

# LNG China

A BI-MONTHLY LNG JOURNAL PUBLICATION

February 2023

## China's return to LNG spot market could intensify global energy crunch

Lifting of China's zero-Covid rules is expected to push up the country's gas demand by up to 72 million tons in 2023, a 14 percent rise year-on-year which intensifies competition with European buyers. A CNOOC tender just closed, but high LNG prices and rising domestic gas production may keep China's spot LNG purchasing activity well below 2021-levels.

Analysts see CNOOC's tender for LNG cargoes as a sign that Chinese state-owned gas companies are returning to the spot market this year. In fact, the spot tender was the first since Russia's invasion of Ukraine in February and CNOOC is understood to have bought four to six spot cargoes for delivery in 2023 at a price of roughly 30 cents above the Japan-Korea

Marker (JKM).

Already in January, some 29 percent of US LNG cargoes are headed for countries in East Asia – notably China – up from 22 percent of US exports a month earlier, while the share of US shipments to Europe has fallen by 6 percent over the same period.



CNOOC's Binhai LNG terminal in Jiangsu province just north of Shanghai

CNOOC itself forecasts that China's gas imports will be 7 percent higher year-on-year in 2023 – a rather cautious figure compared with some western analysts' optimistic 14 percent growth forecast.

Assuming crippling lockdowns will not be reinforced again, China's GDP could grow by 4.9 percent this year, vs. 3.3 percent in 2022, which would boost overall gas demand, though growth

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## EU gas price cap set to benefit Chinese buyers

After months of haggling, EU ministers agreed to set a price cap for natural gas – though the €180/MWh threshold will make it harder to source urgently needed LNG to refill storage in the spring. If China's LNG hunger rebounds sharply, the price cap will hamper European buyers to outbid Asia for extra cargoes.

From 15 February, prices will be limited if they breach the threshold hour for three days running. At the Dutch Title Transfer Facility (TTF), Europe's most liquid gas trading hub, gas prices for February currently hover just below €55.20 per Megawatt-hour (MWh) – way below their peak at over €340/MWh in August this year. But analysts suggest the price may well rise to over €200/MWh after a severe winter, just at the time when EU countries need to refill their gas storages.

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remains a long way off levels of around 6 percent seen pre-Covid. But analysts cautioned the re-nascent economic revival will not automatically translate into higher LNG imports given that China can rely on less expensive substitutes like domestic coal and gas, renewable energy and pipeline gas imports from Russia and Central Asia.

Cost control and energy self-reliance policies will limit coal-to-gas switching across the Chinese power generation and heating sectors. According to Wood Mackenzie projections, China's domestic gas supply will grow strongly by some 12 Bcm, which combined with a 7 Bcm ramp up of Russian gas deliveries through the Power of Siberia

pipeline means LNG will "only" increase by 7 Bcm, or 5.4 mtpa. In this case, Chinese gas buyers would not have to rely on spot LNG import on an aggregated level and throughout the year. Instead, they could be again in a lucky position to re-sell LNG. On the contrary, a faster economic growth and summer heatwaves would result in a more frequent dispatch of gas-fuelled power plants which would boost pipeline gas and LNG requirements for summer restocking.

### Haggling over little additional supply

Tight supply and rising competition will characterise LNG markets in the New Year: The International

Energy Agency (IEA) estimates around 40 Bcm of new LNG import capacity will be built in the EU by the end of 2023, but only 20 Bcm of additional supply is expected to come to the market over the course of this year. An overall supply-demand gap of 57 bcm could arise in 2023.

If China's LNG hunger rebounds sharply, there may be little supply left for others especially because the EU's price cap for natural gas hampers European buyers to outbid their Asian rivals for extra cargoes. EU ministers agreed to set a price cap for natural gas – though the €180/MWh threshold will make it harder to source urgently needed LNG to refill storage in the spring.

