
Gas Industry Co supports Government decision to import LNG

Gas Industry Co welcomes the Government's decision to establish an LNG import facility, as announced by the Prime Minister and Hon Minister Watts this afternoon.

The decision to import LNG (Liquified Natural Gas) is essential to the reliability, flexibility and security of New Zealand's energy supply, and aligns with the findings of our soon to be released 2026 Gas Supply and Demand study.

At a time when New Zealand's indigenous gas supplies are declining, LNG will provide the flexibility we need to manage the transition towards a renewable energy future at a more measured pace and reduce the recent volatility in energy prices. LNG will allow businesses and households who currently use indigenous gas time to electrify, and the electricity and alternative fuel sectors time to adapt to the increased demand coming from gas switching.

LNG also provides an alternative for commercial and industrial gas consumers who cannot electrify, avoiding business closures, job losses, and a reduction in GDP.

"LNG is mission critical for energy security and reliability and supports the renewable energy future we want for New Zealand" says Gas Industry Co Chief Executive, David Prentice. "It will help provide businesses with the stability, certainty and relative affordability they need to invest and grow, creating jobs to support local communities and the wider economy."

Gas also provides the flexible backup necessary to support renewable electricity generation, particularly in dry years when hydro storage is low and during times of peak demand. As indigenous gas supplies decline, LNG can fill this role, ensuring security of electricity supply with fewer emissions than other forms of thermal backup, including coal.

"We look forward to continuing our work with Government and industry to ensure the framework and market conditions for the importing of LNG serve the best interests of New Zealand."