

LNG China

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Chinese buyers comfortable with limited spot exposure

Though softening LNG prices tend to support demand, Chinese buyers have already increased contracted term volumes in their portfolio and are comfortable with limited spot exposure for 2024, Wood Mackenzie finds. Contractual rights, for example, will be “under the microscope” in the months ahead as several Chinese state-owned majors find themselves rather over-supplied.

Over the coming months, end-user activity in Asia is set to ease with Chinese buyers already signing less contracts after a hectic period in 2021 and 2022, when several deals were struck with sellers in the United States and Qatar. Still, there was increased supply contract activity from Asian buyers last year who signed up for 32 million tons per annum (mtpa).

But as we move into 2024, con-

tractual rights are likely to be “under the microscope,”

Miaoru Huang, WoodMac’s research director of Asia-Pacific Gas and LNG reckons.

“Incremental Asian demand in 2024 may be limited due to gas-on-gas competition and stable coal supplies amid uncertain demand

for industrial energy,” she wrote in a report entitled Asia-Pacific Gas and LNG. Following a “mixed bag” last year of Asia-Pacific gas markets, demand in 2024 is forecast to grow by 5 percent, or 12 million tonnes.



Market length grows

Subdued gas demand in Europe leaves the global LNG shipping market at risk of oversupply, considering that 60 new carriers with a combined 10.4 million cubic metres of shipping capacity are due to

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China’s gas demand could peak in 2040, CNPC think tank reckons

Natural gas demand in China will peak in 2040 at just under 606 billion cubic metres (bcm), according to CNPC’s think tank, the Economic & Technology Research Institute (ETRI). Projections were slashed from earlier highs at 650 bcm but ETRI still views gas as vital for China’s green transformation with 70 percent of gas demand growth set to come from the power sector.

Advantages of gas-fired power plants are their capability to respond rapidly to load fluctuations to manage intermittency. According to ETRI data, it takes just 9 to 10 minutes for Chinese gas peaking plants to start up and reach full load – which combined with short construction periods and less land and water requirements makes them more attractive than other fossil-fuelled power stations.

But the cost of gas as a fuel source is comparatively high, and the core technology



CNPC's Tangshan LNG import terminal

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be commissioned in 2024. Wood Mackenzie sees limited organic LNG supply growth given that “the bulk of US LNG it’s still expected to be routed to Europe, rather than Asia, limiting demand for shipping and putting pressure on freight rates.”

Though Chinese majors avoid

spot cargoes and sign less term contracts, some buyers might take a more opportunistic approach, WoodMac’s vice president of gas research, Massimo di Odoardo says. US independent players may well leverage on low Henry Hub prices to seek more exposure to

global LNG prices by taking long-term LNG capacity positions, or more activity emerging in price sensitive Asian markets – if contract prices fall further.

But overall contracting activity will soften in 2024, not least because portfolio players and LNG

aggregators already signed a record signed 72 mtpa of long-term contracts in 2022 and 2023. With most Qatari equity deals now finalised, portfolio players – and prudent Chinese buyers – will be more selective in building their portfolio further. ■

Quest to settle LNG trades in yuan grows louder

Chinese LNG buyers are getting increasingly assertive in their quest to settle LNG deals in yuan, instead of US dollar. CNOOC and the French utility ENGIE recently completed a yuan-settled LNG trade through the Shanghai Petroleum and Natural Gas Exchange – the third such LNG trade achieved by the Chinese last year and with more on the horizon in 2024.

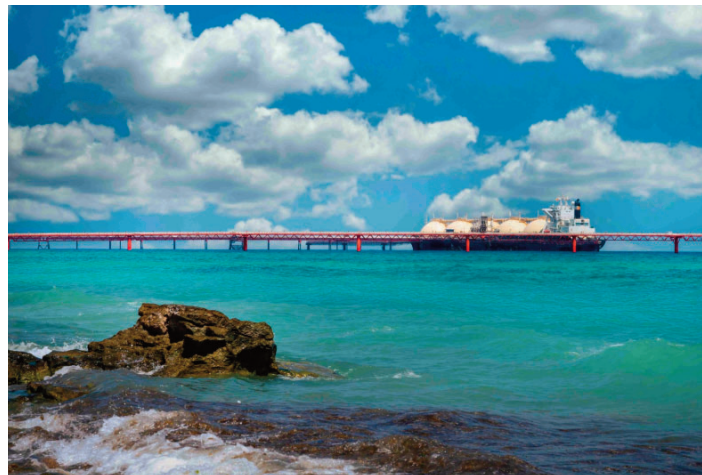
According to the Shanghai exchange, the deal was sealed in mid-October with a view to get a cargo of 65,000 metric tons of LNG delivered in November. That cargo is understood to have arrived from Abu Dhabi. CNOOC commented at the time the cargo delivery to the Dapeng LNG terminal marked progress by China towards more yuan settlement of cross-border energy trade.

Effort to weaken US\$’ dominance

LNG imports complement CNOOC domestic gas production and the Chinese government recently urged companies to settle oil and gas trades in yuan “where possible” in an effort to weaken the US

dollar’s dominance in energy trading. CNOOC’s first yuan-settled trade was arranged with TotalEnergies in March, while Singapore’s Pavilion Energy is understood to have also settled such a deal in August 2023 and aspires to arrange more this year.

Abu Dhabi’s state-run oil and gas major ADNOC seems open for selling LNG shipments denominated in the Chinese currency. The first such deal was struck in April last year between PetroChina and ADNOC in cooperation with TotalEnergies. The actual cargo for that transaction arrived from Das Island in Abu Dhabi in May and was unloaded at PetroChina’s main terminal in southern Guangdong province.



