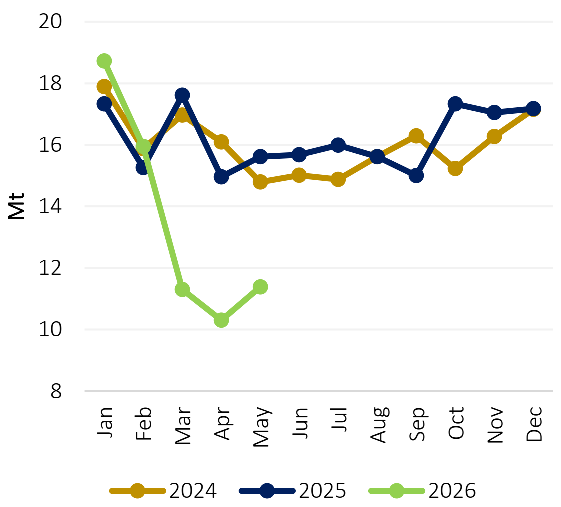
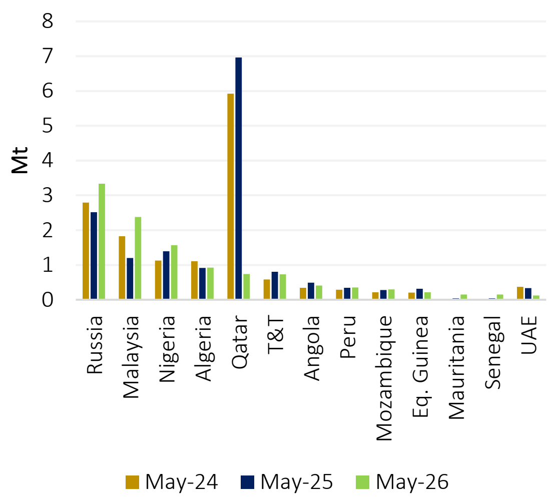


Figure 97: GECF's LNG exports by country



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.2.2 Non-GECF

In May 2026, LNG exports from non-GECF countries jumped by 11% (2.13 Mt) y-o-y to reach 21.06 Mt (Figure 98). The growth was driven primarily by higher exports from the US and Canada, while Norway and Oman also recorded modest increases. In contrast, Australia and Indonesia experienced notable declines in LNG exports (Figure 99).

For the period January to May 2026, non-GECF LNG exports rose sharply by 17% (16.20 Mt) y-o-y to 111.57 Mt.

The increase in US LNG exports was supported by the start-up and ramp-up of the Corpus Christi Stage 3 and Plaquemines LNG projects. Similarly, the continued ramp-up of LNG Canada boosted Canadian exports. Lower maintenance activity at Norway's Hammerfest LNG facility and Oman's Qalhat LNG complex also contributed to stronger exports. Conversely, Australia's LNG exports declined mainly due to maintenance at the Pluto LNG facility, while Indonesia's exports fell as more gas was diverted to the domestic market to meet rising demand.

Figure 98: Trend in non-GECF monthly LNG exports

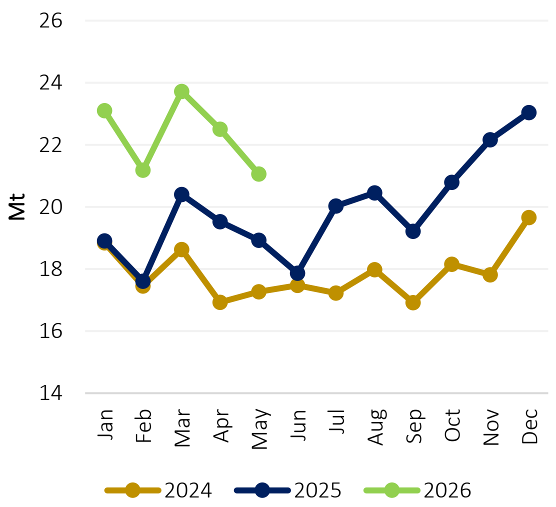
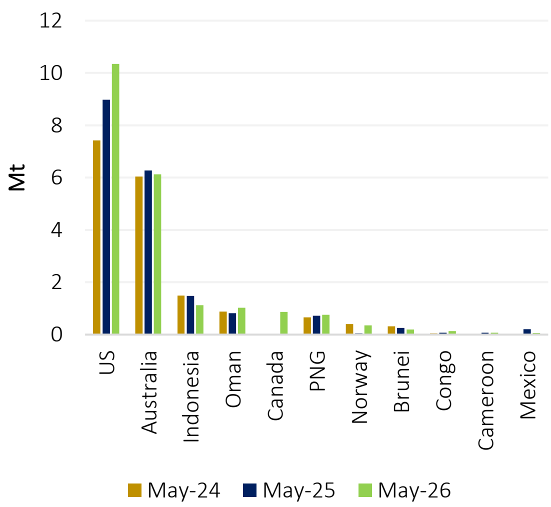


Figure 99: Non-GECF's LNG exports by country



Source: GECF Secretariat based on data from ICIS LNG Edge

4.2.3 Global LNG Re-exports

In May 2026, global LNG re-exports more than doubled, rising by 112% (0.09 Mt) y-o-y to 0.17 Mt (Figure 100), driven primarily by stronger re-export activity in Indonesia, which more than offset a decline in China.

For the period January to May 2026, global LNG re-exports increased by 14% (0.22 Mt) y-o-y to 1.88 Mt. Growth was led by China and Indonesia, which compensated for lower re-exports from Brazil, Singapore and the US Virgin Islands (USVI) (Figure 101).

The increase in Indonesia's LNG re-exports was mainly directed to Bangladesh and China. TotalEnergies utilised its long-term LNG storage and re-export capacity at the Arun LNG terminal as a regional distribution hub for Asian markets. In contrast, China's LNG re-exports declined as lower LNG imports, particularly from Qatar amid the Middle East conflict, prompted the country to prioritise available LNG supplies for domestic consumption.

Figure 100: Trend in global monthly LNG re-exports

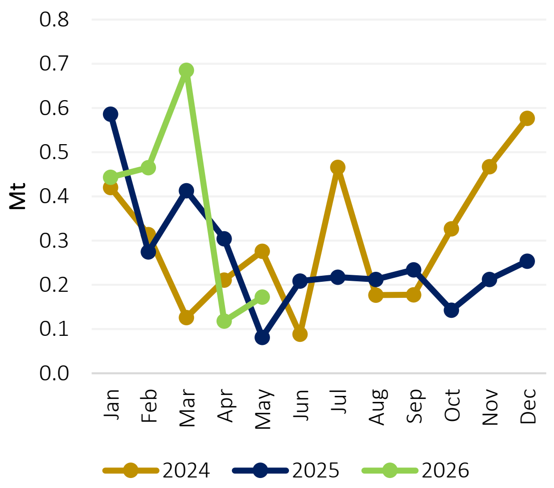
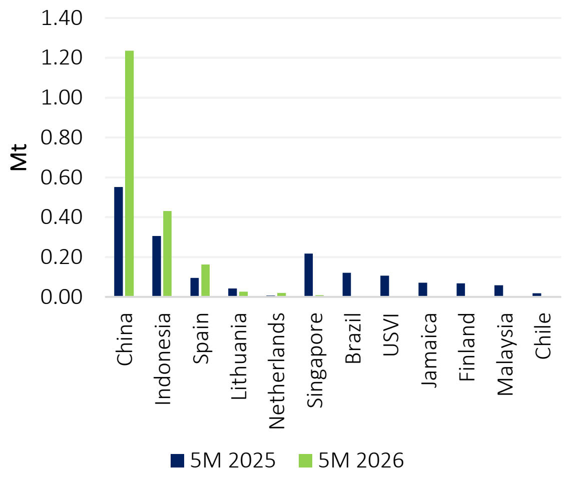


Figure 101: Global YTD LNG re-exports by country



Source: GECF Secretariat based on data from ICIS LNG Edge

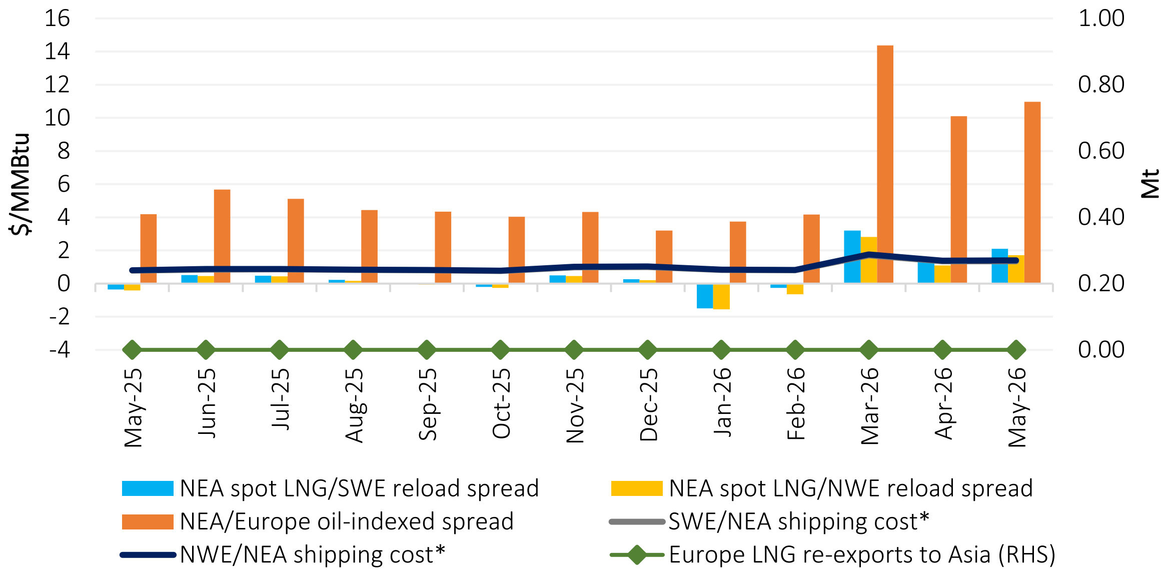
4.2.4 Arbitrage opportunity

In May 2026, arbitrage opportunities for LNG re-exports from Europe to Asia remained open, as the North East Asia (NEA) spot LNG price widened its premium over European LNG reload prices (Figure 102). Likewise, the premium of NEA spot LNG over European oil-indexed LNG prices increased further. All arbitrage spreads remained comfortably above one-way shipping costs from Europe to Asia.

