
Qatar has no plans to shut down LNG production

Monday, 16 Nov, 2009

Reuters cited Mr Ibrahim al Ibrahim economic adviser to the ruler of the Gulf Arab state as saying that Qatar will not shut down any gas production despite a supply glut.

Mr Ibrahim said that “I am not worried about the gas glut, there will be a glut in one area and not in another and that is where flexibility is important. We haven't reached a place where we cannot sell. We will not shut down any production.”

The International Energy Agency said that global gas demand looks set to fall this year and the market is likely to remain oversupplied until 2015, despite a rise in demand when the economy begins to recover.

Mr Ibrahim said that demand and price levels were expected to improve as the global economy clawed its way out of recession and would help to soak up excess supply on the market. We can see prices improving and I think with higher demand for energy in the future if the recovery is there I don't think there will be a glut.

He said that demand for LNG in China is also expected to see Qatar looking to lock in more supply deals with the world's second largest energy consumer. We are definitely looking into China as a potential and important customer I see more deals for China in 2010.

(Sourced from Reuters)

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