

# FEDERAL RESERVE BANK OF DALLAS

ENERGY SECTOR: INVESTMENT, REGULATION &  
BINATIONAL STRATEGY

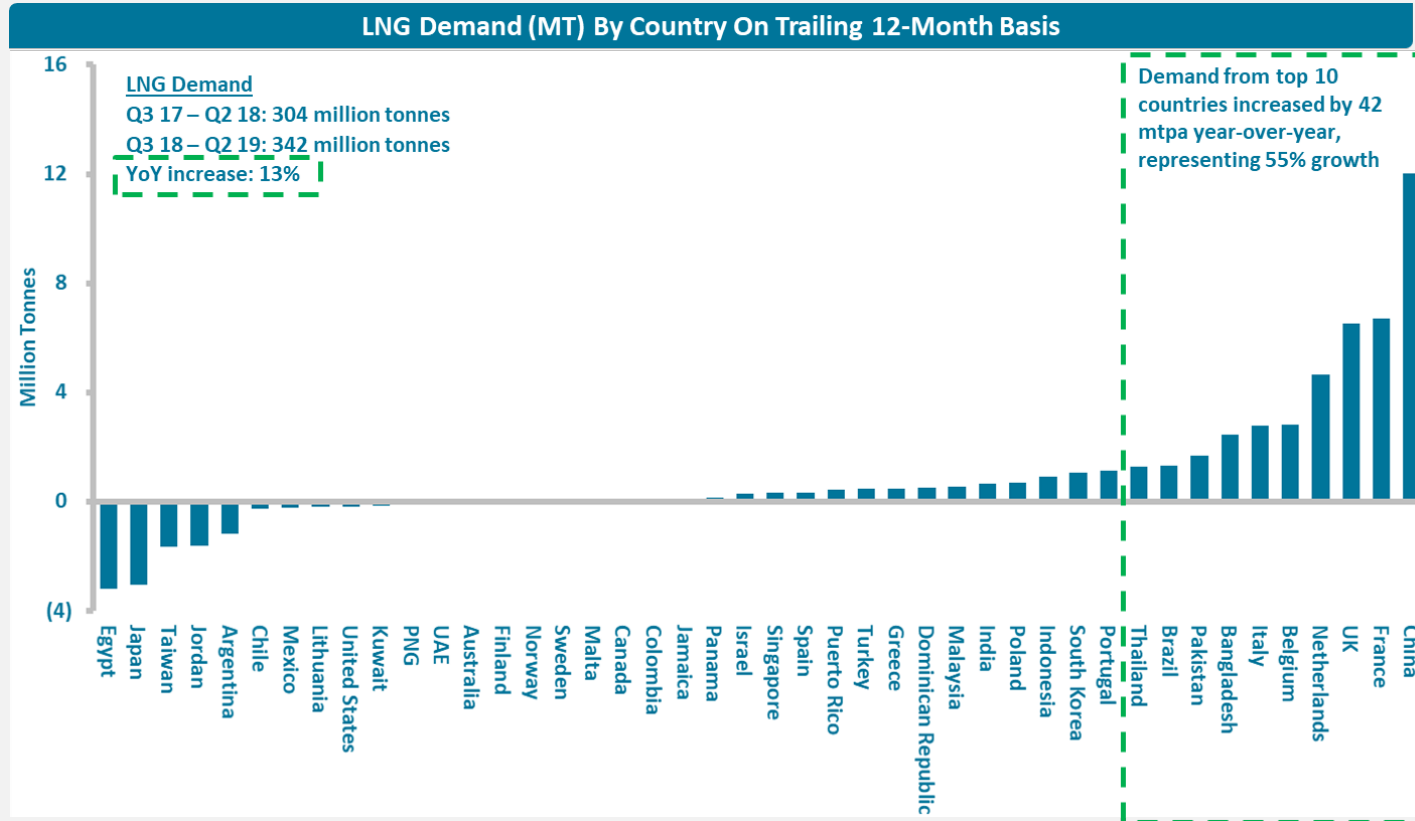
CURT ANASTASIO: CHAIRMAN, GASLOG PARTNERS LP