The NEA–Southwest Europe (SWE) and NEA–Northwest Europe (NWE) spreads widened from $1.49/MMBtu and $1.09/MMBtu in April to $2.10/MMBtu and $1.70/MMBtu, respectively, as NEA spot LNG prices strengthened more than European reload prices. Similarly, the premium of NEA spot LNG over European oil-indexed LNG increased from $10.11/MMBtu to $10.98/MMBtu, while one-way shipping costs from Europe to Asia edged up slightly from $1.36/MMBtu to $1.38/MMBtu.

Despite favourable arbitrage economics, no LNG cargoes were re-exported from Europe to Asia during May. This reflected tight global LNG market conditions, with diversion of some US LNG cargoes from Europe to Asia, and Europe's need to rebuild gas inventories following multi-year low storage levels at the end of winter.

Figure 102: Price spreads & shipping costs between Asia & Europe spot LNG markets

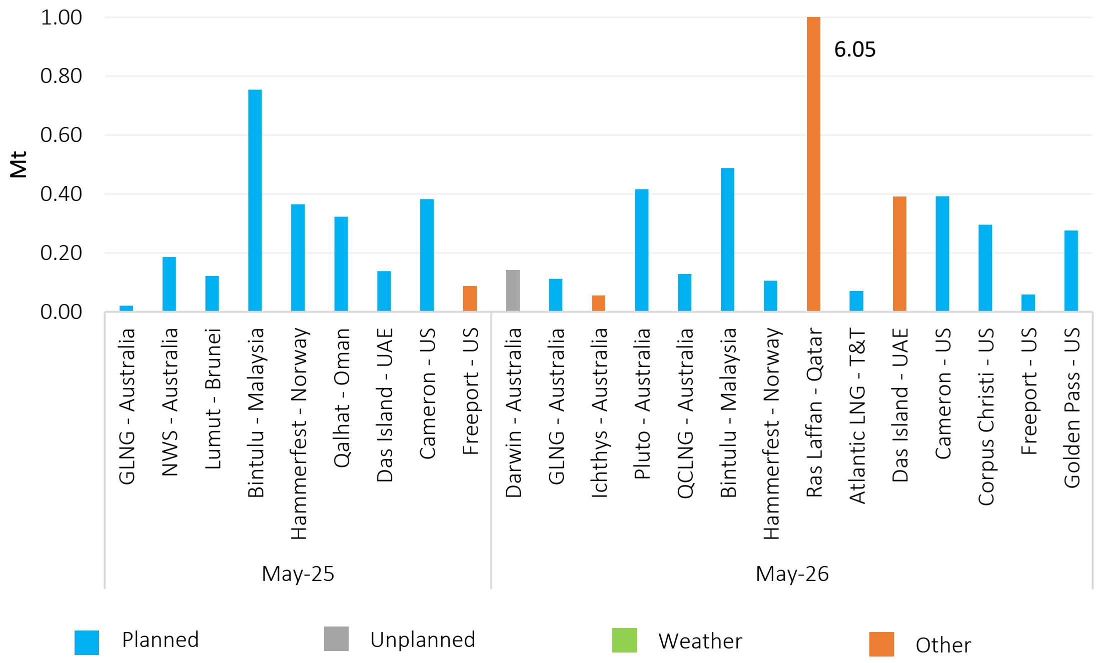


Source: GECF Secretariat based on data from GECF Shipping Model, Argus and ICIS LNG Edge
(*): One-way spot shipping costs

4.2.5 Maintenance activity at LNG liquefaction facilities

In May 2026, disruptions at global LNG liquefaction facilities, including planned maintenance, unplanned outages and other operational issues, remained significantly higher than a year earlier, rising from 2.3 Mt in May 2025 to 8.87 Mt (Figure 103). The increase was mainly attributed to the impact of the Middle East conflict on Qatar's Ras Laffan and the UAE's Das Island LNG facilities. Additional disruptions stemmed from an unplanned outage at Darwin LNG, industrial action at the Ichthys LNG facility, and planned maintenance at several LNG plants across Australia, Malaysia, Norway, Trinidad and Tobago and the US.

Figure 103: Maintenance activity at LNG liquefaction facilities during May (2025 and 2026)

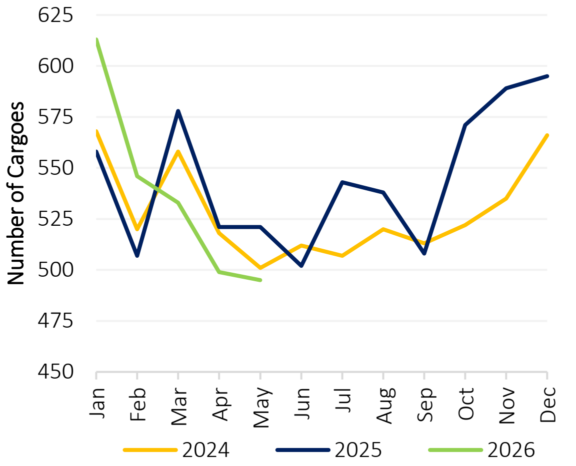


Source: GECF Secretariat based on information from Argus, ICIS LNG Edge and LSEG

4.2.6 LNG shipping

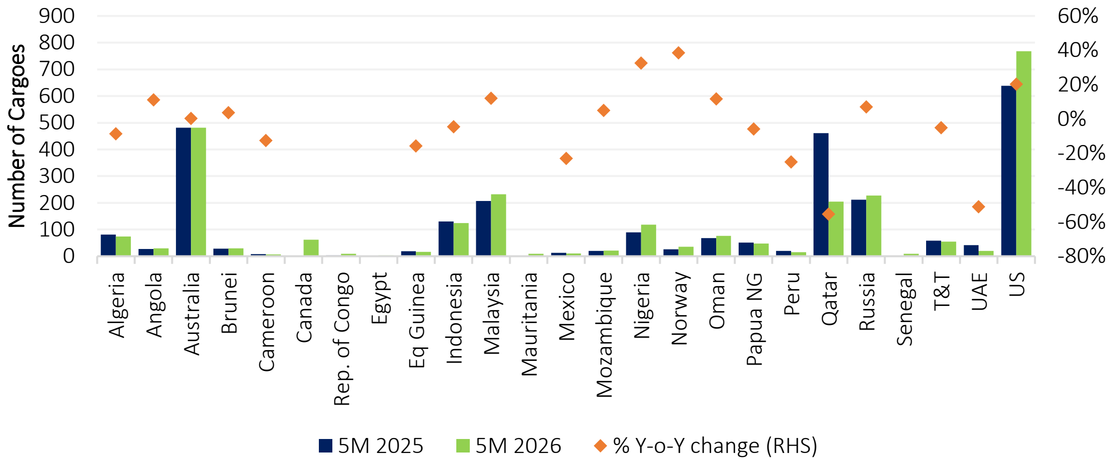
In May 2026, global LNG cargo exports declined due to seasonal trends alongside lower output from Qatar and the UAE. Global shipments fell to 495 cargoes for the month, which was 5% less than one year ago, as well as four shipments less than in the previous month (Figure 104). From January to May, total shipments increased by just 1, reaching 2,686. GECF countries maintained a 39% market share, led by Malaysia, Russia, and Qatar. Year-to-date, the US (+129) and Nigeria (+29) achieved the largest volumetric gains, while the highest percentage growth was recorded by the Republic of the Congo and Egypt, both surging by 200% (Figure 105).

Figure 104: Number of LNG export cargoes



Source: GECF Secretariat based on data from ICIS LNG Edge

Figure 105: Changes in LNG cargo exports



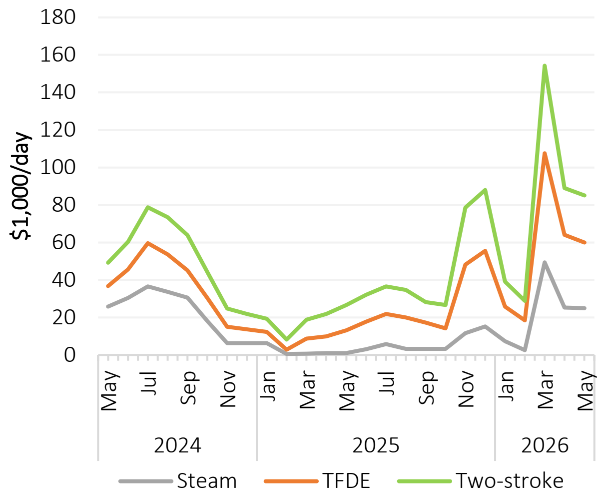
Source: GECF Secretariat based on data from ICIS LNG Edge

Following initial market volatility in March, the spot charter market for LNG carriers has been cooling gradually, for all segments of the global LNG carrier fleet (Figure 106). For TFDE carriers, the monthly average rate dropped by a further 6% m-o-m to reach $60,000 per day. This average rate was still 355% higher than one year ago, and $18,200 per day higher than the five-year average price for the month. The average spot charter rate for two-stroke vessels dipped to $85,100 per day, which was 4% lower m-o-m, but still 219% higher y-o-y. Steam turbine LNG carriers recorded an average rate of $25,000 per day, a decrease of just 1% m-o-m, but still remained a massive 2,400% higher compared to one year ago.

