

Chinese LNG demand robust on fiscal stimulus, economic recovery

China's recovering economy will push up gas demand by 9.2 billion cubic metres between June and September, triggered by a 1 trillion Yuan fiscal stimulus package. Energy Aspects anticipates LNG demand to rise by 0.7 million tons over the summer, with Chinese buyers tracked to have secured 16 cargoes for delivery between June and September mainly from strip tenders.

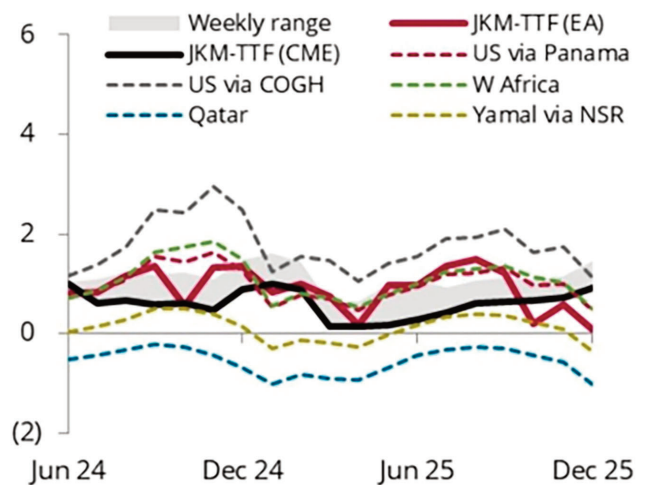
Base-case Chinese LNG demand is pegged 1.6 million tons above the term supply over the summer, equalling spot requirements of 22 LNG cargoes of which Unipet, Beijing Gas, Guanghui Energy and Guangdong Energy already bought 16 cargoes via previous strip tenders, Energy Aspects' database shows. This leaves Chinese buyers with "limited additional spot requirements" to fulfil for balance-of-summer.

Moody's Rating is also closely monitoring China's rebounding energy demand, suggesting global LNG prices and availability will

depend largely on the speed and scale of Peoples Republic's gas demand recovery. In 2024, China's LNG imports are forecast rise around 10 percent, a tick more than last year's increase as the economic recovery is only slowly gathering traction. Imports were up around 12 bcm to 97 bcm yoy in 2023, close to Moody's revised estimate of a 14 bcm increase, but still below the levels reached in 2021.

These days, China's gas and electricity demand is on the rise again which drives structural growth of the country's gas mar-

JKM-TTF spreads, LNG freight diffs, \$/mmbtu



Note: Freight diffs are the increases in freight costs to send cargoes to Northeast Asia instead of Europe

Source: CME, Fearnleys, Argus Media Group, Energy Aspects

ket. Gas-burn is rising incrementally as Chinese power producer still use substantial amounts of domestic coal, which non-power

flexible demand was last seen up by 1 bcm in April to reach 4.8 bcm.

The real-estate sector is still in the doldrums, with year-to-date

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EU ban on Russian LNG could make cargoes set sail for China

The European Union is preparing to launch further sanctions against Russia's fossil fuel exports "this spring" – including LNG, which some analysts say sweep over \$1 billion per month into the Kremlin's coffers. If adopted, Russia's state-dominated Gazprom and independent gas producer Novatek are likely to focus LNG sales on Asian markets, notably China.

Market observers cautioned that gas demand remains limited at current price levels. Rystad analyst Masanori Odaka noted "most Chinese importers find supply economically unattractive unless they can buy spot volume at below \$9/MMBtu."

Yet Russian sellers might offer cargoes for cheap, once they get subjected to EU sanctions. Already 13 packages of sanction have been enacted in response to the Kremlin's war on Ukraine, though none of them has touched on LNG exports yet. Gazprom and Novatek hence managed to significantly step up



shipments to EU countries worth more than \$1 billion per month. According to CREA findings, from December 2022 to October 2023, half of Russia's LNG exports – worth a €8.3 billion in total – were directed to the EU.

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investment seen down by 7.9 percent. But Energy Aspects anticipates that Beijing's generous policy stimulus of 1 trillion Yuan should be "enough offset to offset the sector's dragging effect" and push up infrastructure spending by 6.5 percent.

The stimulus mainly focusses on infrastructure – including energy and power generation – and is being implemented over the first half of 2024. On top of this, Beijing in early March announced a fiscal plan for another 1 trillion Yuan in extra-budgetary stimulus

to aid large projects and fund equipment and consumer goods upgrading, effective in the second half of this year.

Strong fiscal stimuli triggered an "above-consensus economic recovery," which in turn boosts energy demand as the Chinese

manufacturing Purchasing Managers Index (PMI) has been growing for six consecutive months. Looking ahead, all eyes are on whether heat-related energy demand over the summer will be covered by gas or thermal coal as a fuel for peak electricity supply. ■

China's LNG imports jump over 30 percent in April as economy improves

Shipments of LNG to China jumped 31.5 percent year-on-year to 6.22 million tons in April as the economy gathers speed and annual LNG imports are on course to reach around 77 million tons. Speed and scale of China's gas demand recovery will



largely determine global LNG prices as markets stay tight until early 2027.

With new US LNG export capacity not coming onstream until the end of 2026, at the earliest, considering the Biden administration's halt in export approvals, markets are bound to stay in short supply. Qatar jumped to the occasion and is rushing to begin production at North Field West with a view to ex-

panding the world's biggest LNG project. Until then, analysts at Moody's expect LNG prices and availability to depend largely on the speed and scale of China's gas demand recovery.

Moody's anticipates China's LNG imports will rise by around 10 percent in 2024, similar to last year's rise.