Analysts suggested the Chinese economy could “benefit hugely” by partly paying for its oil and gas imports in the local currency. Asia’s largest economy imported more than 500 million

tonnes of crude oil last year and more than 100 million tonnes of natural gas by pipeline and as LNG and with the LNG portion amounting to 63.44 million tonnes. ■

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of China-made gas turbines still lags behind international levels,

ETRI concedes, suggesting this has hampered the switch to gas-fuelled power generation to some extent in China. In the medium- to long-term, gas is projected to account for up to 12 percent of the country’s primary energy mix – substantially less than the current 27 percent – as the rapid build-out of wind and solar power sources can also be backed up by coal-fired peaking plants.

Non-fossil energy consumption is set to expand at a much higher rate than fossil energy, with the growing contribution of renewables allowing China to become

increasingly self-sufficient. Come 2040, non-fossil energy is expected to make up more than half of China’s energy mix and much of that renewable energy will be used to make green hydrogen. Already in 2023, China consumed over 36 million tons of hydrogen and demand could reach between 70 million and 120 million tons by 2060, with up to 85 percent of that volumes produced via electrolysis from wind and solar power.

The remaining backbone of fossil power station will likely be retrofitted with carbon capture,

utilisation and storage (CCUS) technology to achieve the government’s carbon neutrality target. ERTI analysts reckon China’s use of CCUS technology could capture between 1.4 million tons and 2.1 million tons of carbon dioxide by 2060, potentially used for enhanced oil recovery or as a feedstock for the chemical industry.

Looking ahead, analysts at CNPC’s think tank are convinced that only an integrated development of fossil and green energy sources can build a new and stable energy system for the Peoples’ Republic. ■

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Sinopec sources sizable volumes from gas-rich Sichuan Basin

China Petroleum and Chemical Corp. (Sinopec) has announced sizeable natural gas and oil flows from a strategic shale project in southwest China. Sinopec said the Xingye-9 well located in the gas-rich Sichuan Basin, tested a daily flow of 108.15 cubic metres of oil and 15,800 cubic metres of natural gas.

“This well may lead to the discovery of 100 million metric tons of reserves,” said Sinopec in a statement. Successful drilling followed similar results in late 2021 when Sinopec discovered an initial 458 million tonnes (3.34 billion

barrels) of shale oil reserves at the Jiyang trough of its Shengli field in East China’s Shandong province.

Chinese oil majors have stepped up exploration in the nation’s substantial shale reserves to meet rising energy needs. China’s National

Bureau of Statistics announced on January 9 that China’s crude oil production grew by 3 million metric tonnes in 2023 to 208 million tonnes, or 4.16 million barrels per day, an increase of 1.6 percent over 2022.

At the same time, pipeline natural gas deliveries from Russia via the “Power of Siberia” pipelines keep rising as well as LNG imports. Sinopec recently announced that the nation’s largest LNG storage tank had been put into service at the Qingdao terminal in Shandong province. The world’s largest terminal tank at Qingdao has a capacity of 270,000 cubic metres and is part of a natural gas hub in that part of China that provides gas to several million households during the winter heating season. ■



Sinopec’s drilling rig in Sichuan province

ENN sources LNG from Ruwais

Abu Dhabi’s state oil company ADNOC has agreed to deliver at least 1 mtpa of LNG over a 15-year term to a subsidiary of China’s ENN Natural Gas which sells the fuels onwards to power generators. The LNG will primarily be sourced from ADNOC’s low-carbon Ruwais LNG project and ADNOC expects deliveries to start in 2028.

Under the deal, Singapore-based LNG aggregators will off-take the contracted volumes and ship them to China, where ENN will distribute it to industrial and utility customers.

ADNOC is fast-tracking the Ruwais LNG project with commercial operations slated to start in five years’ time. When completed, project’s two 4.8 mtpa liquefaction trains will more than double ADNOC’s LNG production capacity to help meet increased global gas demand. ■

China steps up coal & gas production as electricity demand soars

Chinese authorities are calling for higher domestic coal and gas production as electricity use increased throughout the second half of this year and is likely to hit a record-high this winter. Peak electricity demand is set to rise by 12.1 percent, or 140 GW this winter, China’s National Energy Administration (NEA) forecasts, warning of shortages in Yunnan province.

Last winter’s peak demand was 1,159 GW but NEA expects China’s energy hunger this year will be even more due to the country’s economic recovery and a hotter-than-normal summer. This summer’s peak electricity demand was some 50 GW higher than in the previous summer, a 3.6 percent rise from last year’s 1,390 MW.

Coal to cover bulk of demand

Generally, NEA sees China’s power supply during the winter as “guaranteed” but there may be shortages in Yunnan province and Inner Mongolia.

Eager to stabilise supply this winter, NEA wants to ensure that the production of thermal coal remains at a high level – especially coal with a high calorific level from Yunnan. Stocks of coal at power plants are meant to be kept a record high of 200 million tons – some 30 million tons more than

last year’s levels – in an attempt to guarantee stable electricity supplies.

Chinese coal miners in Yunnan and other regions were also told to maximise production prior the peak winter demand period and the government approved over 50 GW of new coal power even though it continues to build out solar and wind energy sources.

Aiming for price stability

As one of China’s main energy market regulators, NEA underlined the country’s gas strategy is to strengthen domestic production and long-term contracts to maintain price stability. The government aims for domestic gas to cover more than half of demand in

the long-term, allowing for gas to be used as a peak-shaving tool at times of high electricity demand.