Spot charter rates were supported by a highly profitable inter-basin arbitrage that drew US Atlantic cargoes onto longer-haul routes to northeast Asia to cover heatwave demand and geopolitical supply disruptions from the Middle East. This long-haul surge sharply increased tonne-mile demand and fleet utilisation, widening the Atlantic basin's premium over the Pacific. Fearing spot market volatility, firms locked in multi-month charters through the third quarter to secure vessel length. However, while prompt rates remained strong, forward curves began to soften as the impending closure of the Asian arbitrage by Q4, as well as a looming influx of newbuilds signalled a flattening market for the latter half of the year.

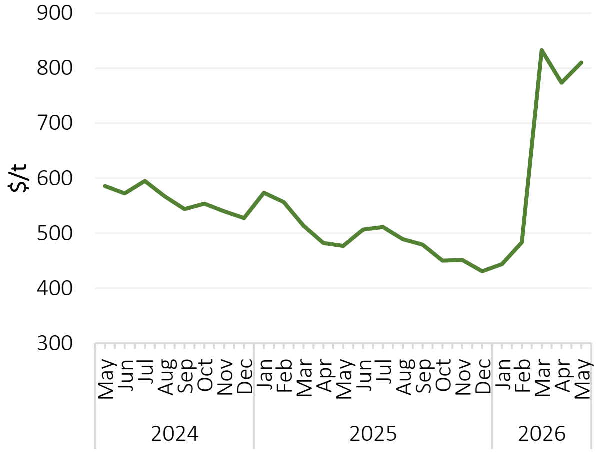
In May 2026, the average price of shipping fuels was estimated at $810 per tonne, which represented an increase of 5% m-o-m (Figure 107). Moreover, this average price was also 69% greater than one year ago, and 36% higher than the five-year average for this month.

Figure 106: Average LNG spot charter rate



Source: GECF Secretariat based on data from Argus

Figure 107: Average price of shipping fuels

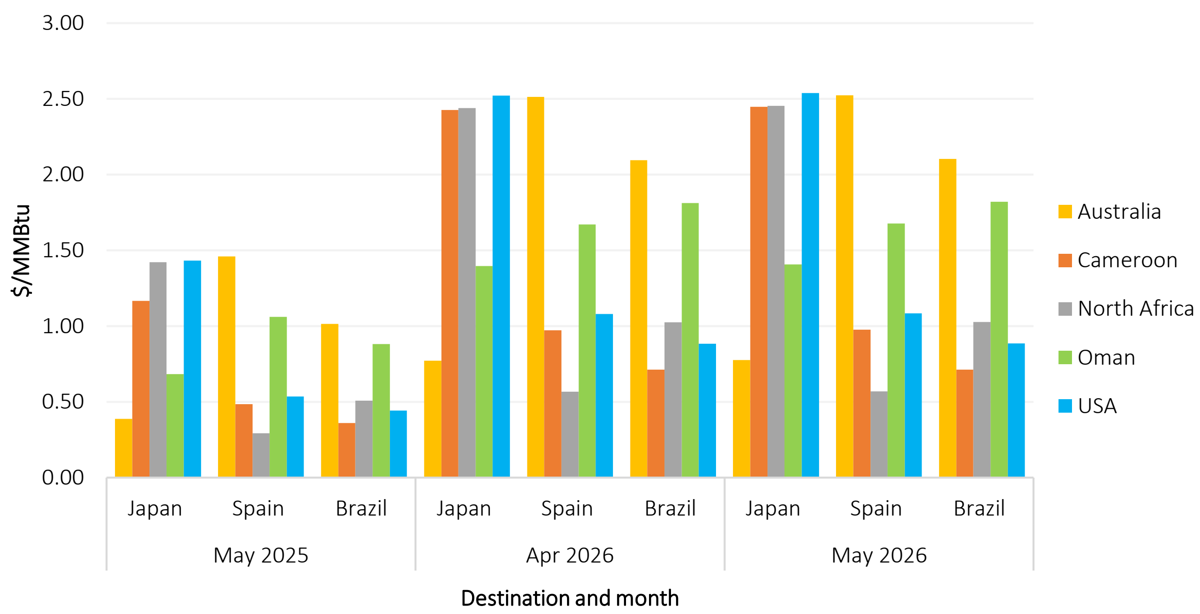


Source: GECF Secretariat based on data from Argus and Platts

Spot shipping costs for TFDE LNG carriers in May 2026 were relatively unchanged from the level of the previous month, rising by just up to $0.02/MMBtu on certain routes (Figure 108). This was the result of the increase in the cost of shipping fuels and in the delivered spot LNG prices being largely offset by the decrease in the monthly average spot charter rate.

Compared to one year ago, in May 2026 the monthly average LNG carrier spot charter rate, the cost of shipping fuels, and the delivered spot LNG prices were also all higher. As a result, spot LNG shipping costs were up to $1.28/MMBtu higher than in May 2025.

Figure 108: Spot shipping costs for TFDE LNG carriers



Source: GECF Shipping Cost Model

4.2.7 Other developments

US Commonwealth LNG reaches FID: On 15 May 2026, Commonwealth LNG reached a final investment decision (FID) on its 9.5 Mtpa export project in the United States. The project had previously experienced delays due to permitting pauses, environmental reviews and extensions to its construction schedule. The two-train facility is expected to cost approximately US$13 billion and is targeted to commence operations in 2030. At the time of FID, 8.5 Mtpa of capacity had already been secured under long-term LNG sales agreements with Aramco, EQT, Glencore, Mercuria and PETRONAS. The project will be equipped with key technologies supplied by Baker Hughes, Honeywell and Solar Turbines.

Iraq's LNG FSRU to be temporarily deployed to Jordan: Excelerate Energy signed a nine-month charter agreement with Jordan's National Electric Power Company (NEPCO) to temporarily deploy the Excelerate Acadia floating storage and regasification unit (FSRU) in Jordan. The vessel had originally been scheduled for deployment in Iraq, but the Middle East conflict has delayed its start-up there from the third quarter of 2026 to 2027. The agreement will provide continuity in Jordan's LNG import infrastructure as the current charter for the Energos Force FSRU expires in June 2026, ahead of its planned relocation to Germany's Stade LNG terminal in September. Meanwhile, Jordan continues construction of its onshore LNG import terminal, which is now expected to commence operations in the first half of 2027, later than the originally planned 2026 start-up date.

New LNG engine technology tackles methane slip in dual-fuel ships: A joint project by Hanwha Ocean and WinGD has resulted in a breakthrough dual-fuel LNG carrier that addresses a major environmental concern in shipping: methane slip. By integrating Hanwha's innovative Variable Compression Ratio technology with WinGD's X-DF dual-fuel engine, the vessel can reduce the release of unburned methane by up to 50% compared to existing systems. This technological advancement not only optimizes fuel efficiency and reduces CO_2 emissions but also provides a vital solution for ship operators striving to meet the stringent GHG reduction targets mandated by regulations such as FuelEU Maritime, which requires a reduction in GHG intensity starting at 2% of 2020 levels in 2025, and escalating to 80% by 2050.

In May 2026, LNG contracting increased with seven (7) LNG agreements signed (Table 1).