Government data

Latest data, released by the Chinese government, shows April deliveries were nearly 1.5 mil-

lion tonnes higher than LNG imported in April 2023, signalling the scale of the country's economic recovery. However, deliveries in April were a tick lower than volumes delivered in March.

For the January-to-April period, LNG shipments to China totalled 25.1 million tons, putting the Peoples' Republic on course for annual imports of around 77 million tons, up from last year's 71.44 mt when the nation regained its No. 1 spot as the world's largest LNG importer. ■

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Of the 42 bcm of LNG produced by Russia last year, 18 bcm were supplied to the EU compared with 11 bcm shipped China, 8 bcm to Japan and 2 bcm to South Korea, data by the EU agency of energy regulators (ACER) shows.

Ban meant to be adopted by June

EU trade commissioner Vladis Dombrovskis vowed earlier this month "the 14th package should be adopted in the spring," which ends on June 20. The Swedish for-

eign minister Tobias Billstrom wants the package to include a ban on Russian LNG.

Billstrom said he and his colleagues would "see to it that we [...] include the import ban on liquefied natural gas" as well as "measures to curb Russia's shadow fleet" which is allegedly used to circumvent the EU's ban on imports of Russian oil, coal and liquefied propane.

Banning Russian LNG imports is now high on the agenda not least because the EU's long-term contracted volumes will soon exceed supply need and could leave the bloc over-contracted as early as 2027, ACER finds. Projections are based on the REPowerEU plan, aimed at reducing dependence on Russian gas by prioritising green energy which would cut demand by an addi-

tional 100 bcm by 2030.

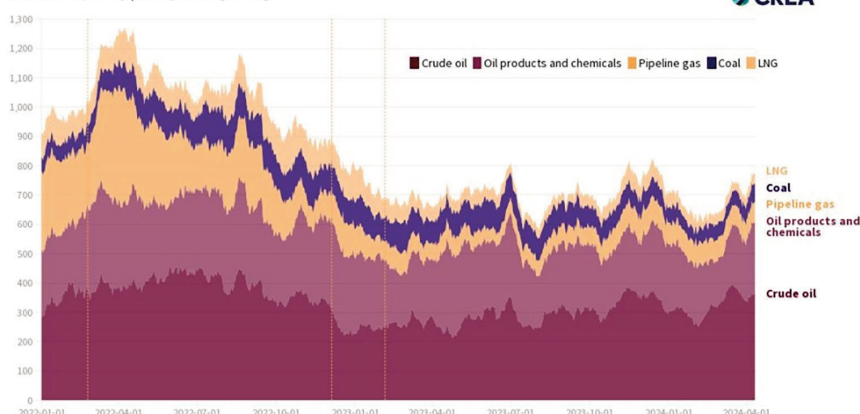
"From 2023 and until 2026, the existing long-term contracts of about 49 billion cubic metres for delivery in Europe are assessed as insufficient to meet the total EU LNG demand. However, from 2027 to 2030, the impact of REPowerEU measures on EU gas demand reductions is expected to result in over-contracted LNG position, with surplus volumes ranging from 30 bcm in 2027 to 66 bcm in

2030," ACER's latest report reads.

Crucial for the above projection is that the current large take-or-pay contract for pipeline gas supply from Russia via the Ukraine will expire by the end of this year. If the contract is not renewed, it could lead to a loss of 13.6 bcm in gas supply compared with 2023 flows. It is still unclear if LNG, or rather pipeline gas from Norway or Algeria will make up the missing supplies. ■

Russian fossil fuel exports

Million EUR per day | 14-day running average



• Dotted lines represent the beginning of the war and of EU's oil ban & the wider price cap for crude oil in December 2022 and oil products in February 2023.

LNG China

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CNOOC starts production at offshore gas field, plans to import less LNG

China National Offshore Oil Corp., the Chinese energy major and with LNG interests, has started production at its largest natural gas field in the central Bohai Sea offshore China. CNOOC aims to produce 3 trillion cubic metres of gas in South China Sea, the Bohai Sea and onshore China as it seeks to lower its reliance on LNG imports.

Commercial production is now well underway at the Bozhong 19-6 Gas Field in Block 5 well, situated in central Bohai Sea at about 23 metres average water depth. The gas and condensate field is the first 100 billion cubic metres (bcm) field to be put in production in Bohai Bay and provide the Beijing-Tianjin-Hebei and Bohai Rim regions with stable and comparatively cheap domestic gas supply.

Further 10 development wells are planned to reach full production by 2026, notably the Bozhong 19-6 Gas Field 13-2 Block 5, the Suizhong 36-2 oil field 36-2 Block

development and the Bozhong 19-2 and oil and gas project. CNOOC owns these projects entirely and acting as the operator of the fields.

The Bohai resources are the largest crude oil production base in China and rank alongside CNOOC's share of assets offshore Guyana, co-owned with ExxonMobil and Hess. Apart from conventional fields, CNOOC is also developing onshore shale gas plays, namely Shenfu, Linxing and Panhe in the Qinshui Basin and the eastern edge of the Ordos Basin.



CNOOC rigs in the Bohai Sea

Chinese bidders dominate Iraq licencing round, aimed to boost gas-burn

CNOOC and Sinopec have won the majority of licenses in Iraq's latest licencing round – ahead of the Iraqi-Kurdish firm KAR while Western majors abstained. Iraq wants to boost domestic gas production to transition from fuel oil to cleaner-burning gas in the power sector and end to gas imports from Iran.

Chinese companies have been the only foreign players to win bids so far, receiving licenses for ten oil and gas fields since Saturday while KAR Group got two. Over 20 companies pre-qualified for the licencing round, including Shell, BP and Russia's Lukoil – but no US oil majors were involved. ExxonMobil had gradually exited its project in Iraq over the past few years and abstained from the bidding.