IEA analysts warn Europe could

face a supply-demand gap of up to 57 bcm this year which can partially be covered by improved energy efficiency, accelerated renewable deployment and a recovery in nuclear and hydropower output from the decade-low levels in 2022. If that's not enough, industry and households will be called once more to lower their consumption keep the market in balance and allow for enough gas to be put into storage before winter 2023-24.

Goldman Sachs reckons the EU will need to cap gas demand too – along with capping the price of gas – or it risks worsening the gas shortage by inadvertently encouraging demand with the price cap. ■

## CNOOC sets out 2023 strategy and spending

China National Offshore Oil Company (CNOOC) has outlined its corporate strategy with higher spending plans for this year, announcing its offshore focus was on the South China Sea, notably the development of the Shenhai-1 gas and adjacent gas discoveries.

"We will also focus on five key projects including multi-stratal exploration around the Baodao 21-1 gas field and the rolling exploration around the Yinggehai gas field," explained CNOOC. Around the existing offshore Bohai gas fields, Chinese largest in the northeast, it would concentrate on the Bozhong 19-6 area and the Bozhong Depression.

In terms of onshore unconventional natural gas, CNOOC targets to tap 100 billion cubic metres of

resources. "We will actively promote the integration of exploration and development to increase resources in the Shenhai area," the company explained, referring to the onshore oil and gas located in the Shaanxi province of northwest China.

CNOOC's net gas production target is between 650 million and 660 million barrels of oil equivalent of which production from China will account for 70 percent and overseas resources would provide 30 percent. Net production is

also forecast to reach 690 million to 700 million barrel of oil equivalent

(boe) in 2024 and 730 million to 740 million boe in 2025. ■



CNOOC's Shenhai-1 deep-water oil and gas complex

### LNG China

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Subscription included with  
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The German government fought against the price cap, fearing gas shortages as LNG sellers could ignore Europe in response to the market intervention with cargoes heading for ports where buyers are ready to pay more. If there is not enough gas available this spring for utility buyers to refill their storages, the winter 2023/24

will become challenging, with the International Energy Agency (IEA) warning of an overall 57 Bcm supply-demand gap.

Some 30 Bcm of this gap is covered by measures to improve energy efficiency, accelerate renewable deployment and the electrification of heat. A recovery in nuclear and hydropower

output from the decade-low levels in 2022 should also help narrow the gap, the IEA suggested. Closing the remaining deficit of 27 Bcm would require some €100 in upfront spending to help underpin investment in heat pumps as well as wind and solar power installations combined with energy storage. ■

# China's state utilities can issue over \$29 billion in bonds to buy fuel

State-owned power generators in China have been granted permission to issue 200 billion yuan (\$29.1 billion) in special bonds to raise funds to purchase natural gas, oil and especially coal to generate electricity. Ensuring sufficient fuel supplies will be a priority for the government this year in the face of high commodity prices, the state asset regulator said.

The bonds are meant to “fortify energy supply” in China as the country strives to rekindle the economy after a series of Covid-related lockdowns. The State Assets Supervision and

Administration Commission (SASAC) vowed to allocate the funds to power plants “in a timely manner” to meet their fuel needs this year.

SASAC said it was currently

able to monitor the operations of 195 coal mines, 572 coal-powered plants, 727 hydro-electric plants and 96 gas-powered plants owned by state-owned enterprises (SOEs) across the country. Centrally administered state-owned enterprises generated 5 trillion kilowatt-hours (kWh) of electricity since 2022, accounting for 63.1 percent of the China's total, the regulator specified.

Over the past summer, China had been hit by a power shortage due to heatwaves and drought in the Yangtze River basin. “Since the end of September 2021, State Grid Corp of China and China Southern Power Grid, two central

SOEs, have organized cross-regional and cross-provincial power support more than 3,000 times and transmitted nearly 50 billion kWh of electricity to places in need,” the regulator explained.