CNOOC anticipates an 8 percent rise in gas demand year-on-year, covered both by LNG and rising Russian pipeline gas deliveries. NEA already reminded gas suppliers to fill up their storages to shield against possible supply disruptions in the international market.

To stabilise supply, Chinese companies sealed nearly 17 million tons per year of long-term LNG offtake accords last year, with Free-on-Board (FOB) making up nearly 60 percent of the total. At the same time, pipeline gas deliveries saw a staggering 54 percent increase. ■



Coal transported by rail to Chinese power station



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Seasonal rise in China-bound LNG cargoes contrasts with neighbours' low demand

A marked increase in LNG shipments headed to China makes up most growth in Northeast Asia's LNG demand while elsewhere, offtake is declining, shipbrokers at Poten & Partners find. China's LNG imports are forecast to jump to 43.7 million tons this winter, up from 34.8 mt last winter, while gas demand dwindles in Japan, South Korea and Taiwan.

Restarts of nuclear reactors and a rising output of renewable energy is eating into the use of gas as a fuel for power generation, even throughout the peak winter demand season. Northeast Asia's total LNG imports hence notched up to just 206.4 million tons in 2023, growing at a meagre 0.3 percent rate despite 5 percent growth in China, whose economy is finally gathering speed.

Economic growth in the region is expected to lift gas demand in the incoming year as well as in 2025, potentially pushing up LNG imports though much depends on the cost of competing fuels.

Shipbrokers estimate LNG cargoes headed to China average 7.3 million tons per month from October 2023 through to March

2024 – a significant increase from around 5.7 mmt/m last year.

Striving for price stability, Chinese gas buyers will primarily rely on long-term contracts – both for pipeline gas and LNG imports. Deliveries from long-term contracts signed between 2019 and 2021 increased by a substantial 7 million tons last year. Analyst at Oilchem hence assume another 5.3 million net increase in 2024 (see table).

Simultaneously, PipeChina data shows a marked increase in Russian gas via the eastern route. The volume in 2023 has exceeded 20 billion cubic meters as of early

2024 China's New Long-term LNG Import Contracts

Seller	Buyer	Quantity (Kt/y)	Term (Year)
Arctic LNG 2	CNOOC	660	20
Arctic LNG 2	PetroChina	660	20
Unknown	Beijing Gas	450	16
Unknown	Beijing Gas	400	2
QatarEnergy	Guangdong Energy	1,000	10
ExxonMobil	Guangdong Energy	1,000	10
Novatek	Zhejiang Hangjiaxin Clean Energy	140	10
Centrica	Shenergy Group	500	15
Petronas	Shenzhen Gas	840	10
Total		5,650	
End of Long-term Contracts in 2024			
DGI	Guangdong Energy	350	4
Gas Supply Reduction of the Year (Kt)		350	
Net Increase of Long-term Contracts 2024 (Kt)		5,300	

Source: OilChem

December this year – a new historical high – and deliveries will soon soar to the maximum contracted volume of 38 bcm.

Responding to higher gas prices, China managed to boost domestic production to more than 230 bcm

last year but analysts anticipate production growth will slow to 5 percent from 2024 as gas consumption is likely to slow over the coming two years on a sluggish economic recovery and greater contribution of renewable energy. ■

CNPC and PipeChina to buy 10 bcm/y from Russia's Far East

China National Petroleum Corp (CNPC) and PipeChina are eager to start design and engineering of a cross-border pipeline in the Far East with Russia's Gazprom early this year. A contract stipulates delivery of 10 bcm per year along the Far Eastern route, with Gazprom CEO Alexei Miller vowing first flows will start in early 2027.

Gazprom's deliveries of 10 bcm via the Far Eastern route across the Ussuri River near the cities of Dalnerechensk, Russia and Hulin, China, come on top of volumes coming via the Power of Siberia pipeline which are expected to reach the contractual level of 38 bcm per year in 2025. China is considering increasing gas import beyond the Power of Siberia's de-

sign capacity, Miller noted, indicating "such an agreement could be reached soon."

Analysts doubt, however, such a deal will be imminent considering negotiations about the initial deliveries of 38 bcm/y under a 30-year contract, worth some \$400 billion, were hard-fought on price. CNPC in February 2022 agreed to purchase gas from

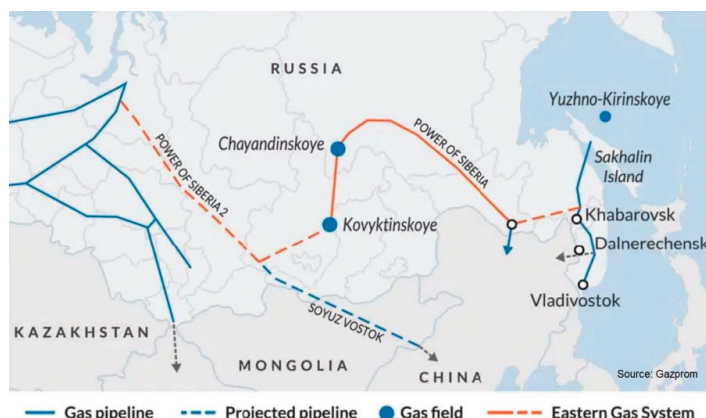
Sakhalin in the Russian Far East, which will be transported via a new pipeline across the Japan Sea to Heilongjiang province. Agreed volumes will reach up to 10 bcm/y starting from around 2026.