September 26, 2019



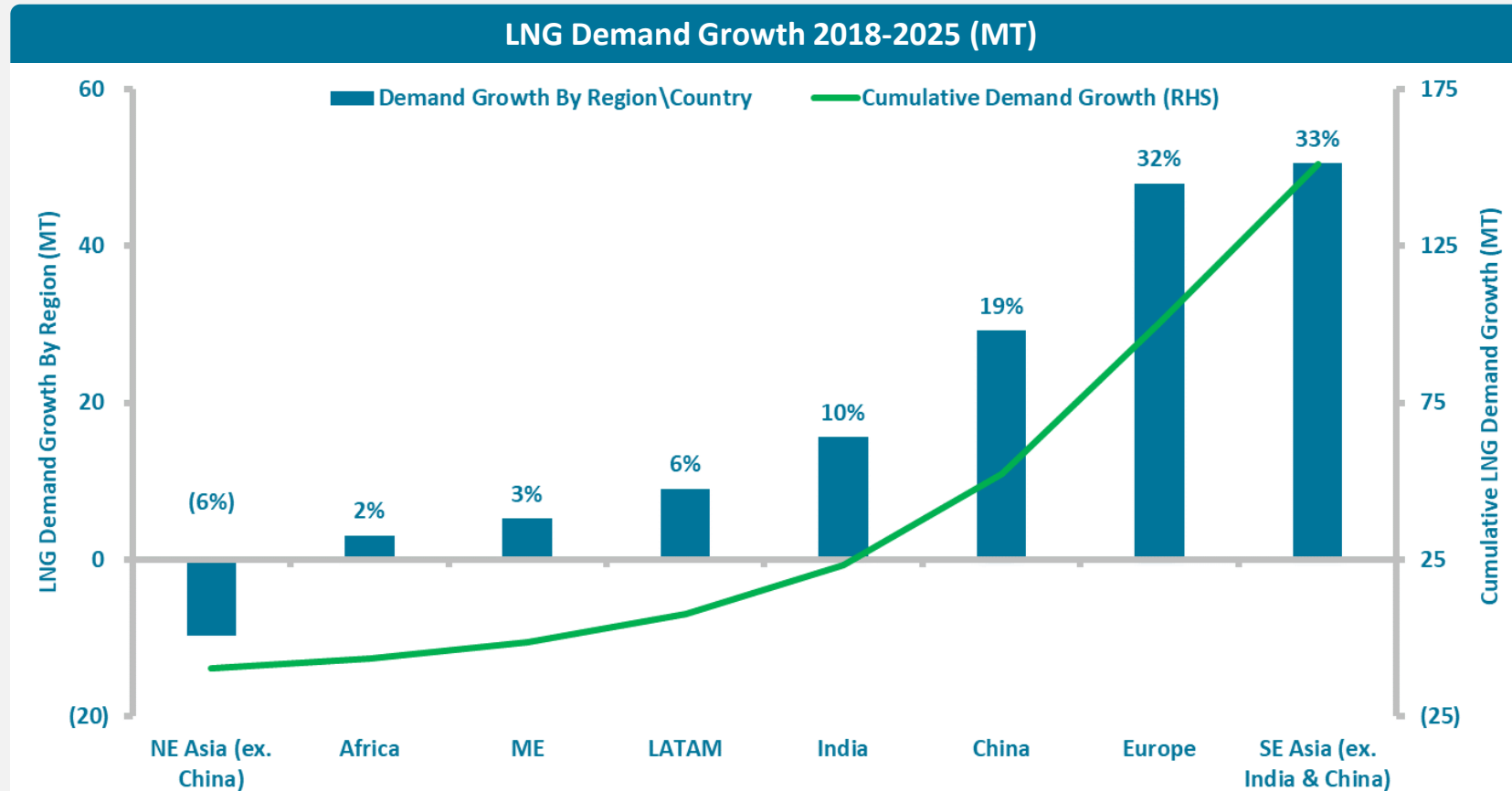
MACRO OUTLOOK BULLISH FOR  
GLOBAL LNG

# LNG DEMAND CONTINUES TO INCREASE...



• Source: Poten

## ...AND FORECASTED DEMAND GROWTH IS GLOBALLY DIVERSE

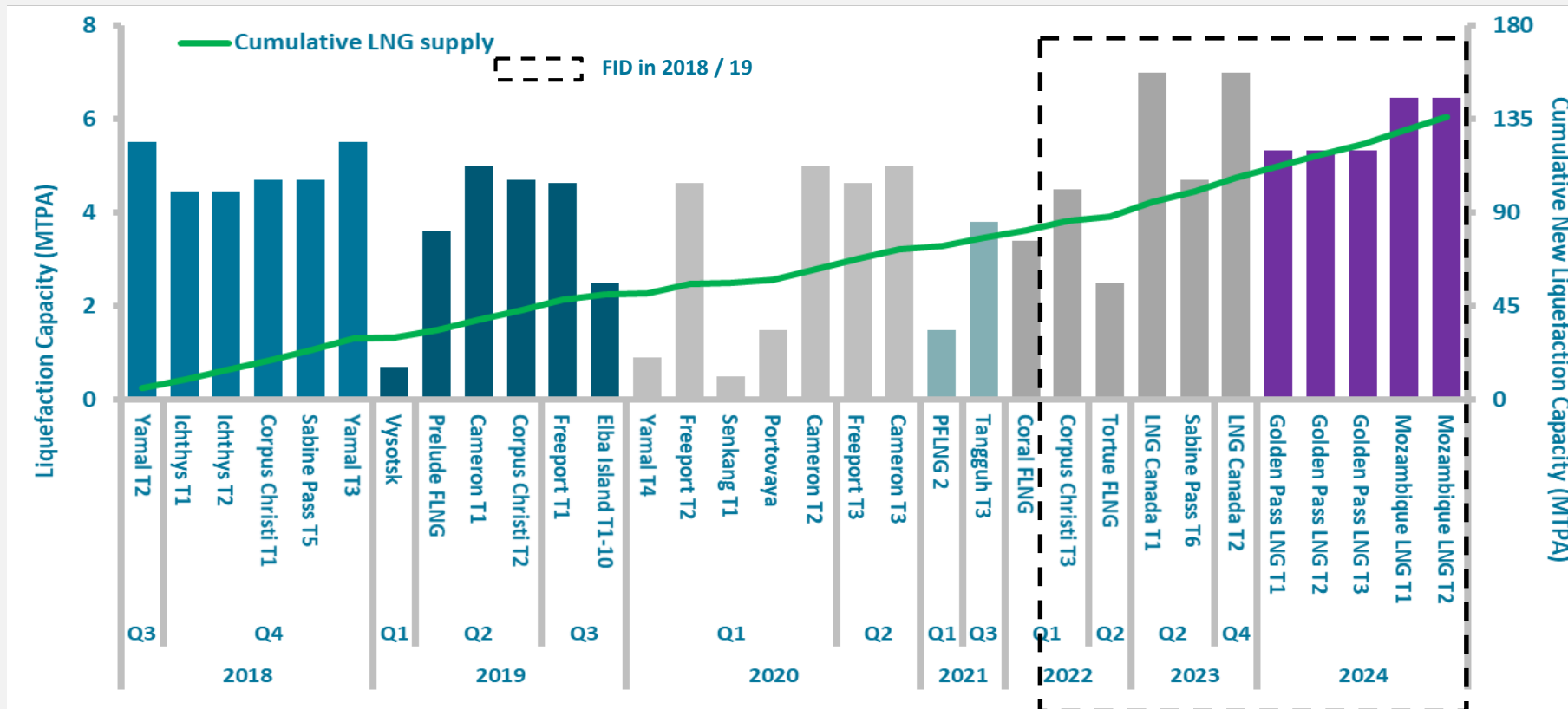


• Source: Wood Mackenzie

**Over 80% Of Forecasted Demand Growth Is Outside Of China During 2018-25**

# EXPECTED LNG SUPPLY GROWTH THROUGH 2024 UNDERPINNED BY US PRODUCTION & RECENT FIDS

Actual And Expected LNG Capacity Additions Q2 18-2024



• Source: Wood Mackenzie