Ensuring sufficient and affordable fuel is vital this year as the global gas shortage persists, which is why CNOOC and China Petrochemical Corp accelerate the pace of bringing offshore gas fields into operation. The natural gas output of central SOEs increased 7.1 percent on an annual basis to 189.99 billion cubic meters (bcm) in 2022, while their total stocks reached 17.72 bcm, soaring 17.2 percent year-on-year. ■



Shanghai's largest coal power station

## NDRC partially lifts China's ban on Australian coal imports

The National Development and Reform Commission of China (NDRC) has allowed selected companies to resume coal imports from Australia. Domestic miners were also urged to further increase their record output – although China has access to discounted Russian coal – as it massively builds out coal-fired generation to avoid a repeat of rolling blackouts like last summer.

China Datang, China Huaneng, China Energy Investment and China Baowu Steel Group have reportedly been granted permission to import Australian coal, though only for their own use. The move restores frosty diplomatic relations between Beijing and Canberra, while China can still get lower-quality Russian coal for cheap due to western sanction.

Acute power shortages hit southern China last summer when a heat wave and drought dried up hydropower reservoirs and made generators fire up coal peaking power plants. Moreover, high gas prices due to the energy crisis makes the economics of burning coal more attractive which underpins a flurry of new coal power projects in China:

Through to 2024, new coal-fired plants with 80 GW combined capacity are meant to start operations annually but some of these may end up balancing intermittent wind and solar power supply – putting project economics into question. A rapid renewables build-out has made investment in new coal-fired capacity fall by more than half between 2016 and 2020, down from 117.4 billion yuan (\$16.5 billion) to 55.3 billion yuan, according to the China Electricity Council.

Analysts doubt that thermal coal prices will rise as much as they did in 2022, when a global gas crunch made power generators return to more emissions-in-

tensive coal. Moreover, China and India have massively increased their domestic production to insulate themselves against the growing volatility in global coal prices. Figures from the International En-

ergy Agency show China's January-November raw coal output rose 9.7 percent on the year to 4.09 billion tons, while imports fell 10.37 percent to 262 million tons over the same period. ■



Coal exports at Gladstone Port



Gastech



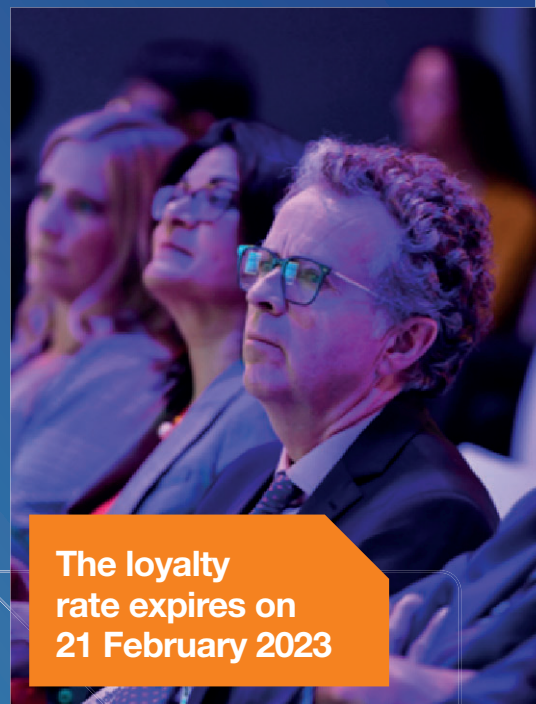
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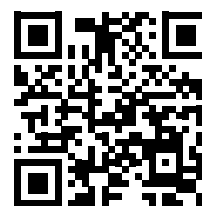
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speakers

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# Chinese LNG Demand Outlook