Pivoting east, Gazprom is negotiating with China and Mongolia to advance an interconnector which would deliver previously Europe-bound gas from fields in western Siberia to China starting from 2030. The proposed Power-of-Siberia 2 pipeline would carry natural gas from the Yamal peninsula in western Siberia over 2,600 km though eastern Mongolia to China's northeast Heilongjiang province. If all goes to plan, the pipeline would supply 50 bcm/y of Russian gas to China – just 5 bcm less than the now dysfunctional Nord Stream 1 pipeline linking Russia with Germany. ■

Sinopec buys 25 cargoes through end-2024

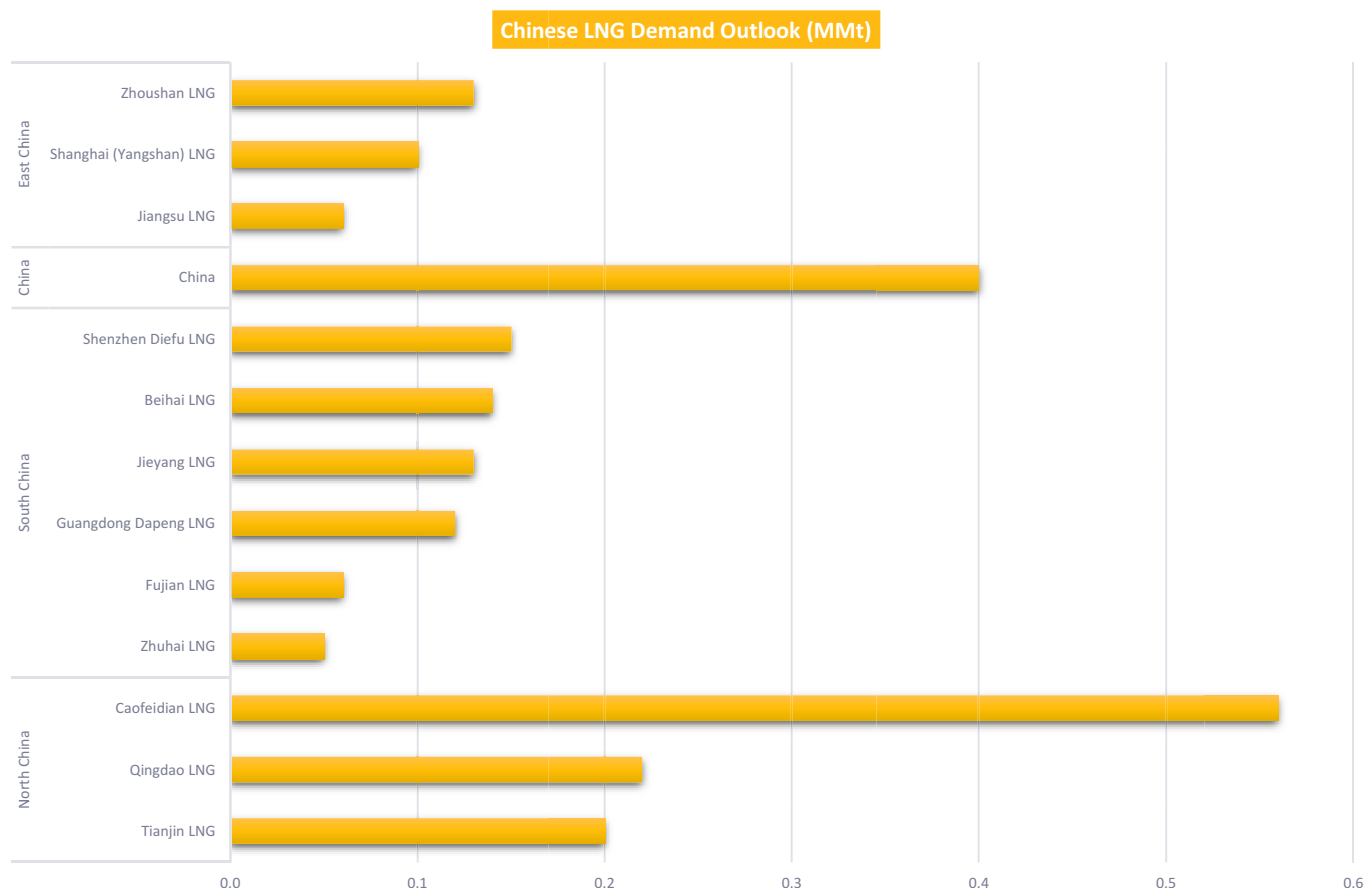
China's state-dominated gas giant Sinopec is well supplied, having issued a tender this autumn to purchase a total of 25 LNG cargoes, delivered on an ex-ship basis, between October 2023 and the end of this year. The price of these cargoes was not disclosed, though Sinopec wanted them to be indexed to the Japan-Korea-Marker (JKM) benchmark, except for the first one.

The first shipment was delivered in October, followed by six in November and seven in December – leaving one cargo per month throughout 2024. Chinese authorities urged importers and domestic gas producers to source more of the cleaner-burning fuel as the country's electricity use increased throughout the autumn. ■



Chinese LNG Demand Outlook

There were 2.32mmt of LNG on the water with destinations in China according to our market visibility at the time of writing on 31 January. These cargoes had an estimated delivery horizon of 27 February. Only one of these inbound cargoes had originated in the United States, however, whilst more than a third (0.78mmt) was derived from Qatar followed by 0.71mmt from Australia. Five cargoes totalling 0.40mmt were broadly headed for China but still had to declare their destination terminals.