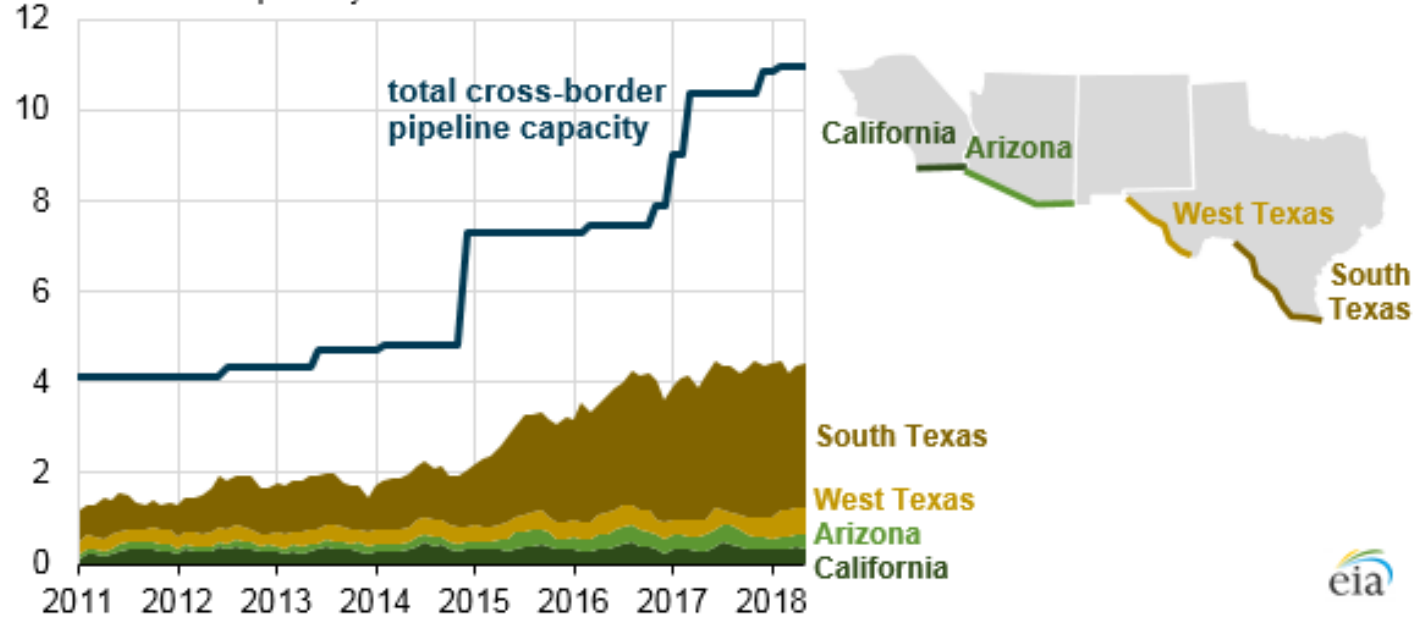
<b>Mexico's Key Energy Statistics</b>		<b>world rank</b>
<a href="#">Total Primary Energy Consumption</a>	7.941	
2016	Quadrillion Btu	14
<a href="#">Total Primary Energy Production</a>	7.339	
2016	Quadrillion Btu	16
<a href="#">Total Petroleum and Other Liquids Production</a>	2,084	
2018	Thousand Barrels Per Day	11
<a href="#">Exports of Crude Oil including Lease Condensate</a>	1,236	
2016	Thousand Barrels Per Day	13
<a href="#">Imports of Dry Natural Gas</a>	1,770	
2017	Billion Cubic Feet	8