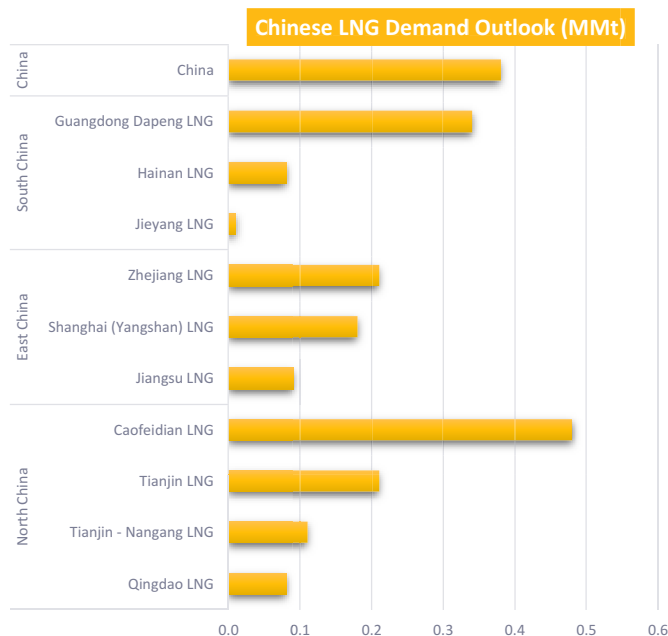
There were 2.17mmt of LNG on the water with destinations in China according to our market visibility at the time of writing on 27 January. These cargoes had an estimated delivery horizon of 19 February. Only three of these inbound cargoes had originated in the United States, however, whilst more than a third (0.82mmt) was derived from Qatar followed by 0.71mmt from Australia. Five cargoes totalling 0.38mmt were broadly headed for China but still had to declare destination terminals.

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 0.88mmt, led by Caofeidian LNG, which as a destination was followed by the Tianjin LNG terminal. However, we highlight that cargoes are frequently diverted from Caofeidian to one of the Tianjin terminals, i.e. Tianjin LNG or Tianjin-Nangang LNG. Concurrently, the East China region was looking to receive roughly 0.48mmt, led by 0.21mmt headed for the Zhejiang LNG terminal. Anticipated LNG deliveries to South China amounted to 0.43mmt. Apparent demand there was led by 0.34mmt going to the Guangdong Dapeng LNG terminal at the time of writing.

Four LNG cargoes amounting to 0.38mmt were broadly headed towards China but without specifying an arrival port. Almost half of these shipments – amounting to 0.17mmt – had sailed from Qatar's Ras Laffan LNG complex. There was also one cargo each from the United States, Russia and Australia that still had to declare their destinations in China.

## January Demand Outlook

At the time of writing, we were expecting negative Chinese demand growth in January over December. Our data pointed to full-month imports of 6.44mmt in January compared to 7.11mmt in December, a difference of 0.67mmt (-9 percent). Chinese LNG offtakes stood at 5.37mmt and thus trailed their equivalent December demand of 6.15mmt by 0.78mmt (-13 percent) on 27 January. Two of the undeclared cargoes outlined above – the Ras Laffan-derived Maran Gas Sparta as well as the Sabine Pass LNG-sailed Golar Maria – are expected to arrive in China by the end of the month, accounting for 0.12mmt. Our market visibility at the time of writing thus indicated this left 1.07mmt still to be delivered by the end of the month unless delays such as waiting times outside port limits or diversions push some of those cargoes into February.



Source: LNG Journal

## North China

Of the 1.07mmt still scheduled to arrive in China by end of January, we are anticipating 0.42mmt to be delivered to North China, comprising the wider Beijing area and China's industrial north.

Among the roster of the top-three northern Chinese terminals, CNPC's Caofeidian LNG was scheduled to receive 0.17mmt via two cargoes by 31 January. These shipments were exported by Qatar via the Ras Laffan LNG-derived Q-Max Al Samriya as well as the Australia Pacific LNG-sailed Murex.

Market visibility further indicated 0.21mmt were destined for Sinopec's Tianjin LNG by 31 January, comprising a cargo from Australia's Queensland Curtis LNG via the Pan Europe and a Belgian re-export from Zeebrugge aboard the Golar Snow.

