



POLAND PUTS ITSELF ON THE MAP OF THE WORLD LNG MARKET

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The global LNG market has gained new, important coordinates in 2016. The LNG terminal in Świnoujście, designed for the reception and regasification of liquefied natural gas, is the first such project in Central and Eastern Europe (CEE) and the only one of such magnitude to be situated at the entry to the Baltic from the Danish straits. On 17 June 2016, the Świnoujście LNG terminal received the first commercial delivery of LNG from Qatar. On 25 June, the Arctic Princess LNG tanker delivered the first spot shipment of LNG from Norway. Those two dates marked the opening of a new stage in energy security for Poland and the CEE countries.

Natural gas plays an increasingly important role in the global energy balance. It is expected that as early as 2030 the blue fuel's share will reach 25 per cent of all energy resources worldwide. These estimates show that it will soon become the second largest primary energy source after oil. The 19th century was commonly regarded as the age of coal, the 20th century was dominated by oil, and there are indications that the 21st century will be an era of natural gas. Consequently the significance and consumption of LNG will be growing.

The LNG sector is considered to be one of the fastest-growing segments of the fuel and energy sector. No wonder then that, with such dynamic growth, liquefied gas will represent 40 per cent of the forecast gas production growth worldwide. Europe is the second largest LNG market after Asia. The global LNG market is currently undergoing extensive transformation. New exporters of the fuel are emerging in the United States and Africa. Australia will take the lead among the largest suppliers, overhauling the incumbent leader, Qatar. According to forecasts, global LNG trade will increase significantly in the years to come, which, combined with infrastructure expansion, will make it possible to increase supply security. The recently commissioned LNG terminal in Świnoujście is proof that Poland wants to become an active player in the global LNG market.

Over the longer term, increased supply of natural gas and competition among suppliers will lead to decreasing prices of the commodity. Already now LNG prices are seen to be declining in the Asian market where the prices of the fuel are the highest. With the commissioning of the LNG terminal that will make it possible to receive gas by sea from virtually any source around the world, Poland will become integrated with the global liquefied gas trade market and will enjoy full freedom of choice among suppliers. It is

an important, but not the only, component of our energy security. We are developing gas interconnections with our neighbours and are also extracting gas from domestic resources. The more supply options we have, the greater flexibility we have in negotiating with business partners, especially in terms of gas prices. The end recipient should achieve a return on the investment.

Poland is seeking to integrate the country's infrastructure with the systems of countries in our region in order to create capacity for re-export of the commodity to neighbouring countries, for example to Ukraine. The elements of this integration include the North Gate project, which is the Baltic pipeline linking the Norwegian fields with Poland via Denmark, and the development of the LNG terminal in Świnoujście. The latter can serve not only the domestic market and improvement of Poland's energy security, but it can also allow the fuel to be brought from new and independent gas sources to the CEE region. Poland's objective is to expand the infrastructure so as to enable real diversification of the sources and directions of gas supply, which will translate into greater security of supply and competitive prices.

Key hub in Europe's North-South gas corridor

The LNG terminal in Świnoujście currently has annual regasification capacity of 5 billion cubic metres of gas, with plans for further expansion of the terminal to reach 7.5 billion cubic metres. With such specifications, it will become the largest LNG installation in the Baltic region. A significant regasification capacity will make it possible to reduce dependency on Russian gas and hence to increase security of supply not only in Poland but also in other countries of the region. The terminal may also facilitate the development of new liquefied gas applications, including its use as environmental fuel for vessels and vehicles owing to the expansion of the LNG filling infrastructure. It can also be a source of supply for smaller terminals in the region and for small, local LNG installations situated within the country.

The terminal will also contribute to the expansion of the gas network in our country, facilitate its connection with the European system, and consequently strengthen Poland's position in Central and Eastern Europe. The Świnoujście terminal is to become a major hub in the planned North-South Corridor which is to run from Świnoujście via southern Poland, the Czech Republic, Slovakia and Hungary, to the Adriatic Sea. ■