Among specific awards, China's CNOOC won a bid to develop oil exploration from Block 7, extending across Iraq's central and southern provinces of Diwaniya, Babil, Najaf, Wasit and Muthanna. Sinopec, Zhenhua and Hong Kong-listed Anton Oil Field Services won bids to develop the Abu Khaymah oilfield in Muthanna, the Dhufriya field in Wasit and the Sumer field in

Muthanna, respectively.

Other than CNOOC and Sinopec, bid winners from China also included Zhongman Petroleum and Natural Gas Group (ZPEC), China's United Energy Group and the Geo-Jade Group.

Aiming to end barter deal with Iran

The Iraqi oil ministry said the licencing round is hoped to boost the country's oil output and facilitate enough gas production, including plans to end flaring by 2030, to end gas imports from neighbouring Iran.

In March 2024, Iraq prolonged a gas import contract with Iran for five more years, securing up to 50 million cubic metres of gas per day from Iranian fields for gas-fired power stations in Iraq. Imports are carried out under a barter system in exchange for oil

and gasoline from Iraq.

Years of power shortfalls and blackouts due to war-damage, corruption and infrastructure mismanagement has made Iraq heavily reliant on imported Iranian gas to fuel its power stations. But Iran increasing needs its own gas output to power its domestic steel and petrochemical industries and to maintain electricity production amid growing geopolitical tensions in the region.

Iraq hence is well advised to swiftly become self-sufficient in terms of gas supply. To that end, it recently signed a deal with Turkmenistan for the delivery of 10 bcm of gas per year to Iraq through a swap arrangement with Iran. Hereby, Iraq would receive gas from Turkmenistan through the pipeline network from Iran and the volumes would be connect to gas-fired power plants.





THE 2024 POWER PLAY AWARDS ARE HERE!

This year's awards program continues building on the mission of shining a light on the accomplishments of remarkable women and men who uphold the importance of supporting and empowering others in the workplace. We've added a brand-new award category that focuses on those making significant contributions by leveraging innovation and collaboration to accelerate society's path to net zero!

Let's bring well-deserved recognition to those shaping the present and future of LNG and decarbonization by nominating yourself and/or the individuals that you believe are worthy of a Power Play Award.



The Low Carbon Accelerator *NEW*

Outstanding Collaboration and Innovation



The Pioneer

Outstanding Business, Innovation and/or Technology Contribution



The Rising Star

Outstanding Young Professional



The Ambassador

Outstanding Leadership

An independent panel will judge all nominations, and winners will be announced at Gastech, Houston in September.

Mark your calendars to **nominate yourself or someone else between March 20 and July 5, 2024.**



China's energy use forecast to peak by 2030, fall by 20 percent through 2050

Decarbonisation is progressing fast in China, with renewables set to quintuple by 2050 while efficiency improvements could make the country's electricity use peak by 2030 and fall by 20 percent through to 2050, DNV analysts find. Electrification, falling energy intensity of industries and a shrinking population will contribute to the decline in energy use.

Already leading in renewable investments, the fast build-out of wind and solar power installation will shift China's energy mix from today's 30 percent renewables to a 55 percent share by 2035 – and possibly 88 percent by 2050. Nuclear installations will also double in absolute terms, but analyst underlined the share of nuclear power will remain small, at around 5 percent through the middle of this decade.

Supportive policies turbocharged the green energy sector, turning wind into the largest China's largest source of electricity after coal and hydropower, delivering 9.4 percent of the total electricity supply in 2023. By mid-century, the People's Republic will "comfortably be the world's largest wind market," analysts noted, adding wind and solar power combined could contribute 38 percent of electricity production by 2050.

Strikingly, China's energy use is slated to peak over the next six years and then fall by nearly a fifth due to efficiency initiatives but especially because of a projected 100 million decrease in the country's population. Energy efficiency improvements are part of the Chinese policy and enshrined in the Energy Conservation Law which targets a 33 percent decline in energy intensity to US\$3.4 per megajoules by 2035.

"There is much to admire about China's energy transition. There are visible signs of a vast decarbonization effort and clean technology development within renewable energy, storage, and transmission technologies," said Remi Eriksen, DNV chief executive. In his view, China could accelerate the transition to reduce its reliance on fossil fuels even further and faster. The country is currently responsible for a third of the world's energy-related CO2

emission and to meet its 2050 climate goals, that share would have to be cut to a fifth.

Quest for energy independence

Energy independence is a key goal for Chinese policy makers but it can only be partly achieved, analysts noted. As renewables quickly replace coal power, domestically produced coal will largely be sufficient to fuel the remaining plants. However, oil and gas use will have to be met through imports.

Oil consumption is forecast to halve by 2050 from its 2027 peak, but its use in petrochemicals and heavy transport – notably aviation and shipping – will linger and 84 percent of oil use will be met through imports. Natural gas consumption will stay high with DNV anticipating 2050 consumption to be marginally below 2023 levels and 58 percent being imported. ■

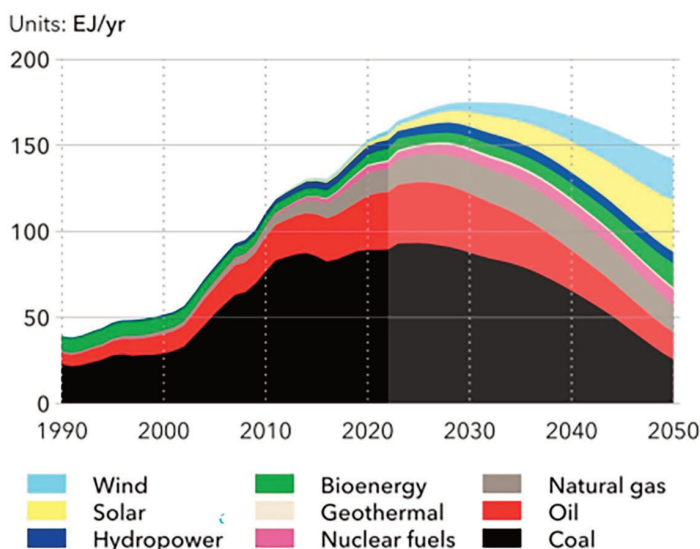
CNOOC to buy Mozambique concession

China National Offshore Oil Corp. (CNOOC) has signed an exploration and production agreement with the southeast African nation of Mozambique near where CNPC holds LNG project stakes. Much of the developed natural gas is hence likely to be destined for export, though a share is designated for the local power market.