Qingdao LNG, meanwhile, was expecting the arrival of two Australia Pacific LNG cargoes amounting to 0.15mmt via the CESI Tianjin and the CESI LianYungAng before the end of the month. The neighbouring Tianjin-Nangang facility, however, did not have further scheduled imports before the end of January, according to our data at the time of writing.

## East China

At the time of writing, we also expected the East China region – comprising the wider Shanghai area and Zhejiang province – to receive 0.21mmt by 31 January. Shanghai LNG and the metropolis' peak-shaving facility were scheduled to receive 0.06mmt, our data showed, comprising one Malaysia LNG shipment via the Shen Hai. We were also tracking a Ras Laffan-derived cargo aboard the Q-Flex Al Ghariya and the Wheatstone-sailed Trinity Glory, which were scheduled to arrive at the Zhejiang LNG terminal by month-end to deliver 0.08mmt and 0.07mmt, respectively.

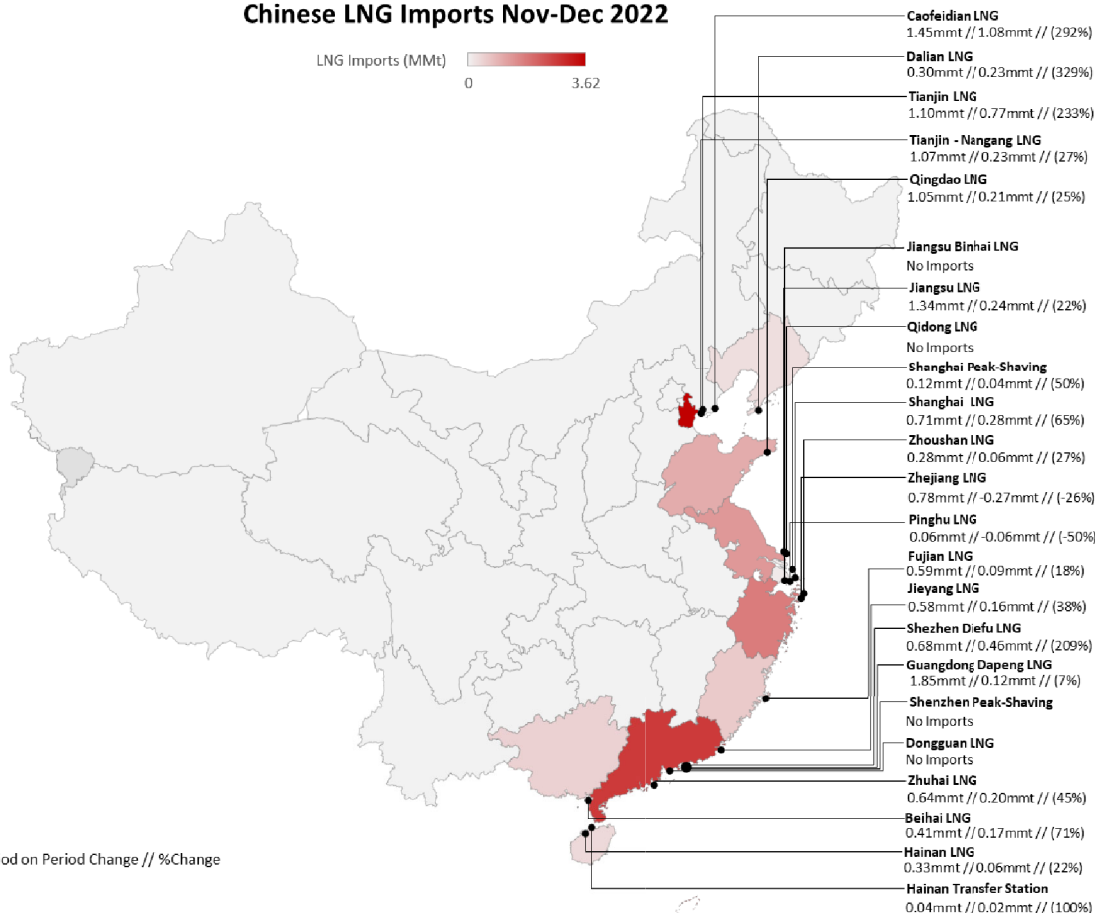
## South China

In the south of the country, we were expecting 0.15mmt to be delivered by 30 January. Scheduled LNG imports in the South China region were led by Jieyang LNG, which at the time of writing was expecting a cargo of 0.08mmt still to arrive before the end of the month. This shipment was derived from PNG LNG in Papua New Guinea via the Gigira Laitebo. Concurrently, Guangdong Dapeng LNG was expecting a cargo of 0.07mmt via the Queensland Curtis LNG-sailed Maran Gas Delphi.

# Chinese LNG Demand: November-December 2022

Chinese LNG Imports Nov-Dec 2022

LNG Imports (MMt) 0 3.62



Source: LNG Journal

China's monthly LNG offtake in December amounted to 7.11mmt, our data showed, which constituted strong monthly demand growth of 0.84mmt (13 percent) from the 6.27mmt we recorded in November. At 13.38mmt in total, Chinese demand during the reporting period of November and December thus grew robustly by 3.70mmt (38 percent) from total imports of 9.68mmt during the preceding two-month period of September and October. China's LNG imports in September and October stood at 4.91mmt and 4.77mmt, respectively. Accordingly, China's annualised LNG import capacity during the reporting period stood at roughly 85 percent, up 24pp from the previous reporting period of November-December. However, the amount imported during the reporting period still constituted a significant net decrease of 1.68mmt (-11 percent) from the 15.06mmt we recorded during the November-December period of 2021, which was reflective of the continuing effect of Europe's demand vortex as well as the continued drag on Chinese economic output by anti-coronavirus measures during most of the reporting period.