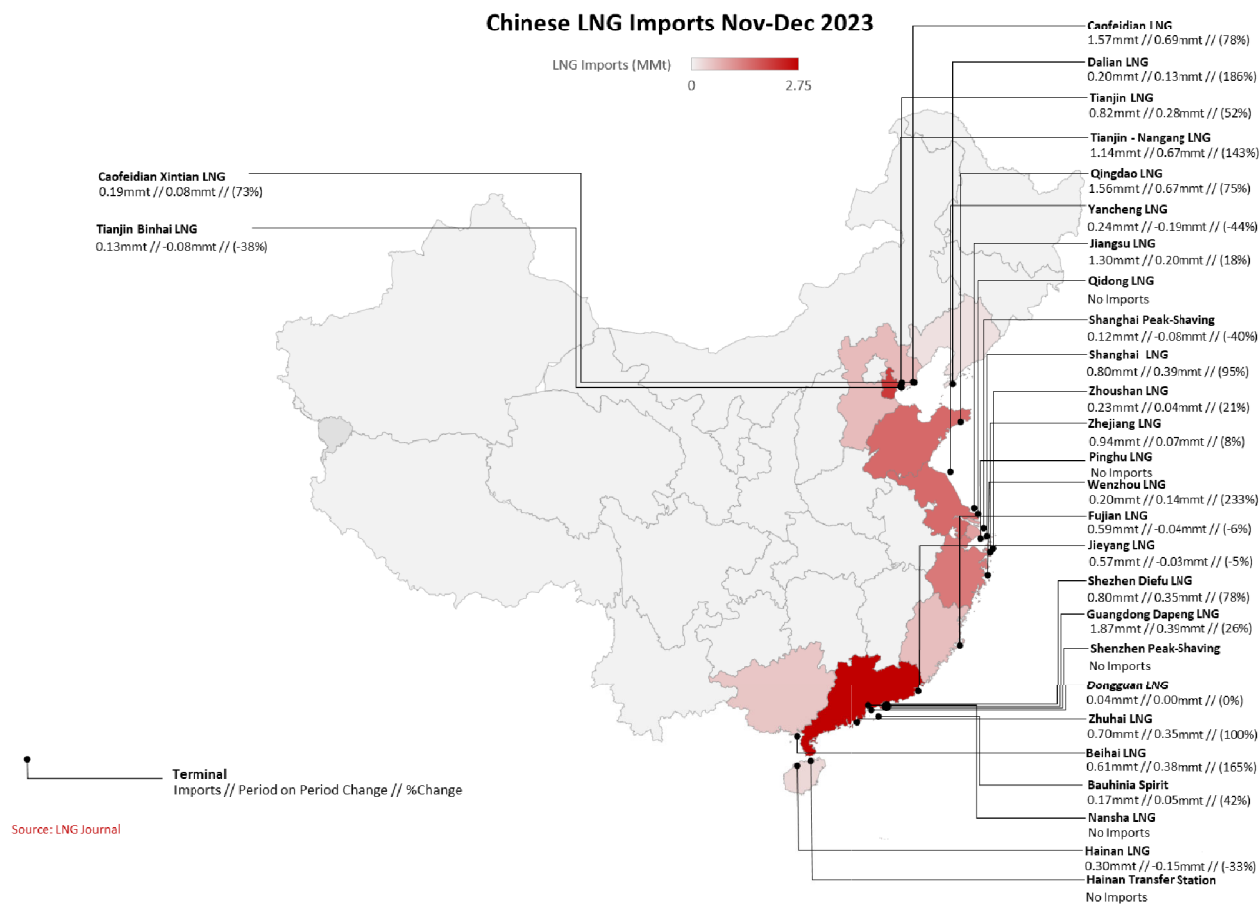
Source: LNG Journal

Most LNG cargoes still in transit at the time of writing and with scheduled arrivals at specified ports in China were due to arrive in North China and amounted to 0.98mmt, led by Caofeidian LNG, which as a destination was followed by the Tianjin LNG terminal. However, we highlight that cargoes tagged with destination 'Tianjin' or 'Caofeidian' have frequently been arriving at either Tianjin-

Nangang LNG or are being diverted to other Chinese terminals shortly after arriving in Chinese waters. Concurrently, the South China region was looking to receive roughly 0.65mmt, led by 0.15mmt headed for the Shenzhen Diefu LNG terminal. Anticipated LNG deliveries to East China amounted to 0.29mmt. Apparent demand there was led by 0.13mmt going to the Zhoushan LNG terminal at the time of writing.

Five LNG cargoes totalling 0.40mmt were broadly headed towards China but without specifying an arrival port. The shipments aboard the Mubaraz, Maran Gas Agamemnon, Kool Firn, Al Dafna and the Clean Vision had an arrival horizon of 27 February.

Chinese LNG Demand: November-December 2023



China's monthly LNG offtake in December amounted to 8.22mmt, our data showed at the time of writing, which constituted monthly demand growth of 1.35mmt from the 6.87mmt we recorded in November. Chinese demand during the reporting period of November and December of 15.09mmt thus increased by 4.09mmt (37 percent) from total imports of 11.0mmt during the preceding two-month reporting period of September and October 2023. China's LNG imports in September and October stood at 5.63mmt and 5.37mmt, respectively. Accordingly, China's annualised LNG import capacity utilisation during the current reporting period stood at roughly 81 percent, up 22pp from the previous reporting period of September-October. The amount imported during the reporting period also constituted a robust increase of 1.71mmt (13 percent) from the 13.38mmt we recorded during the November-December period of 2022.