Table 1: New LNG sale agreements signed in May 2026

Contract Type	Exporting Country	Project	Seller	Importing Country	Buyer	Volume (Mtpa)	Duration (Years)
SPA	US	Delfin FLNG 1	Delfin LNG	Portfolio	Gunvor	0.3	20
SPA	Portfolio	Portfolio	Tokyo Gas	Japan	Shizuoka Gas	0.33	
SPA	Mexico	Amigo LNG	Amigo LNG	Portfolio	Macquarie	0.4	15
SPA	US	Portfolio	Venture Global	Portfolio	TotalEnergies	0.85	5
SPA	US	Portfolio	Venture Global	Portfolio	Vitol	0.2	5
SPA	US	Commonwealth LNG	Commonwealth LNG	Portfolio	Mercuria	0.5	20
SPA	Brunei	BruneiLNG	Brunei LNG	Thailand	PTT	N/A	N/A

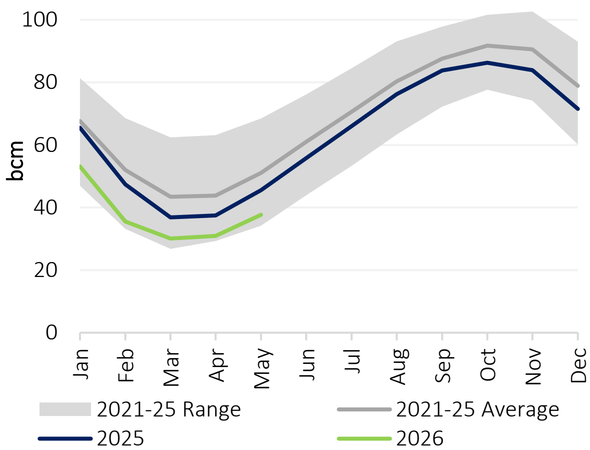
Source: GECF Secretariat based on Project Updates and News
N/A: Not Available

5 GAS STORAGE

5.1 Europe

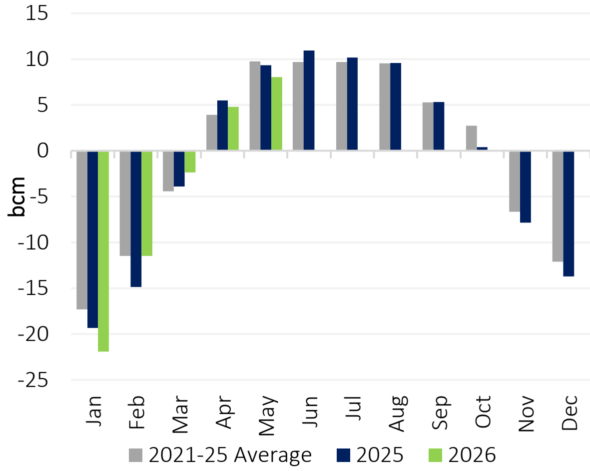
Europe's net gas injection season continues, with the May-to-August period typically representing the fastest restocking window. However, the pace of gas injections has been slower this year, due to lower pipeline gas imports and intense inter-basin competition for LNG cargoes. In May 2026, the average daily volume of gas in underground storage in the EU increased to 37.7 bcm, up from 31.0 bcm one month prior (Figure 109). This inventory level was 7.8 bcm lower y-o-y, 13.3 bcm below the five-year average, and marked the lowest stock level for the month of May since 2021. Overall, the EU's aggregated gas stocks increased from 33.8 bcm on 30 April to 41.8 bcm by 31 May, bringing the regional average storage level to 40%.

Figure 109: Monthly average UGS level in the EU



Source: GECF Secretariat based on data from AGSI+

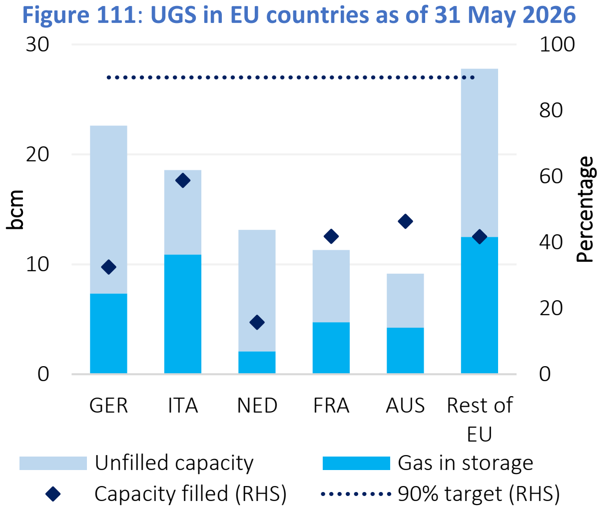
Figure 110: Net gas injections in the EU



Source: GECF Secretariat based on data from AGSI+

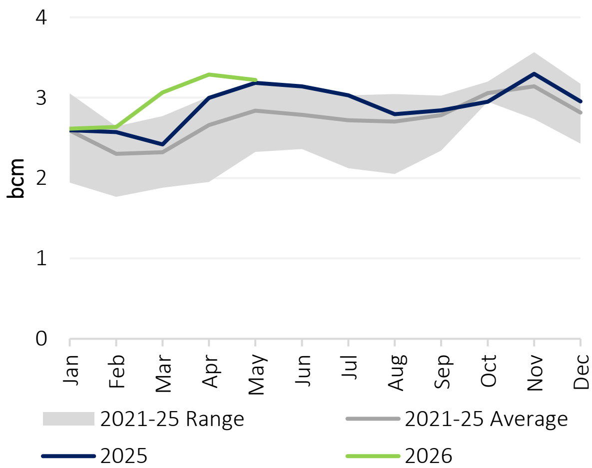
Net gas injections during the month totalled 8.0 bcm, falling below the 9.3 bcm recorded a year earlier and lagging 18% behind the five-year average (Figure 110). Among the top five EU nations for UGS capacity, the Netherlands continue to post the slowest stock build, reaching only 16% capacity by month-end (Figure 111). Elsewhere, Germany has refilled just one third of its gas reserves, while Italy's storage level has crossed 50%. Additionally, the average LNG storage level in the EU was 3.2 bcm, or 57% of capacity (Figure 112). This storage level was 1% greater than one year ago, as well as 14% higher than the five-year average for the month.

Figure 111: UGS in EU countries as of 31 May 2026



Source: GECF Secretariat based on data from AGSI+

Figure 112: Total LNG storage in the EU

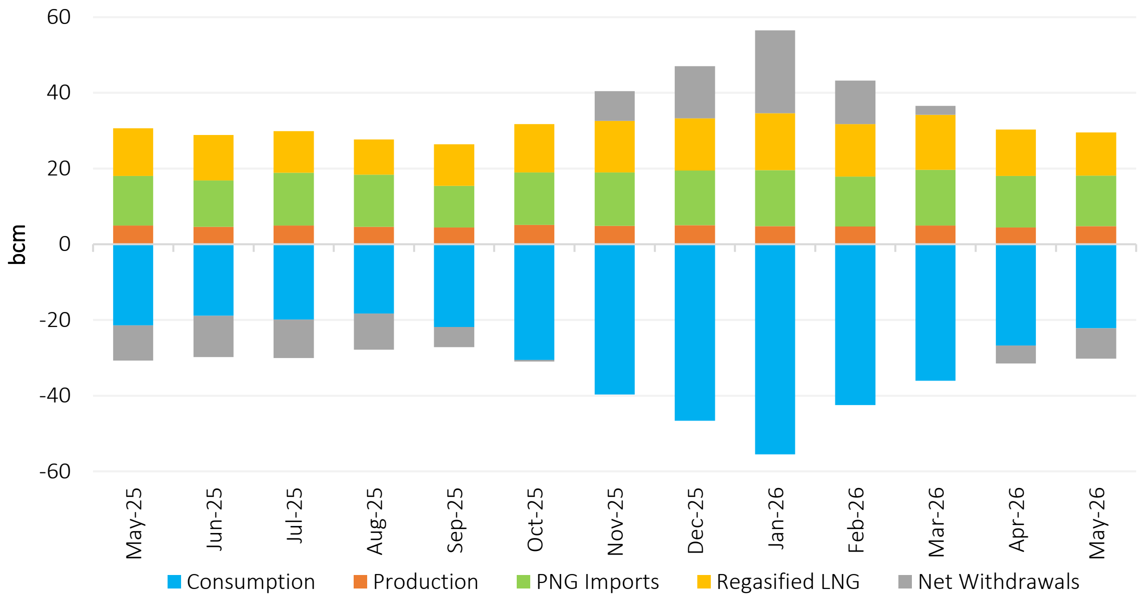


Source: GECF Secretariat based on data from ALSI

During the month, the structural headwinds facing Europe's gas market intensified, severely constraining the pace of the continent's storage refill. The persistent negative winter-summer spread continued to disincentivise commercial injections, while a widening JKM-TTF arbitrage sustained Asia's premium and consistently diverted flexible spot LNG cargoes away from European terminals. Consequently, May's injection rates lagged noticeably behind historical averages, leaving the region increasingly exposed to supply tightness and heavily reliant on a late-summer market correction to meet its mandatory winter readiness targets, without triggering a volatile spike in procurement costs.

In May 2026, underground gas storage met 27% of the combined EU and UK demand, down from 30% during the same period last year (Figure 113). Domestic production contributed 16% to the regional supply mix. The remaining supply was covered by imports, with PNG accounting for 45% and LNG for 39%. By comparison, in May 2025, PNG and LNG constituted 43% and 41% of the import mix, respectively.

Figure 113: EU + UK monthly gas balance



Source: GECF Secretariat based on data from AGSI+, JODI Gas and LSEG

Table 2 outlines the EU and UK gas supply and demand balance for May 2026.