## Prices

Our calculations based on Chinese customs data indicate a cooling-off of China's landed LNG prices during the reporting period, which peaked at US\$34.05/mmBtu in November and US\$38.8/MMBtu in December. Whilst still high, these not only represented a significant cooldown from prices as high as US\$49.33/mmBtu in August, but they also remained below the high-water mark of US\$40.37/mmBtu in November/December 2021.

Parts of China continued to be subject to intermittent coronavirus-related lockdowns, which likely dampened the domestic energy demand growth rate. These measures continued to put significant pressure on domestic LNG prices and thus created a sizeable gap in landed prices, Chinese customs data indicate. The Pacific market continued to be tight and spot cargoes still demanded a steep premium as also Japan increased buying activity significantly alongside high European demand, our data showed.

Chinese domestic LNG prices continued to slide in November following their peak of US\$27/mmBtu in March but climbed swiftly in December. In the current reporting period of November/December, the highest privately quoted domestic price had decreased to US\$15.20/mmBtu on 1 November before climbing to around US\$23.69/mmBtu by mid-December. Nevertheless, the average Chinese domestic LNG price during the reporting period remained below its September/October equivalent. The current reporting period's average price stood at US\$ of US\$16.60/mmBtu compared to US\$18.21/mmBtu for September/October.

Meanwhile, the average domestic price indicated by the National Bureau of Statistics (CNBS) stood at US\$20.60/mmBtu for December (the most recent available full-month dataset by the CNBS), which represents an increase of US\$4.36/mmBtu (27 percent) from US\$16.24/mmBtu in November.

## North China

LNG demand grew steeply in the north of China during the reporting period, with

offtakes increasing by 2.52mmt (103 percent) from 2.45mmt in the two months of September-October to 4.97mmt 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. However, the sum of LNG imports of 4.97mmt in northern China for the period of November-December 2022 was still significantly behind its equivalent of 6.01mmt in 2021, down by 1.04mmt (-17 percent).