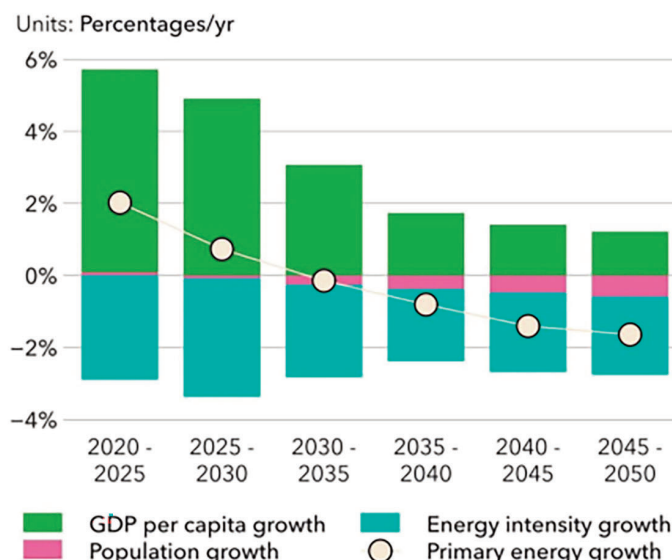
CNOOC specified the contract is for five offshore blocks covering a total area of about 29,000 square kilometres and the first phase of the exploration period will take four years. The blocks are situated in the Angoche offshore region, just south of the troubled Cabo Delgado province where an onshore LNG project has been suspended for several years due to an armed incursion.

Here, CNPC already holds the Area 4 licence resources in the prolific Rovuma Basin offshore Cabo Delgado province, with an existing floating LNG project, a proposed second FLNG venture and a planned onshore liquefaction plant int venture. Eni is the upstream operator of the Area 4 licence, coowned with ExxonMobil, Portugal's GALP Energia, Korea Gas Corp. and ENH. ■

Primary energy supply by source

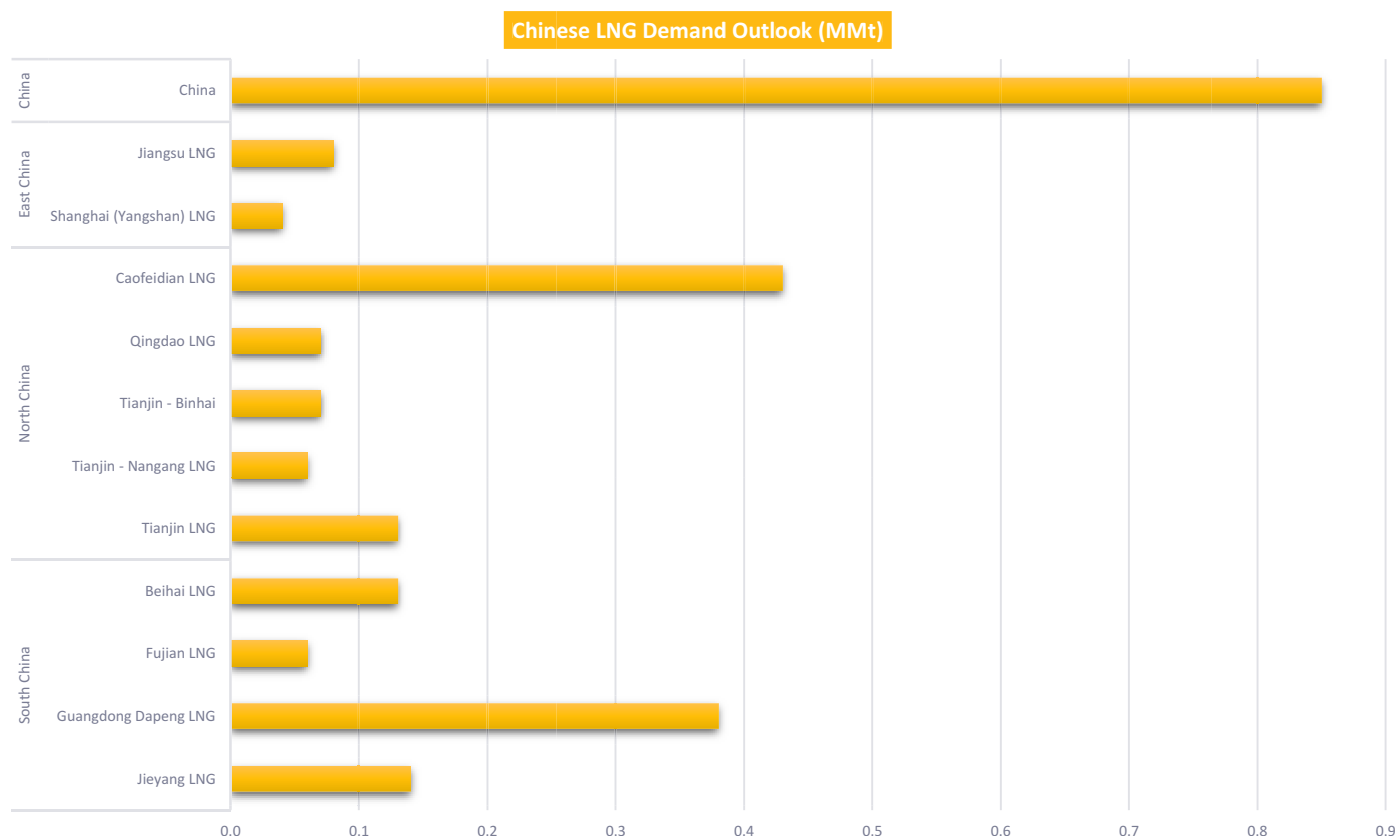


Primary energy growth as a function of population, GDP/capita, and energy intensity improvements