Table 2: EU + UK gas supply/demand balance for May 2026 (bcm)

	2025	May-25	May-26	5M 2025	5M 2026	Change* y-o-y	Change** 2026/2025
(a) Gas Consumption	378.23	21.40	22.18	182.31	182.99	4%	0%
(b) Gas Production	58.90	4.96	4.80	25.40	23.63	-3%	-7%
Difference (a) - (b)	319.33	16.44	17.38	156.91	159.36	6%	2%
PNG Imports	162.14	13.10	13.35	68.66	69.67	2%	1%
Regasified LNG	147.08	12.55	11.38	63.57	67.16	-9%	6%
Net Withdrawals	8.46	-9.32	-8.03	23.28	22.93	-14%	-1%
Variation	1.64	0.12	0.68	1.40	-0.40		

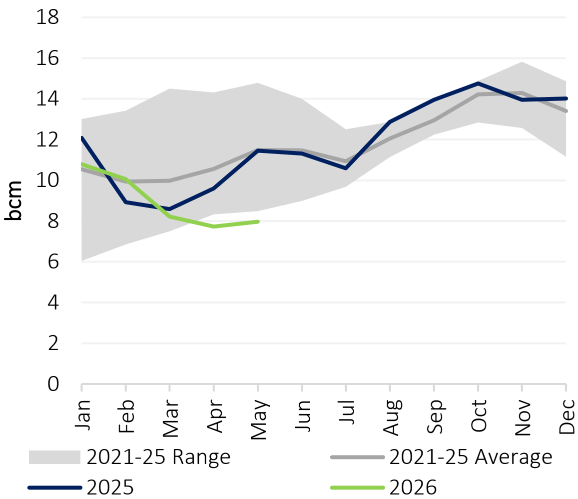
Source: GECF Secretariat based on data from AGSI+, JODI Gas and LSEG
(*): y-o-y change for May 2026 compared to May 2025
(**): y-o-y change for 5M 2026 compared to 5M 2025

5.2 Asia

In May 2026, combined LNG stocks in Japan and South Korea rose to an estimated 8.0 bcm, a 3% increase from the previous month (Figure 114). Nevertheless, driven by ongoing supply and export disruptions from producers in the Middle East, this combined stock level was 31% lower than one year ago, as well as 3.5 bcm lower than the five-year average for the month.

In Japan the estimated storage level stood at 25% lower than the previous year, at 5.4 bcm, while in South Korea, the estimated storage level fell by 40% compared to the previous year to stand at 2.5 bcm.

Figure 114: LNG in storage in Japan and South Korea



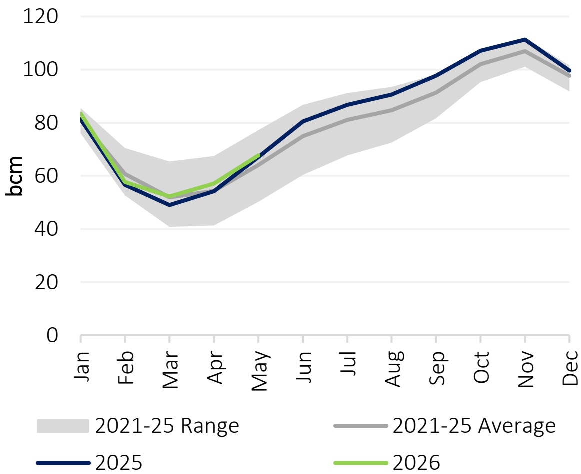
Source: GECF Secretariat based on data from LSEG

5.3 North America

May typically represents the peak month for net gas injections within the US restocking cycle. In this context, the average volume of gas in storage in May 2026 increased to 67.7 bcm, up from 57.1 bcm in the previous month (Figure 115). This position placed the country's aggregated gas stocks at just 0.6 bcm higher y-o-y, but 3.5 bcm greater than the five-year average for the month. The average UGS capacity utilisation pushed upwards to 50%.

There were 12.3 bcm of gas restocking during the month, which lagged behind the 15.8 bcm injected in May 2025, but was greater than the 11.6 bcm five-year average net injection for the month.

Figure 115: Monthly average UGS level in the US



Source: GECF Secretariat based on data from US EIA

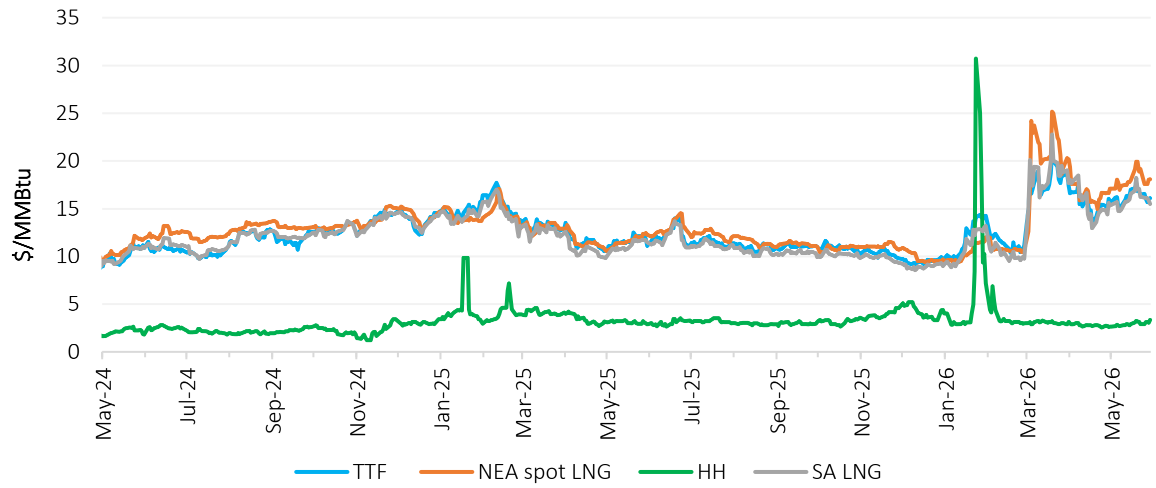
6 ENERGY PRICES

6.1 Gas prices

6.1.1 Gas & LNG spot prices

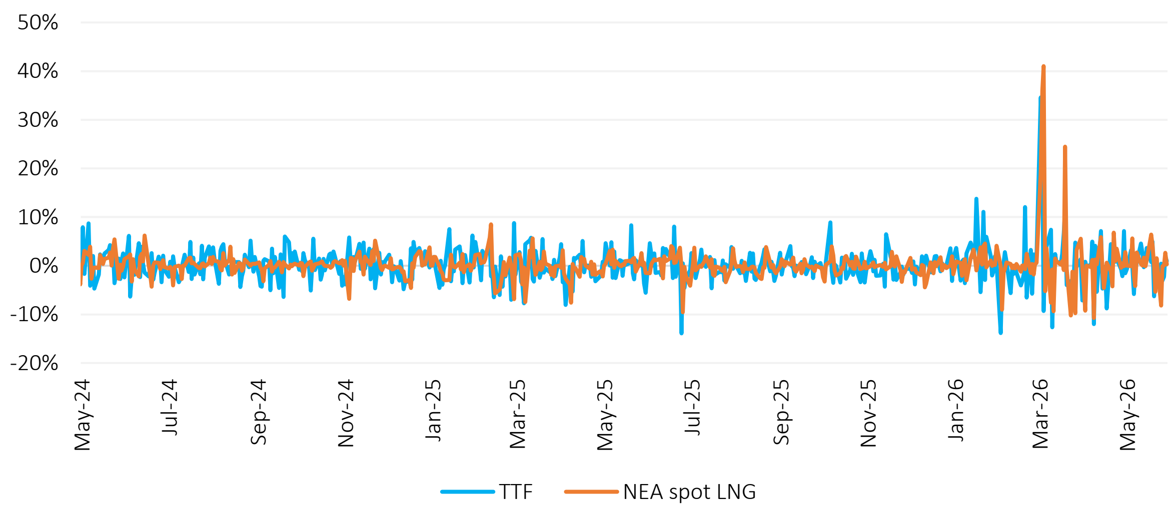
In May 2026, European and Asian gas and LNG spot prices recorded a modest recovery after retreating from multi-year highs in the previous month, while market volatility remained relatively moderate (Figure 116 and Figure 117). Market sentiment continued to be shaped by the ongoing conflict in the Middle East, with concerns mounting over the slow progress toward a resolution exerting upward pressure on spot prices. Additional support came from maintenance activities and unplanned outages at several LNG facilities in Australia and the US, which tightened supply expectations. Looking ahead, spot prices are expected to remain supported by seasonal increases in gas demand for cooling as the summer months approach.

Figure 116: Daily gas & LNG spot prices



Source: GECF Secretariat based on data from Argus and LSEG
Note: SA LNG price is an average of the LNG delivered prices for Argentina, Brazil and Chile based on Argus assessment.

Figure 117: Daily variation of spot prices



Source: GECF Secretariat based on data from Argus and LSEG

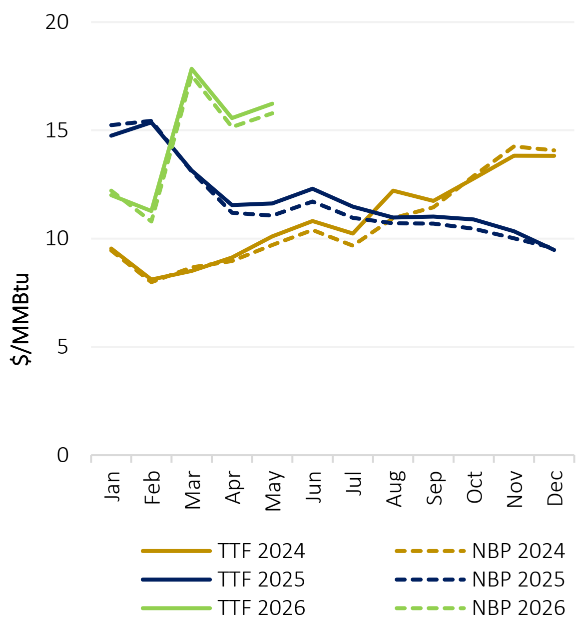
6.1.1.1 European spot gas and LNG prices

In May 2026, the TTF spot gas price averaged $16.24/MMBtu, reflecting increases of 4% m-o-m and 40% y-o-y. Similarly, the NBP spot price averaged $15.79/MMBtu, increasing by 4% m-o-m and 43% y-o-y (Figure 118). During the month, daily TTF and NBP prices peaked at $17.96/MMBtu and $17.69/MMBtu, respectively.