Prices

Our calculations based on Chinese customs data indicate a tightening of China's landed LNG prices to an average of US\$22.56/mmBtu

during the reporting period of November-December, still down from peaks of US\$27.58/mmBtu in January and US\$29.01/MMBtu in February but nonetheless up from US\$19.30/mmBtu during the period of September-October.

In 2023, China surpassed its government-set growth goals for GDP, driven by robust performance in the final three quarters of the year. The statistics bureau's data reveals a resurgence in the industrial and services sectors, alongside a revival in consumer spending starting in the second quarter. Additionally, sectors previously lagging, including foreign trade and private investment, demonstrated indications of recovery in the final quarter. Notably, Chinese GDP exceeded expectations, expanding by 5.2 percent year-on-year at constant prices.

Chinese domestic LNG prices began to trend higher in November and December whilst still remaining far from their peak of US\$27/mmBtu in March 2022 and a short spike to US\$23.63/mmBtu in December 2022. In the current reporting period of November/December, the highest privately quoted domestic price had increased to

US\$19.04/mmBtu on 30 November. Accordingly, the average Chinese domestic LNG price during the reporting period increased to US\$15.11/mmBtu from around US\$12.31/mmBtu during the previous period.

Meanwhile, the average domestic price indicated by the National Bureau of Statistics (CNBS) stood at US\$14.96/mmBtu for the first half of January (the most recent available dataset by the CNBS), which represents a decrease of US\$1.34/mmBtu (-8 percent) from US\$16.30/mmBtu in December.

North China

LNG demand increased in the north of China during the reporting period up to 31 December, with offtakes up by 2.44mmt from 3.17mmt in the two months of September-October to 5.61mmt for the reporting period of November-December. The largest shares of LNG influx into the region during the reporting period took place via the Caofeidian LNG terminal.

China's North led by Caofeidian LNG

Leading the roster of northern terminals by volumes imported, Caofeidian LNG took in 1.57mmt during the reporting period. This constituted an increase in offtakes by 0.69mmt (78 percent) compared to the previous two-month period. Imports consisted predominantly of nine Ras Laffan LNG cargoes and five from Russia's Atlantic Basin capacity at Yamal and Portovaya LNG. Deliveries were also made from Indonesia, Australia and the United States.

Qingdao LNG

Imports at Qingdao LNG amounted to 1.56mmt, up 0.67mmt (75 percent) from 0.89mmt in September-October, according to our data. These imports were led by Australia, which was the source of ten cargoes totalling 0.74mmt via Wheatstone LNG, Australia Pacific LNG, Queensland Curtis LNG and Gorgon LNG. Additionally, shipments amounting to 0.82mmt stemmed from Malaysia, Mozambique, Papua New Guinea, Qatar and the United States.

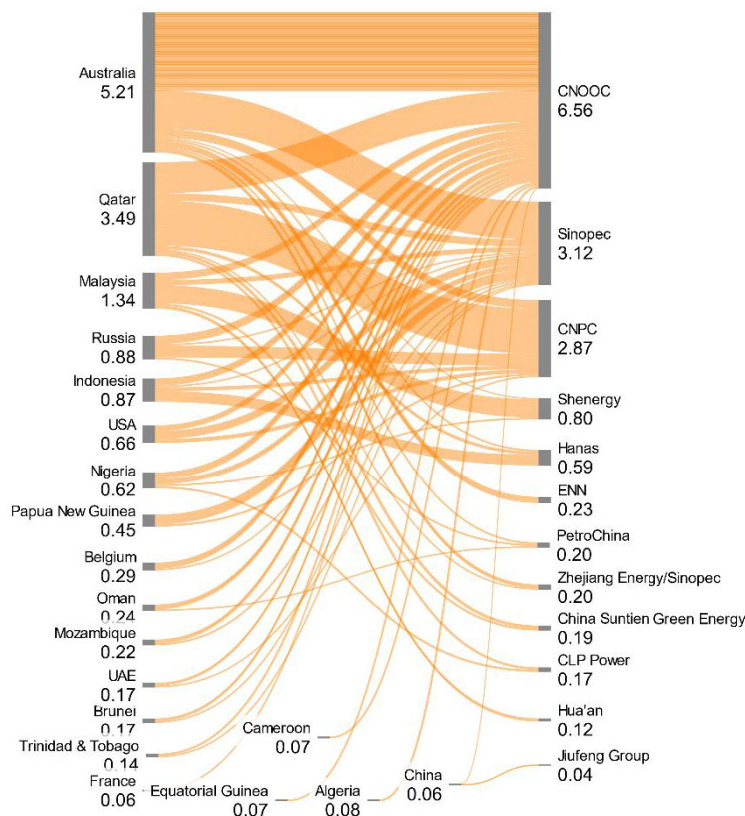
Tianjin - Nangang LNG

Tianjin - Nangang LNG, meanwhile, had offtakes amounting to 1.14mmt over the reporting period compared to 0.47mmt in September-October. The terminal thus saw an import increase of 0.67mmt (143 percent). Cargoes comprised, inter alia, six shipments from Australia.

Tianjin LNG, Caofeidian Xintian LNG, Tianjin Binhai LNG and Dalian LNG

The remaining four northern terminals – Tianjin LNG, Caofeidian Xintian LNG, Tianjin Binhai LNG and Dalian LNG – imported 1.34mmt over the reporting period, respectively, which in the case of Tianjin LNG stemmed predominantly from Qatar with

Chinese LNG Buyers (MMt)



Source: LNG Journal

0.48mmt. The new Tianjin Binhai terminal's imports amounted to 0.13mmt alongside 0.19mmt arriving at Caofeidian Xintian LNG.