Chinese LNG Demand Outlook

There were 2.44mmt of LNG on the water with destinations in China according to our market visibility at the time of writing on 30 May. These cargoes had an estimated delivery horizon of 15 July. Only three of these inbound cargoes had originated in the United States, however, whilst almost half (1.13mmt) was derived from Australia followed by 0.49mmt from Qatar. Twelve cargoes totalling 0.85mmt were broadly headed for China but still had to declare their destination terminals.



Source: LNG Journal

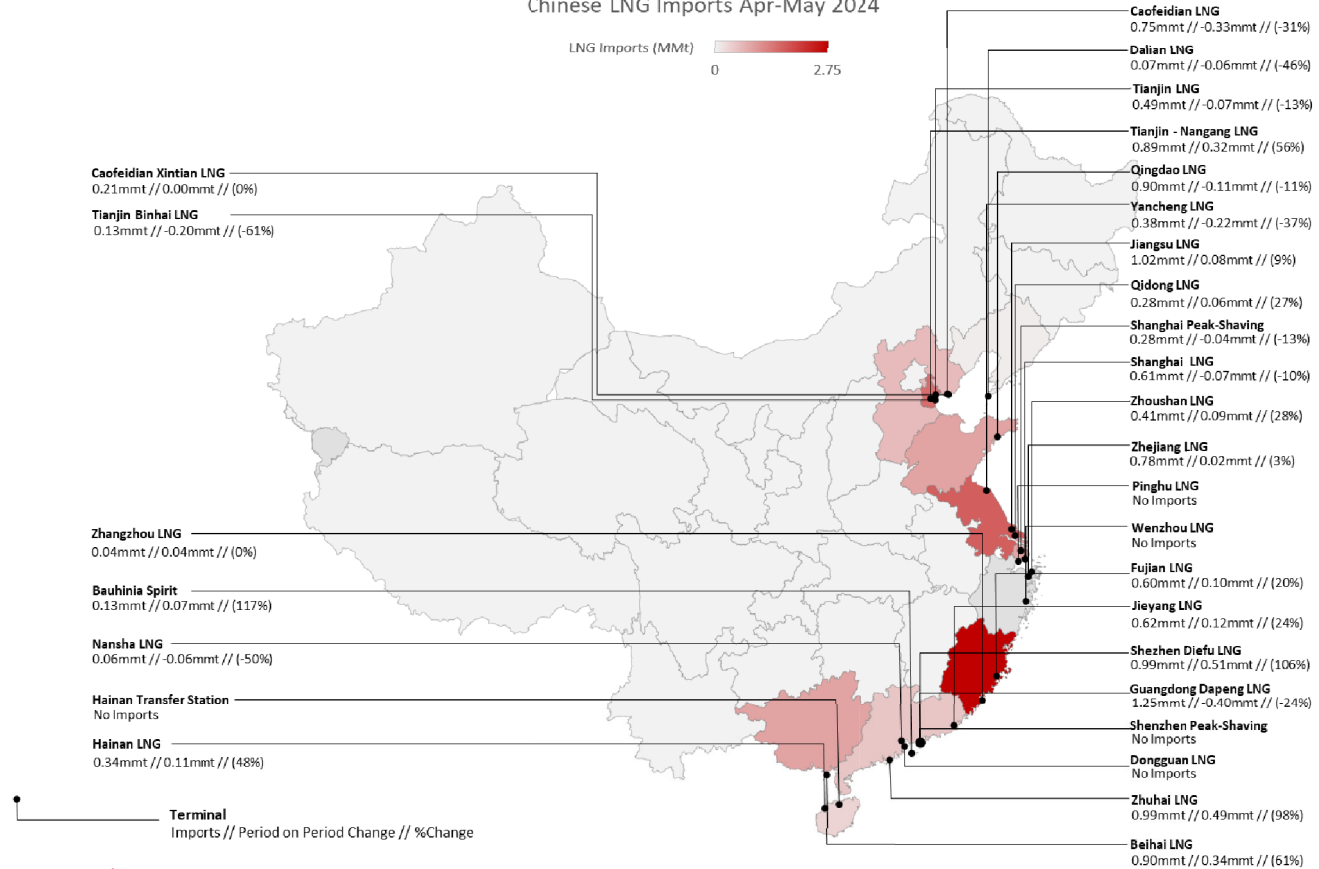
Most LNG cargoes still in transit at the time of writing and with scheduled arrivals at specified ports in China were due to arrive in North China and amounted to 0.76mmt, led by Caofeidian LNG, which as a destination was followed by the Tianjin LNG terminal. However, we highlight that cargoes tagged 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 0.71mmt, led by 0.38mmt headed for the Guangdong Dapeng and Shenzhen Diefu LNG terminals. Anticipated LNG deliveries to East China amounted to 0.12mmt. Apparent demand there was led by 0.08mmt going to the Jiangsu LNG terminal at the time of writing.