European gas and LNG prices rebounded modestly after a sharp decline in the previous month. This was driven by the ongoing conflict in the Middle East, as concerns grew over the slow progress toward a resolution. Further support came from maintenance activities at several Norwegian gas facilities which reduced pipeline gas imports.

For the period January to May 2026, average TTF and NBP prices increased by 10% and 8% y-o-y to $14.59/MMBtu and $14.30/MMBtu, respectively.

Figure 118: Monthly European spot gas prices



Source: GECF Secretariat based on data from LSEG

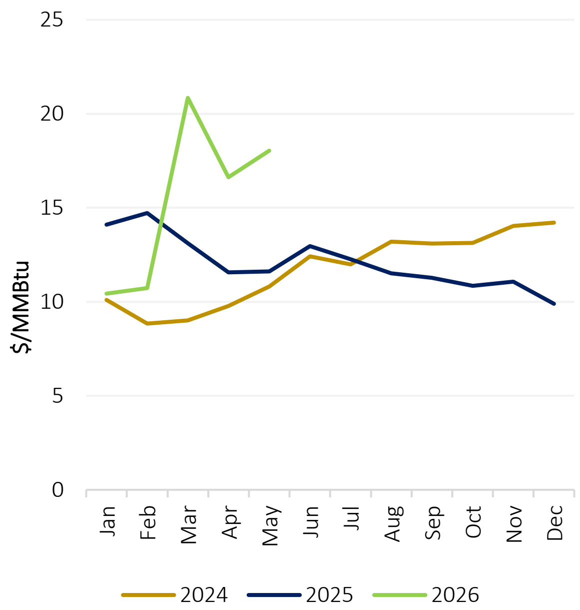
6.1.1.2 Asian spot LNG prices

In May 2026, the average North East Asia (NEA) spot LNG price averaged $18.03/MMBtu, experiencing a modest rebound of 9% m-o-m, but remained 55% higher y-o-y (Figure 119). Daily NEA spot LNG price rose to a high of $19.94/MMBtu.

The increase in Asian LNG prices was primarily driven by concerns over LNG supply disruptions to the region. Outages and maintenance at several liquefaction facilities in the US and Australia tightened supply expectations and amplified the impact of restricted LNG flows through the Strait of Hormuz.

For the period January to May 2026, the NEA spot LNG price rose by 18% y-o-y to $15.33/MMBtu.

Figure 119: Monthly Asian spot LNG prices



Source: GECF Secretariat based on data from Argus

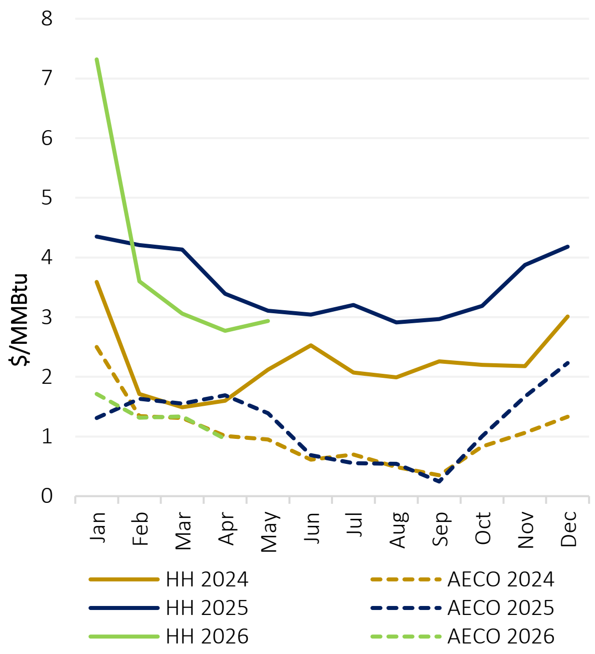
6.1.1.3 North American spot gas prices

In May 2026, the Henry Hub (HH) spot gas price averaged $2.94/MMBtu, increasing by 6% m-o-m. However, it was 5% lower y-o-y. Similarly, the AECO spot prices increased by 28% m-o-m to $1.23/MMBtu but was 12% lower y-o-y (Figure 120). Daily HH and AECO prices reached highs of $3.34/MMBtu and $1.46/MMBtu, respectively.

In the US, HH spot prices reversed losses of the previous month, supported by expectations of stronger cooling demand ahead of the summer season. However, robust domestic gas production and healthy storage levels limited further upside.

For the period January to May 2026, HH prices increased by 3% y-o-y to $3.94/MMBtu, while AECO prices dropped by 13% y-o-y to $1.31/MMBtu.

Figure 120: Monthly North American spot gas prices



Source: GECF Secretariat based on data from LSEG

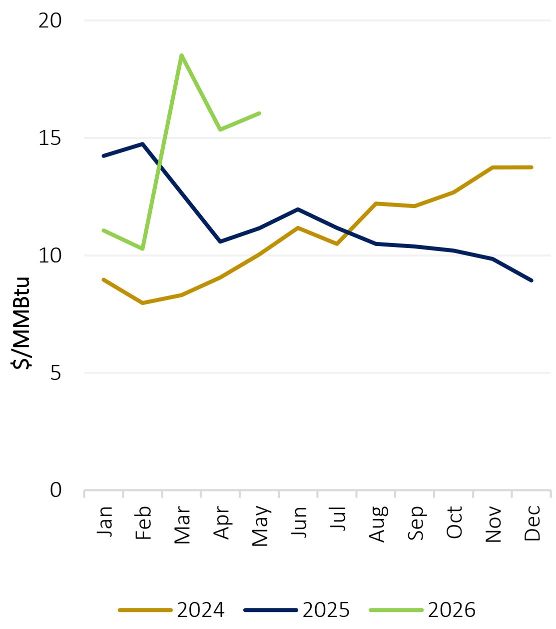
6.1.1.4 South American spot LNG prices

In May 2026, the South America (SA) spot LNG price increased by 5% m-o-m to average $16.04/MMBtu, although it remained 44% higher y-o-y (Figure 121). During the month, daily SA spot LNG prices rose to a high of $18.21/MMBtu.

The SA spot LNG prices continued to align with broader global LNG market trends, tracking gains in European and Asian prices. Average delivered LNG prices reached $16.08/MMBtu, $15.81/MMBtu and $16.24/MMBtu in Argentina, Brazil and Chile, respectively.

For the period January to May 2026, the SA spot LNG price averaged $14.25/MMBtu, up 12% y-o-y.

Figure 121: Monthly South American spot LNG prices

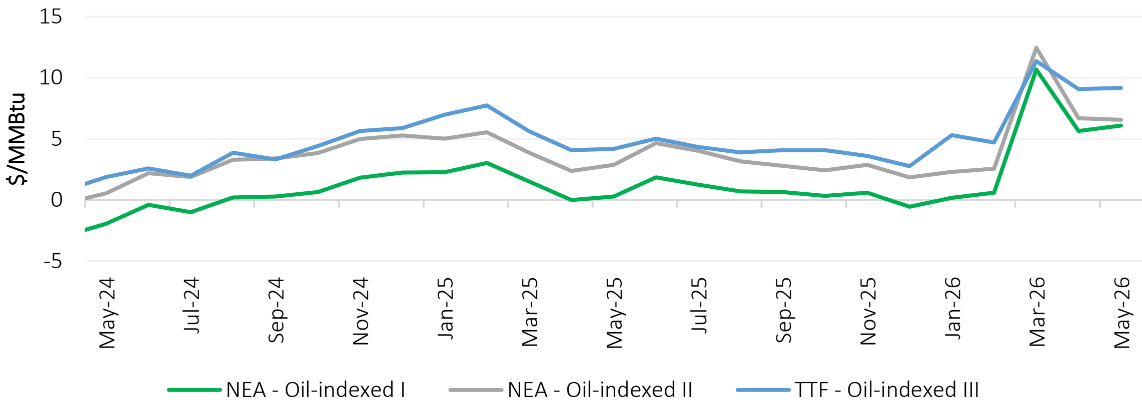


Source: GECF Secretariat based on data from Argus
Note: SA LNG price is an average of the LNG delivered prices for Argentina, Brazil and Chile based on Argus assessment

6.1.2 Spot and oil-indexed long-term LNG price spreads

In May 2026, the Oil-Indexed I LNG price rose modestly by 9% m-o-m and 5% y-o-y, averaging $11.93/MMBtu. Meanwhile, the Oil-Indexed II LNG price increased more sharply, rising by 15% m-o-m and 31% y-o-y to $11.46/MMBtu. In Europe, the Oil-Indexed III LNG price increased by 8% m-o-m at $7.05/MMBtu, but was still 5% lower y-o-y. During the month, the premium of NEA spot LNG over Oil-Indexed I increased marginally to $6.1/MMBtu, while the premium over Oil-Indexed II declined to $6.6/MMBtu. Similarly, the TTF spot gas premium over Oil-Indexed III narrowed to $9.2/MMBtu (Figure 122).

Figure 122: Spot and oil-indexed LNG price spreads



Source: GECF Secretariat based on data from Argus and LSEG
Note: Oil-indexed I LNG prices are calculated using the traditional LTC slope (14.9%) and 6-month historical average of Brent. Oil-indexed II LNG prices are calculated using the 5-year historical average LTC slope (12.1% for 2026) and 3-month historical average of Brent. Oil-indexed III LNG prices are based on Argus' assessment for European oil-indexed long-term LNG prices.