November-December supply to Dalian LNG came entirely from Australia, Russia and Oman and amounted to 0.20mmt over the reporting period.

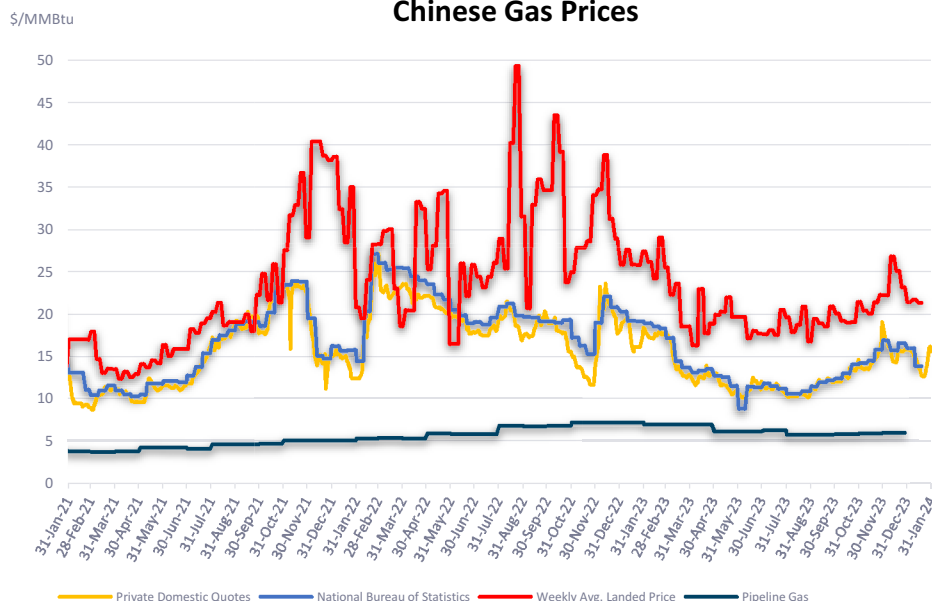
East China

At the time of writing, demand in East China was dominated by the wider Shanghai area, where Jiangsu LNG imported 1.30mmt during the reporting period. This placed the terminal fourth among China's leading terminals in November-December. Accordingly, it operated at well-above nameplate capacity. Overall, LNG demand in East China was up by 0.49mmt (15 percent) period-on-period to 3.83mmt in November-December from the 3.34mmt we recorded in September-October.

Wider Shanghai area

The remaining wider Shanghai area – comprising Qidong LNG, Shanghai LNG, the metropolis' peak-shaving facility as well as Pinghu LNG – imported a total of 0.92mmt over the reporting period. This was up 0.23mmt (33 percent) from the 0.69mmt we

Chinese Gas Prices



Source: LNG Journal, CNBS, GACC, Domestic Traders

recorded in September-October on account of higher offtakes at Shanghai LNG. Qidong LNG, however, continued its market absence.

Yancheng LNG

The new Yancheng LNG facility did not continue to ramp up imports during the reporting period, with offtakes down once more period-on-period by 0.19mmt (-44 percent) to 0.24mmt from 0.43mmt in September-October. The bulk of that supply came from Australia's QCLNG plant in addition to a total of three cargoes from Malaysia, Indonesia and the UAE.

Wenzhou LNG

During the September-October report period, the East China region saw the inauguration of China's latest LNG terminal at Wenzhou city. The facility ramped up its offtake level by 0.14mmt (233 percent) to 0.20mmt during November-December.

Zhejiang & Zhoushan LNG

At the remaining regional terminals Zhejiang and Zhoushan LNG, imports amounted to 0.94mmt and 0.23mmt, respectively. Zhejiang LNG's offtakes had thus increased by 0.07mmt (8 percent) from 0.87mmt in September-October. Meanwhile, Zhoushan LNG increased imports period-on-period by 0.04mmt (21 percent) to 0.23mmt from 0.19mmt. LNG to Zhejiang LNG was mainly supplied by Australia via seven cargoes totalling 0.48mmt. Supply also came from Cameroon, Nigeria, Qatar, Russia as well as a re-export from Shenzhen Diefu LNG. Zhoushan's imports of 0.19mmt came from Australia's APLNG and Gorgon LNG. Zhoushan is one of the few Chinese LNG import terminals not controlled by one of the state-owned petrochemical giants PetroChina, Sinopec and CNOOC (although that number has been growing this year).

South China

Regional imports in South China – where LNG demand is primarily determined by the southern industrial clusters surrounding Shenzhen – saw the most significant regional demand increase during the reporting period of November-December, our data showed. The region's imports amounted to 5.65mmt over the reporting period, which meant they were up by 1.16mmt (26 percent) from the 4.49mmt recorded in September-October.

Shenzhen terminals

South China's imports were led by Shenzhen's active terminals – Guangdong Dapeng and Shenzhen Diefu LNG. The adjacent peak-shaving facility, on the other hand, continued its market absence. Notably, this was not true for the Dongguan LNG terminal, which had continued LNG offtakes, albeit only via two re-exports from Shenzhen Diefu LNG totalling 0.04mmt. The region's most prominent terminal – Guangdong Dapeng LNG (GDLNG) – saw offtakes of 1.87mmt, as usual placing it first among China's terminals. At 1.87mmt, the terminal had grown its November-December imports by 0.39mmt (26 percent) from 1.48mmt during the previous two-month period. Guangdong Dapeng LNG's average capacity utilisation stood at 165 percent over the reporting period. Neighbouring Shenzhen Diefu LNG imported 0.80mmt and pegging its terminal utilisation at 120 percent.