Twelve LNG cargoes totalling 0.85mmt were broadly headed towards China but without specifying an arrival port. The shipments aboard, inter alia, the Seri Daya, Seishu Maru, Pskov, Orion Jessica, North Mountain, Methane Heather Sally, LNG Saturn and LNG Merak had an arrival horizon of 10 July.

Chinese LNG Demand: April-May 2024

Chinese LNG Imports Apr-May 2024



Source: LNG Journal

LNG Demand

China's monthly LNG offtake in May amounted to 6.54mmt, our data showed at the time of writing, which constituted broadly steady monthly demand compared to the 6.58mmt we recorded in April. Chinese demand during the report period of April and May of 13.12mmt thus increased by 0.79mmt (6 percent) from total imports of 12.33mmt during the preceding two-month report period of February and March 2024. China's LNG imports in February and March stood at 5.57mmt and 6.76mmt, respectively. Accordingly, China's annualised LNG import capacity utilisation during the current report period stood at roughly 68 percent, up 4pp from the previous report period of February-March. The amount imported during the report period thus also constituted a robust increase of 1.96mmt (18 percent) from the 11.16mmt we recorded during the April-May period of 2023.

GDP & Prices

Since March 2024, China's GDP growth has shown a mixed performance. In the first quarter of 2024, the economy grew by 5.3

percent year-on-year, exceeding market expectations and marking the strongest expansion since 2Q 2023. This growth was driven by robust industrial output and steady, though decelerating, services sector growth. Chinese LNG consumption traced that growth. Meanwhile, China's foreign trade rebounded significantly in the first quarter, with total imports and exports growing by 5 percent year-on-year. Despite these positive indicators, structural challenges such as weaknesses in the property sector and cautious consumer spending pose risks to sustaining this growth momentum. The Chinese government has set a GDP growth target of around 5 percent for 2024, reflecting confidence in the economy's resilience but also acknowledging the challenges ahead.

Our calculations based on Chinese customs data indicated an easing of China's landed LNG prices to an average of US\$18.91/mmBtu during the report period of April-May, down from a peak of almost US\$28/mmBtu in January 2023 and the average of US\$19.21/MMBtu in for the previous report period of February-March.

Accordingly, Chinese domestic LNG prices also decreased in April and May, with the highest privately quoted domestic price during the report period having decreased to US\$12.65/mmBtu from US\$14.74/mmBtu during the preceding two months of February and March. Nevertheless, the average Chinese domestic LNG price during the report period increased by US\$0.55/mmBtu to US\$11.73/mmBtu from around US\$11.18/mmBtu during the previous two months.

Meanwhile, the average domestic price indicated by the National Bureau of Statistics (CNBS) stood at US\$11.04/mmBtu for May – with available data stretching to 20 May – which represented a decrease of US\$2.33/mmBtu (-17 percent) from US\$13.37/mmBtu during the previous two months.

North China

LNG demand decreased in the north of China during the report period up to 30 May,

with offtakes down marginally by 0.10mmt (-3 percent) from 3.54mmt in the two months of February-March to 3.44mmt for the report period of April-May. The largest share of LNG influx into the region during the report period took place via the Qingdao LNG terminal.

China's North led by Qingdao LNG

Leading the roster of northern terminals by volumes imported, Qingdao LNG took in 0.90mmt during the report period. This constituted an increase in offtakes by 0.08mmt (10 percent) compared to the previous two-month period. Imports consisted predominantly of seven Australia Pacific LNG cargoes. Deliveries were also made from Papua New Guinea and via one cargo each from Malaysia and Brunei.

Tianjin - Nangang LNG

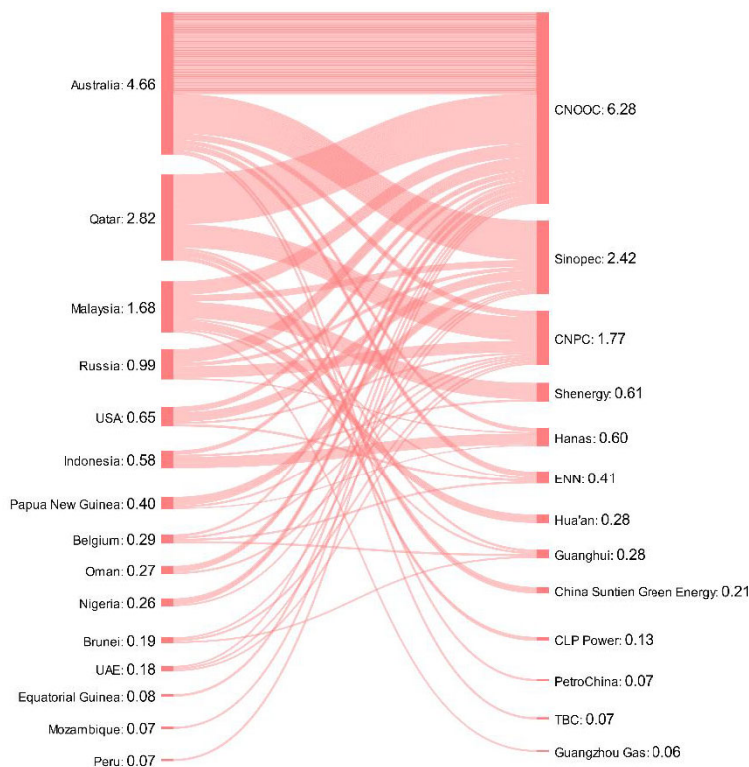
Tianjin - Nangang LNG, meanwhile, had offtakes amounting to 0.89mmt over the report period compared to 0.74mmt in February-March. The terminal thus saw an import increase of 0.15mmt (20 percent) period-on-period. Cargoes comprised, inter alia, five shipments from Australia's Australia Pacific LNG and four from Qatar. The terminal also received a delivery from Corpus Christi LNG in the United States.