**BUT IN MEXICO, US PIPELINE GAS  
DISPLACING LNG IMPORTS**

**2018: 8.7 Billion Cubic Feet**

Monthly U.S. natural gas exports to Mexico by pipeline (Jan 2011–May 2018)

billion cubic feet per day



U.S. NATURAL GAS PIPELINE EXPORTS INCREASE WITH COMMISSIONING OF NEW PIPELINES IN MEXICO

**US EXPORTS  
DEPEND ON  
MEXICAN PIPELINE  
EXPANSION AND  
CONSTRUCTION,  
WHICH HAVE BEEN  
PROBLEMATIC**

# THE WALL STREET JOURNAL.

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<https://www.wsj.com/articles/transcanada-sempra-to-build-mexican-offshore-pipeline-1485848440>

BUSINESS

## TransCanada, Sempra to Build Mexican Offshore Pipeline

Companies bid \$2.1 billion to build, own and operate the natural gas pipeline from Brownsville, Texas, to the Mexican Gulf port of Tuxpan

*By Anthony Harrup*

Updated June 13, 2016 4:20 pm ET

MEXICO CITY—TransCanada Corp. and the Mexican unit of Sempra Energy on Monday won a contract to build a 500-mile offshore pipeline to carry natural gas from South Texas to northeastern Mexico.

Infraestructura Marina del Golfo, which is 60% owned by TransCanada and 40% by Infraestructura Energética Nova SAB, bid \$2.1 billion to build, own and operate the pipeline from Brownsville, Texas, to the Mexican Gulf port of Tuxpan.

The line will run under the Gulf of Mexico with capacity to transport 2.6 billion cubic feet a day of natural gas. It will supply power plants of Mexican state electric utility Comisión Federal de Electricidad, or CFE, under a 25-year service contract. The CFE said the transport tariff offered was among the most competitive globally.



THE WALL STREET JOURNAL.  
**WSJ**



MEXICO NEARS DEAL TO  
RESOLVE PIPELINE CONFLICT

“The Administration of Mexican President Andres Manuel Lopez Obrador has reached a preliminary agreement with four private energy companies to resolve a monthslong conflict over natural-gas-pipeline contracts.”

-The Wall Street Journal

August, 2019

Bloomberg



Markets

## A \$2 Billion Gas Pipe Is Rare Flashpoint on Friendly Texas Turf

By [Rachel Adams-Heard](#)

July 17, 2019, 11:48 AM EDT

- ▶ Dispute puts ranchers at odds with anti-flaring activists
- ▶ Lack of pipelines leading Permian producers to burn off gas

BUT MEXICO IS NOT ALONE WITH  
INFRASTRUCTURE CHALLENGES

# CONCLUSION

- GLOBAL LNG SUPPLY-DEMAND OUTLOOK IS ROBUST
- RISING US NATURAL GAS PRODUCTION AND DECLINING MEXICAN PRODUCTION HAVE RESULTED IN EXPORTS OF PIPELINE GAS TO MEXICO, RENDERING MEXICAN LNG IMPORT FACILITIES LARGELY REDUNDANT
- LOGISTICS CHALLENGES ON BOTH SIDES OF THE BORDER HAVE IMPEDED PROGRESS BUT THEY ARE BEING RESOLVED