6.1.3 Regional spot gas & LNG price spreads

In May 2026, the NEA–TTF price spread increased to $1.8/MMBtu, as the NEA spot LNG price experienced a sharper uptick than the TTF spot gas price (Figure 123). Similarly, the TTF–HH price spread increased slightly to $13.3/MMBtu (Figure 124).

Figure 123: NEA-TTF price spread

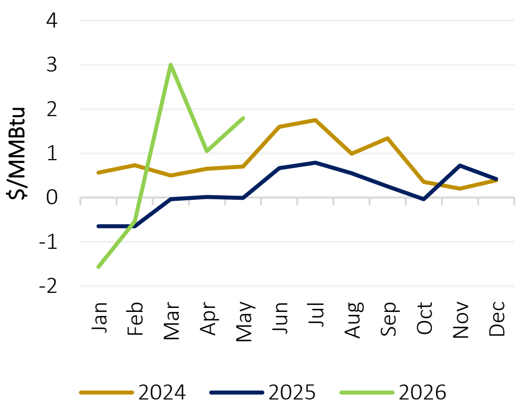
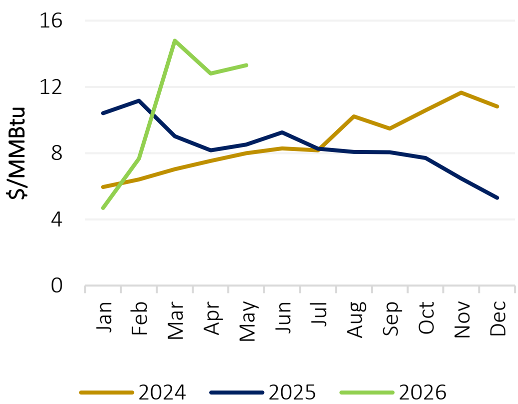


Figure 124: TTF-HH price spread



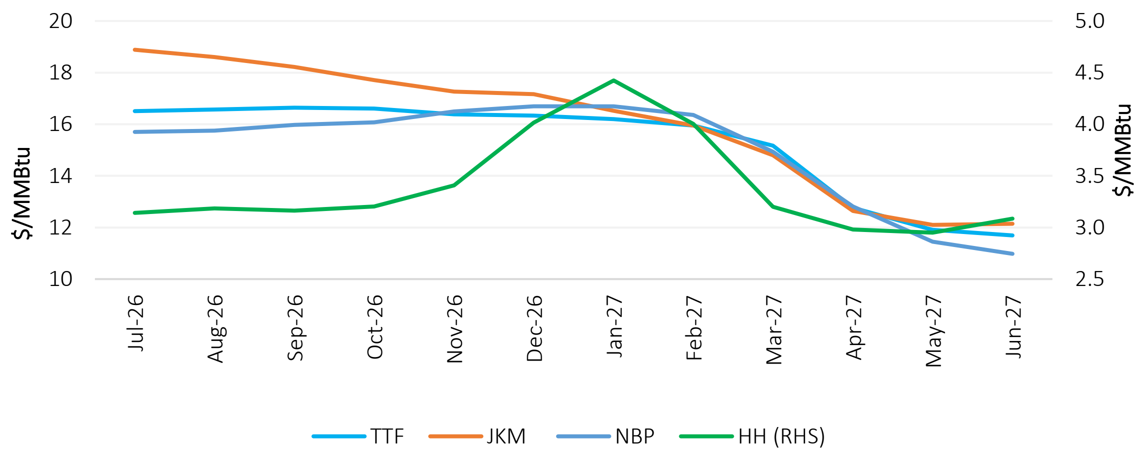
Source: GECF Secretariat based on data from Argus and LSE

6.1.4 Gas & LNG futures prices

As of 9 June 2026, average futures prices for the 12-month period from July 2026 to June 2027 stood at $15.23/MMBtu for TTF, $14.99/MMBtu for NBP, and $16.00/MMBtu for JKM (Figure 125), all slightly lower than the expectations presented in the GECF MGMR May 2026 assessment on 15 May 2026. Over the same period, Henry Hub futures averaged $3.40/MMBtu, marginally above previous expectations (Figure 126).

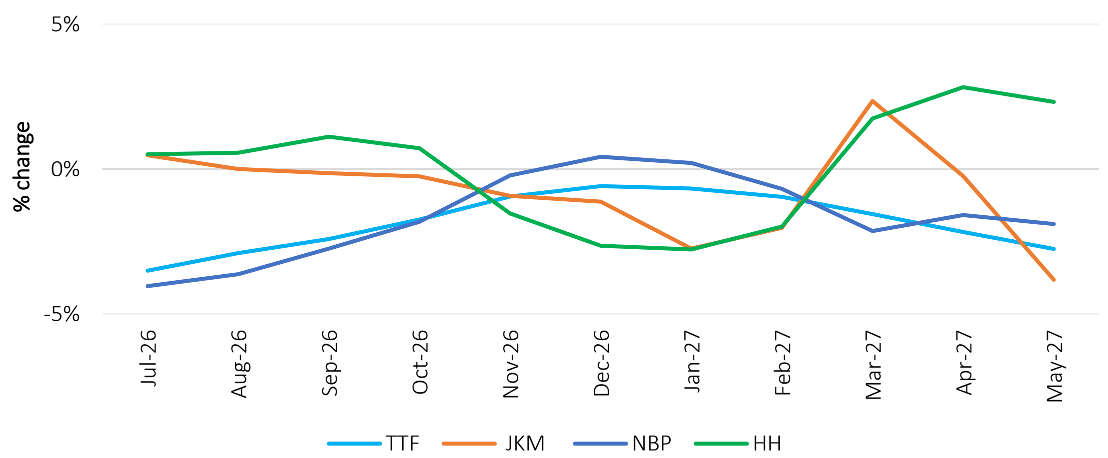
Looking ahead, the JKM–TTF spread is expected to remain relatively wide during the summer season before narrowing from Q4 2026. This spread is likely to support stronger flows of US LNG into Asia rather than Europe during the summer, as higher Asian prices provide more attractive netbacks for US LNG cargoes.

Figure 125: Gas & LNG futures prices



Source: GECF Secretariat based on data from LSEG
Note: Futures prices as of 9 June 2026

Figure 126: Variation in gas & LNG futures prices



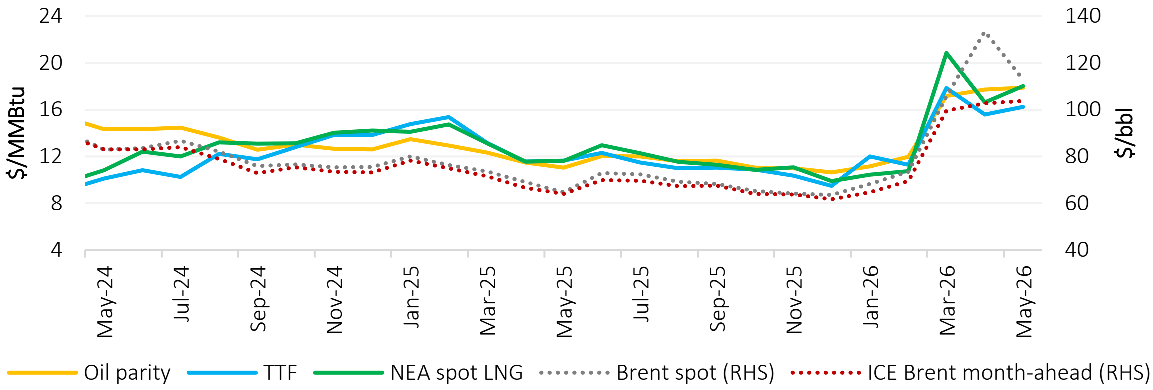
Source: GECF Secretariat based on data from LSEG
Note: Comparison with the futures prices as of 15 May 2026, as reported in GECF MGMR May 2026

6.2 Cross commodity prices

6.2.1 Oil prices

In May 2026, the average Brent crude spot price softened to $112.78/bbl, following the steep climb in the previous months, decreasing by 15% m-o-m and 74% y-o-y. Meanwhile, the month-ahead Brent price averaged $103.71/bbl, increasing marginally by 1% m-o-m and 62% y-o-y, marking its highest level since July 2022. Furthermore, TTF spot prices traded at a discount of $1.6/MMBtu to the oil parity price, while NEA spot LNG prices traded at discount of $0.1/MMBtu (Figure 127).