Caofeidian LNG

Imports at Caofeidian LNG amounted to 0.75mmt, down 0.15mmt (-17 percent) from 0.90mmt in February-March, according to our data. These imports were led by Qatar, which

was the source of three cargoes totalling 0.33mmt via the Q-Max vessels Shagra, Mozah and Umm Slal. Additionally, shipments amounting to 0.42mmt stemmed from Australia, Oman the UAE, the United States and Russia.

Chinese LNG Buyers (MMt)



Source: LNG Journal

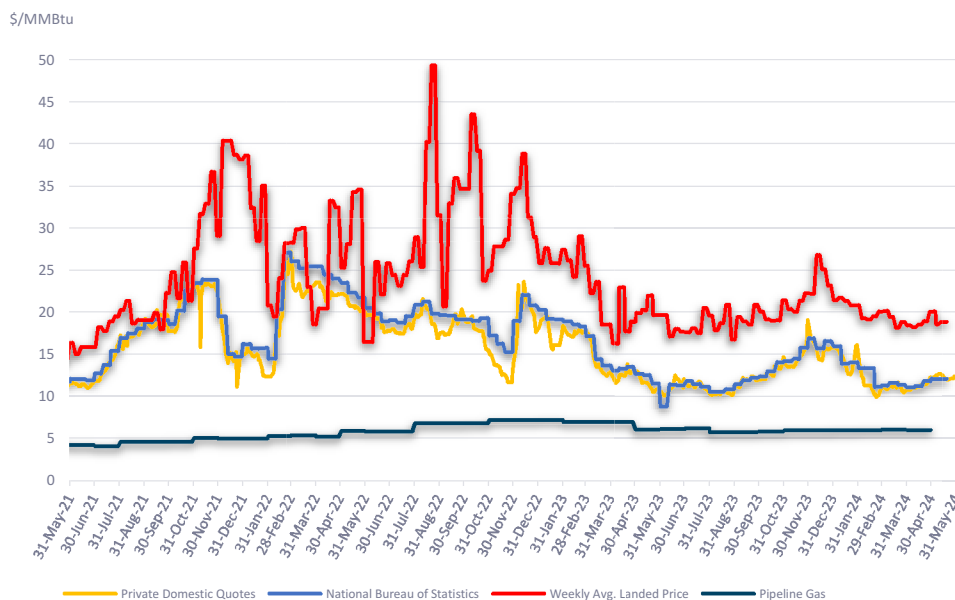
Tianjin LNG, Caofeidian Xintian LNG, Tianjin Binhai LNG and Dalian LNG

The remaining four northern terminals – Tianjin LNG, Caofeidian Xintian LNG, Tianjin Binhai LNG and Dalian LNG – imported a total of 0.90mmt over the report period, which in the case of Tianjin LNG stemmed predominantly from Australia with 0.30mmt. The new Tianjin Binhai terminal's imports amounted to 0.13mmt – and thereby constituted an offtake decrease of 0.01mmt (-7 percent) from 0.14mmt during the previous report period. April-May supply to Dalian LNG of 0.07mmt – which thereby had decreased by 0.13mmt (-65 percent) from 0.20mmt during February-March – came from Papua New Guinea. We did, however, record significant import growth at Caofeidian Xintian LNG. The terminal took in 0.21mmt during April-May, up 0.10mmt (91 percent) from 0.11mmt in February-March.

East China

At the time of writing, demand in East China was dominated by the wider Shanghai area, where Jiangsu LNG imported 1.02mmt during the report period. This placed the terminal in second place among China's leading terminals in April-May. Accordingly, it operated at well-above nameplate capacity.

Chinese Gas Prices



Source: LNG Journal, CNBS, GACC, Domestic Traders

However, overall, LNG demand in East China was down by 0.56mmt (-13 percent) period-on-period to 3.76mmt in April-May from the 4.32mmt we recorded in February-March.

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 1.17mmt over the report period. This was up marginally by 0.03mmt (3 percent) from the 1.14mmt we recorded in February-March on account of higher offtakes at Qidong LNG.

Yancheng LNG

The new Yancheng LNG facility, however, saw a significant import decrease during the report period, with offtakes down period-on-period by 0.17mmt (-31 percent) to 0.38mmt from 0.55mmt in February-March. The bulk of that supply came from Queensland Curtis LNG in Australia in addition to a cargo from Malaysia.

Wenzhou LNG

In summer 2024, the East China region saw the inauguration of China's latest LNG terminal at Wenzhou city. However, the facility was not seen in the market during April-May. During the previous report period, the terminal had taken in 0.09mmt in March aboard the Ras Laffan-sailed Q-Flex Onaiza.

Zhejiang & Zhoushan LNG

At the remaining regional terminals Zhejiang and Zhoushan LNG, imports amounted to 0.78mmt and 0.41mmt, respectively. Zhejiang LNG's offtakes had thus decreased by 0.07mmt (-8 percent) from 0.85mmt in February-March. Meanwhile, Zhoushan LNG had increased imports period-on-period by 0.01mmt (2 percent) to 0.41mmt from 0.40mmt. LNG to Zhejiang LNG was mainly supplied by Qatar via seven cargoes totalling 0.58mmt. Supply also came from Malaysia, Australia and Mozambique. Zhoushan's imports of 0.32mmt came from Australia's APLNG, Gorgon LNG and NWS LNG as well as Freeport LNG in the United States and Malaysia LNG. An additional cargo arrived as a Belgian re-export.