Zhuhai and Jieyang LNG

Zhuhai LNG doubled offtakes to 0.70mmt over the reporting period from 0.35mmt the previous period. Unlike during the previous reporting period, the roster of Zhuhai's LNG suppliers had expanded and comprised Pluto LNG, QCLNG and NWS LNG in Australia as well as Nigeria, Mozambique, Equatorial Guinea and Brunei.

In contrast to Zhuhai, Jieyang LNG saw a decrease in imports during the November-December period. Offtakes were down by 0.03mmt (-5 percent) to 0.57mmt in November-December from 0.60mmt in September-October. Jieyang LNG previously set a historical marker as the first import node of China's state-owned China Oil and Gas Pipeline Network (also known as PipeChina). PipeChina links the Jieyang terminal to Guangdong Province's existing pipeline network and further to China's massive West-East II and III trunklines. Between its commissioning in 2017 and the launch of PipeChina, the terminal had suffered from frequent periods without shipments arriving because its send-out options were mostly limited to truck loadings. Currently, China has six PipeChina terminals operating on the international market.

Fujian and Beihai LNG

In contrast to the overall demand increase in the South China region, Fujian LNG saw

offtakes decrease in November-December. At 0.59mmt, imports were down by 0.04mmt (-6 percent) from the 0.63mmt recorded during the previous period. Accordingly, the terminal's capacity utilisation stood at 56 percent during the reporting period.

Beihai LNG, meanwhile, saw higher demand over the reporting period. Offtakes at the terminal had previously slumped by 0.46mmt (-67 percent) to 0.23mmt in September-October. In November-December, however, the facility recovered with an import hike of 0.38mmt (165 percent) to 0.61mmt. The terminals' annualised capacity utilisation stood at 122 percent for the reporting period.

Bauhinia Spirit FSRU and Nansha LNG

The CLP Power-operated Bauhinia Spirit FSRU offshore Hong Kong increased imports by 0.05mmt (42 percent) to 0.17mmt during the report period from 0.12mmt in September-October.

The Guangzhou Gas-operated Nansha LNG terminal, however, was not seen in the market following a ramp up by 0.08mmt (200 percent) to 0.12mmt during the previous report period. The terminal received its 0.04mmt inaugural cargo via the Maran Gas Coronis on 8 August.

Hainan Island

The remaining two regional LNG terminals – Hainan LNG and the Hainan Transfer Station on Hainan Island – saw a considerable demand decrease due to lower activity at the Hainan LNG terminal and the Transfer Station's market absence. Hainan LNG decreased imports by 0.15mmt (-33 percent) to 0.30mmt in November-December from 0.45mmt in September-October. The terminal took in two cargoes each from Australia and Qatar. Previously, supply to the terminal was limited to mostly re-exports from Beihai LNG. These re-exports stopped in December last year, our data indicate.

Region	Terminal	Export Basin			December 2023	November 2023	Rep. Period Utilisation
		Atlantic	Middle East	Pacific			
North	Dalian LNG	-	-	0.07	0.07	0.13	20%
	Tianjin - Nangang LNG	0.28	0.07	0.49	0.84	0.30	63%
	Qingdao LNG	0.08	0.18	0.71	0.97	0.59	156%
	Tianjin LNG	0.07	-	0.34	0.41	0.41	68%
	Caofeidian LNG	0.07	0.6	0.14	0.81	0.76	145%
	Caofeidian Xintian LNG	-	0.11	0.08	0.19	-	23%
	Tianjin Binhai LNG	0.07	-	-	0.07	0.06	15%
East	Zhejiang LNG	0.07	0.24	0.1	0.41	0.53	188%
	Shanghai (Yangshan)	0.07	-	0.33	0.40	0.40	160%
	Jiangsu LNG	0.07	0.39	0.24	0.70	0.60	223%
	Qidong LNG	-	-	-	-	-	0%
	Zhoushan LNG	-	-	0.08	0.08	0.15	46%
	Shanghai Peak-Shaving	-	-	0.04	0.04	0.08	12%
	Pinghu LNG	-	-	-	-	-	0%
	Yancheng LNG	-	0.05	0.08	0.13	0.11	48%
	Wenzhou LNG	-	0.06	0.08	0.14	0.06	40%
South	Guangdong Dapeng LNG	0.16	0.25	0.39	0.80	1.07	165%
	Fujian LNG	-	0.06	0.16	0.22	0.37	56%
	Beihai LNG	0.19	0.09	0.2	0.48	0.13	122%
	Zhuhai LNG	0.2	-	0.35	0.55	0.15	125%
	Hainan LNG	-	-	0.08	0.08	0.22	60%
	Jieyang LNG	0.08	0.07	0.07	0.22	0.35	81%
	Dongguan LNG	-	-	-	-	0.04	33%
	Shenzhen Diefu LNG	0.19	0.12	0.3	0.61	0.19	120%
	Hainan Transfer Station	-	-	-	-	-	0%
	Shenzhen Peak-Shaving	-	-	-	-	-	0%
	Nansha LNG	-	-	-	-	-	0%
	Bauhinia Spirit	-	-	-	-	0.17	29%
	Total	1.60	2.29	4.33	8.22	6.87	81%

Source: LNG Journal

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