Figure 127: Monthly crude oil prices

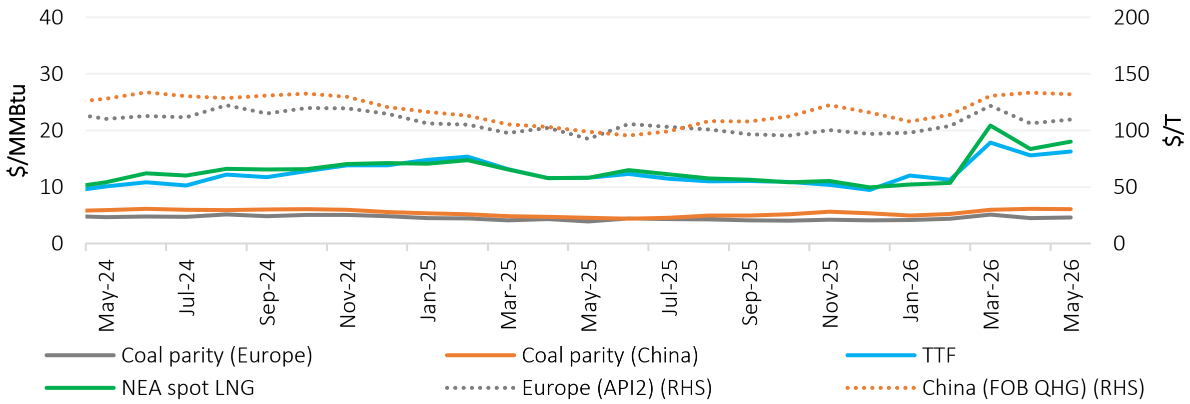


Source: GECF Secretariat based on data from Argus and LSEG
Note: Conversion factor of 5.8 was used to calculate the oil parity price in $/MMBtu based on the ICE Brent month-ahead price.

6.2.2 Coal prices

In May 2026, the European coal benchmark API2 increased by 3% m-o-m to an average of $109.71/t, although it remained 19% higher y-o-y. The premium of TTF spot gas over API2 parity widened compared to the previous month to $11.63/MMBtu. Meanwhile, in China, the Qinhuangdao (QHG) coal price averaged $132.07/t, declining by 1% m-o-m, but remained 34% higher y-o-y, whilst the premium of NEA spot LNG over QHG parity increased to $11.97/MMBtu (Figure 128).

Figure 128: Monthly coal parity prices

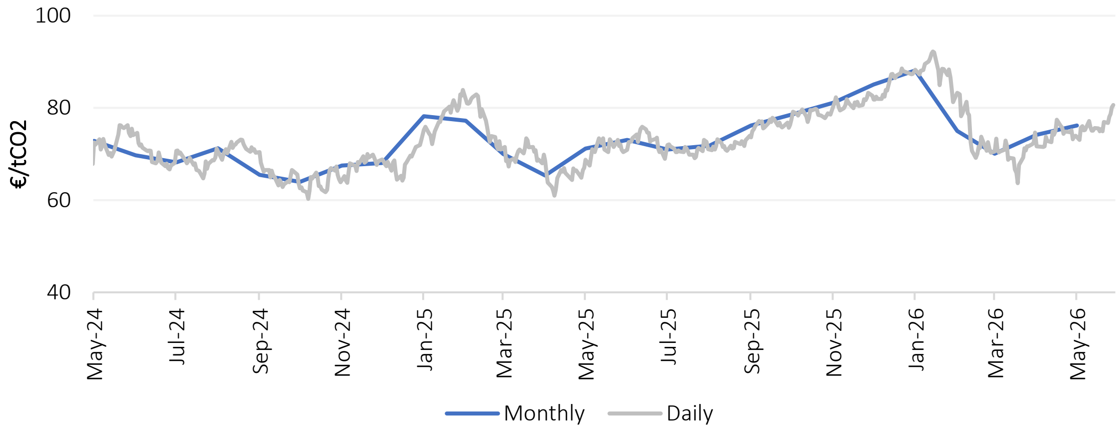


Source: GECF Secretariat based on data from Argus and LSEG
Note: Conversion factors of 23.79 and 21.81 were used to calculate the coal prices in $/MMBtu for Europe (API2) and China (QHG) respectively.

6.2.3 Carbon prices

In May 2026, the EU carbon price averaged €76.18/tCO_2, reflecting increases of 3% m-o-m and 7% y-o-y (Figure 129). During the month, the daily EU carbon price climbed to a peak of €80.63/tCO_2.

Figure 129: EU carbon prices

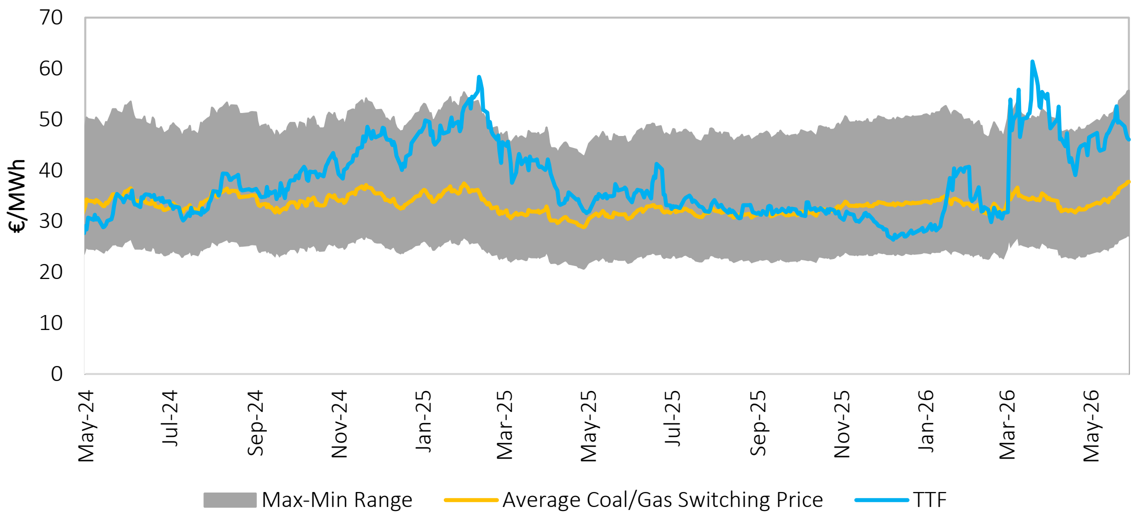


Source: GECF Secretariat based on data from LSEG

6.2.4 Fuel switching

In May 2026, TTF prices remained close to the upper bound of the coal-to-gas switching range (Figure 130). Notably, the average TTF price remained above the average switching level, although the spread narrowed to €12.3/MWh, allowing coal to remain relatively more competitive for power generation. Looking ahead, elevated TTF prices may continue supporting coal competitiveness in the EU power sector.

Figure 130: Daily TTF vs coal-to-gas switching prices



Source: GECF Secretariat based on data from LSEG

Note: Coal-to-gas switching price is the price of gas at which generating electricity with coal or gas is equal. The estimate takes into consideration coal prices, CO_2 emissions prices, operation costs and power plant efficiencies. The efficiencies considered for gas plants are max: 56%, min: 46%, avg: 49.13%. The efficiencies considered for coal plants are max: 40%, min: 34%, avg: 36%.

ANNEXES

Abbreviations

Abbreviation	Explanation
AE	Advanced Economies
AECO	Alberta Energy Company
Bbl	Barrel
bcm	Billion cubic metres
bcma	Billion cubic metres per annum
bcm/yr	Billion cubic metres per year
CBAM	Carbon Border Adjustment Mechanism
CBM	Coal bed methane
CCS	Carbon, Capture and Storage
CCUS	Carbon Capture, Utilization and Storage
CDD	Cooling Degree Days
CNG	Compressed Natural Gas
CO_2	Carbon dioxide
CO_{2e}	Carbon dioxide equivalent
CPI	Consumer Price Index
DOE	Department of Energy
EC	European Commission
ECB	European Central Bank
EEXI	Energy Efficiency Existing Ship Index
EMDE	Emerging Markets and Developing Economies
EU	European Union
EU ETS	European Union Emissions Trading Scheme
EUA	European Union Allowance
Fed	Federal Reserve
FID	Final Investment Decision
FSU	Floating Storage Unit

FSRU	Floating Storage Regasification Unit
G7	Group of Seven
GDP	Gross Domestic Product
GECF	Gas Exporting Countries Forum
GHG	Greenhouse Gas
HDD	Heating Degree Days
HH	Henry Hub
IEA	International Energy Agency
IMF	International Monetary Fund
IMO	International Maritime Organization
JKM	Japan Korea Marker
LNG	Liquefied Natural Gas
LAC	Latin America and the Caribbean
LPR	Loan Prime Rate
LT	Long-term
MMBtu	Million British thermal units
mcm	Million cubic metres
mmscfd	Million standard cubic feet per day
MENA	Middle East and North Africa
METI	Ministry of Trade and Industry in Japan
m-o-m	month-on-month
Mt	Million tonnes
Mtpa	Million tonnes per annum
MWh	Megawatt hour
NEA	North East Asia
NBP	National Balancing Point
NDC	Nationally Determined Contribution
NGV	Natural Gas Vehicle

NZBA	Net-Zero Banking Alliance
OECD	Organization for Economic Co-operation and Development
PNG	Pipeline Natural Gas
PPAC	Petroleum Planning & Analysis Cell
PSV	Punto di Scambio Virtuale (Virtual Trading Point in Italy)
QHG	Qinhuangdao
R-LNG	Regasified LNG
SA	South America
SPA	Sales and Purchase Agreement
SWE	South West Europe
T&T	Trinidad and Tobago
TANAP	Trans-Anatolian Natural Gas Pipeline
TCFD	Task Force on Climate-Related Financial Disclosure
Tcm	Trillion cubic metres
tCO2	Tonne of carbon dioxide
TFDE	Tri-Fuel Diesel Electric
TEU	Twenty-foot equivalent unit
TTF	Title Transfer Facility
TWh	Terawatt hour
UGS	Underground Gas Storage
UAE	United Arab Emirates
UK	United Kingdom
UQT	Upward Quantity Tolerance
US	United States
y-o-y	year-on-year

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