South China

Regional imports in South China – where LNG demand is primarily determined by the

southern industrial clusters surrounding Shenzhen – saw a significant regional demand increase during the report period of April-May, our data showed. The region's imports amounted to 5.92mmt over the report period, which meant they were up by 0.44mmt (8 percent) from the 5.48mmt we recorded in February-March.

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. The region's most prominent terminal – Guangdong Dapeng LNG (GDLNG) – saw offtakes of 1.25mmt, as usual placing it first among China's terminals. However, at 1.25mmt, the terminal had reduced its April-May imports by 0.15mmt (-11 percent) from 1.40mmt during the previous two-month period. Guangdong Dapeng LNG's average capacity utilisation stood at 110 percent over the report period. Neighbouring Shenzhen Diefu LNG imported 0.99mmt, which pegged its terminal utilisation at 149 percent.

Zhuhai and Jieyang LNG

Zhuhai LNG increased offtakes to 0.99mmt over the report period from 0.78mmt the previous period. Roughly a third of that supply came from Australia with 0.31mmt flowing from QCLNG and 0.06mmt from Gladstone LNG. Almost another third amounting to 0.27mmt was supplied by Middle Eastern suppliers Oman and Qatar. The remaining 0.35mmt came from Indonesia, Malaysia, Peru, Russia and Equatorial Guinea.

In line with Zhuhai, Jieyang LNG saw an increase in imports during the April-May period. Offtakes were up by 0.05mmt (9 percent) to 0.62mmt in April-May from 0.57mmt in February-March. 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.

Fujian and Beihai LNG

In line with the overall demand decrease in the South China region, Fujian LNG also saw offtakes grow in April-May. At 0.60mmt, imports were up by 0.04mmt (7 percent) from the 0.56mmt we recorded during the previous period. Accordingly, the terminal's capacity utilisation stood at 57 percent during the report period.

Beihai LNG, meanwhile, also saw higher demand over the report period. Offtakes at the terminal had increased by 0.16mmt (22 percent) to 0.90mmt in April-May from 0.74mmt in February-March. The terminals' annualised capacity utilisation nevertheless still stood at 180 percent for the report period.

Bauhinia Spirit FSRU, Nansha LNG & Zhangzhou LNG

The CLP Power-operated Bauhinia Spirit FSRU offshore Hong Kong increased imports by 0.01mmt (8 percent) to 0.13mmt during the report period from 0.12mmt in February-March. The Guangzhou Gas-operated Nansha LNG terminal, however, halved offtakes to 0.06mmt in April-May. The terminal received its 0.04mmt inaugural cargo via the Maran Gas Coronis on 8 August 2024.

During the report period, China also added 3.0 million tonnes per annum of nominal LNG import capacity via the new Zhangzhou terminal. The facility received its inaugural cargo of 0.04mmt via the Queensland Curtis LNG-derived Macoma at the beginning of May.

Hainan Island

The remaining two regional LNG terminals – Hainan LNG and the Hainan Transfer Station on Hainan Island – saw a relatively high demand increase due to higher activity at the Hainan LNG terminal. Hainan LNG increased imports by 0.04mmt (13 percent) to 0.34mmt in April-May from 0.30mmt in February-March. The terminal took in six cargoes from the United States, Nigeria, Australia, Malaysia and Qatar. The Hainan Transfer Station, meanwhile, took in 0.01mmt during February-March but was not seen in the market during April-May.

Region	Terminal	Export Basin			May 2024	April 2024	Rep. Period Utilisation
		Atlantic	Middle East	Pacific			
North	Dalian LNG	-	-	-	-	0.07	7%
	Tianjin - Nangang LNG	-	0.18	0.29	0.47	0.42	49%
	Qingdao LNG	-	-	0.48	0.48	0.42	90%
	Tianjin LNG	0.06	-	0.14	0.20	0.29	41%
	Caofeidian LNG	0.15	0.28	0.06	0.49	0.26	69%
	Caofeidian Xintian LNG	-	0.1	-	0.10	0.11	25%
	Tianjin - Binhai	-	0.06	0.07	0.13	-	15%
East	Zhejiang LNG	-	0.17	0.14	0.31	0.47	156%
	Shanghai (Yangshan)	-	-	0.24	0.24	0.37	122%
	Jiangsu LNG	-	0.22	0.18	0.40	0.62	175%
	Qidong LNG	-	-	0.07	0.07	0.21	59%
	Zhoushan LNG	-	-	0.2	0.20	0.21	82%
	Shanghai Peak-Shaving	-	-	0.16	0.16	0.12	28%
	Pinghu LNG	-	-	-	-	-	0%
	Yancheng LNG	-	-	0.31	0.31	0.07	76%
	Wenzhou LNG	-	-	-	-	-	0%
South	Guangdong Dapeng LNG	0.07	0.18	0.37	0.62	0.63	110%
	Fujian LNG	-	-	0.3	0.30	0.30	57%
	Beihai LNG	0.08	-	0.36	0.44	0.46	180%
	Zhuhai LNG	0.08	0.12	0.28	0.48	0.51	176%
	Hainan LNG	0.19	-	-	0.19	0.15	68%
	Jieyang LNG	0.06	-	0.27	0.33	0.29	89%
	Dongguan LNG	-	-	-	-	-	0%
	Shenzhen Diefu LNG	0.15	0.12	0.24	0.51	0.48	149%
	Hainan Transfer Station	-	-	-	-	-	0%
	Shenzhen Peak-Shaving	-	-	-	-	-	0%
	Nansha LNG	-	-	-	-	0.06	38%
	Bauhinia Spirit	-	0.07	-	0.07	0.06	22%
	Zhangzhou LNG	-	-	0.04	0.04	-	8%
	Total	0.84	1.50	4.16	6.54	6.58	68%

Source: LNG Journal

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