

Listen to a business news report about the gas industry.

Optional activity:

While you listen, complete these sentences with words taken from the report.

1. Gas will soon become as important to the world as _____ is today.
 2. There has been a global _____ in demand for natural gas.
 3. The cleanest fossil fuel to burn is _____.
 4. In the past it was only possible to transport gas short distances using _____.
 5. Gas can now be frozen into _____ form and shipped in refrigerated tankers.
 6. LNG is the abbreviation for liquefied _____.
 7. There are _____ and _____ risks associated with the development of LNG.
 8. Despite high _____ costs, energy firms are investing heavily in LNG projects.
 9. _____ could soon have a high level of control over the LNG market.
 10. Experts say that gas could be the dominant fuel for the next _____ years.
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Next on tonight's business investment news we'll be looking at the gas industry. Many analysts, energy companies and their investors believe that gas will soon become as vital to the world's economy as petroleum is today.

And we've certainly seen the demand for gas surge in recent years. One of the main reasons for this is the search for more environmentally-friendly fuels. Gas burns much more cleanly than oil or coal. In fact, it's the cleanest burning fossil fuel, which makes it a very popular choice for new power stations all over the world.

However, until quite recently it was difficult, if not impossible, for the global gas industry to develop. The reason for this? Well, the problem is that gas, by its very nature, isn't as easy to transport as oil and coal.

Obviously, it's gaseous at room temperature, so a system of pipelines is needed to get it to the customer. This meant in the past, it could only be sold to customers who lived near a natural gas supply. It was too expensive to transport it very long distances via pipelines.

Fortunately, there is now a process which makes it easier to transport gas over longer distances. It's called liquefied natural gas. Put simply, gas can now be frozen into liquid form and transported to distant countries in refrigerated tankers. When the LNG is delivered it is heated and converted back into gas form. Then it is supplied to customers using local pipelines.

Having said that, there are two main risks associated with LNG: financial and political. Firstly, the cost of producing and shipping LNG today is still higher than transporting oil, although rapid innovations are reducing the costs. For instance, bigger tankers can now be used. What's more, the energy industry is expected to invest a massive \$100 billion in LNG over the next ten years despite the high capital costs.

Secondly, Russia and the former Soviet Union hold the world's largest natural gas reserves. Some analysts are therefore concerned that Russia will have a high level of control over the global LNG market within the next decade.

So, as we can see there are political and financial risks associated with the LNG business. Yet, the potential profits are enormous for energy firms with the capital to develop LNG projects. And many experts believe that gas will be the dominant fuel for at least another 50 years.

Answer key:

1. petroleum 2. surge 3. gas 4. pipelines 5. liquid 6. natural gas 7. financial/political 8. capital 9. Russia 10. 50