

QP Customers Angle for More Flexible LNG Contracts in Evolving Market

“As Qatar Petroleum readies its long-awaited expansion of the world’s largest offshore gas field, it is likely to face pressure from LNG buyers for more flexible contract terms in an increasingly competitive market QP has historically relied almost solely on oil indexation in its long-term contracts, but as global LNG markets increasingly commoditize and the use of benchmarks grows, Qatar’s commercial strategy has shifted, including greater use of the Japan Korea Marker,” reports Katie McQue in S&P Global.

“Due to market uncertainties, there is a likelihood we are transitioning from a place where Qatar was very much focused on achieving the best price for its LNG, to a place where they are thought to be more flexible on the pricing, if it means they can maximize the placement of their additional production, Jean-Michel Saliba a Middle East and North Africa economist and director with Bank of America Merrill Lynch.”

Read the article.