### China's North again led by Caofeidian LNG

Leading the roster of northern terminals by volumes imported, Caofeidian LNG took in 1.45mmt during the reporting period of November-December. This constituted a steep increase in offtakes by 1.08mmt (292 percent) compared to the previous two-month period. Imports consisted predominantly of nine Qatari cargoes from Ras Laffan LNG amounting to 0.91mmt. Russia delivered five cargoes, supplying 0.33mmt in the process. In addition, Australia's Australia Pacific LNG supplied two cargoes of 0.07mmt each whilst Malaysia LNG supplied the remaining cargo of 0.07mmt.

### Tianjin LNG

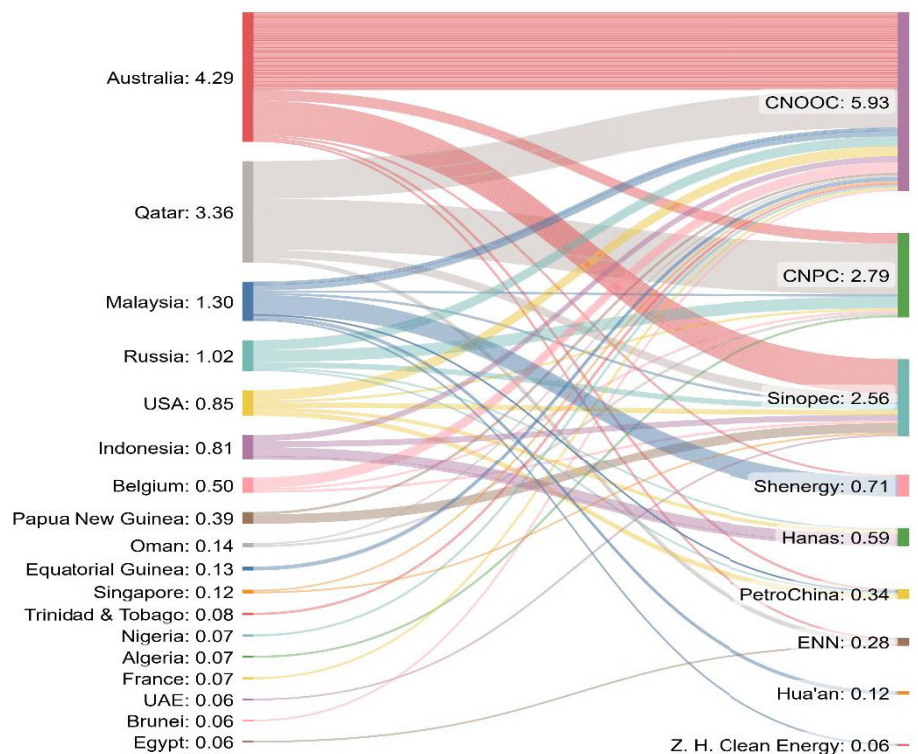
Imports at Tianjin LNG amounted to 1.10mmt, up 0.77mmt (233 percent) from 0.33mmt in September-October, according to our data. The bulk of these imports came from Australia, amounting to 0.48mmt via seven cargoes supplied by Gorgon-, Queensland Curtis-, Wheatstone- and Australia Pacific LNG. The United States supplied three cargoes totalling 0.16 whilst Qatar shipped 0.12mmt. The roster of Tianjin LNG's imports was completed by five cargoes stemming from

Russia's Yamal and Sakhalin-2 LNG as well as Indonesia's Bontang plant and one re-export each from Zeebrugge and Singapore.

### Tianjin - Nangang LNG

Tianjin - Nangang LNG, meanwhile, had offtakes amounting to 1.07mmt over the reporting period compared to 0.84mmt in September-October. The terminal thus saw an increase in imports of 0.23mmt (27 percent).

## Chinese LNG Buyers (MMt)



Source: LNG Journal

Cargoes comprised eight from Australia Pacific LNG amounting to 0.60mmt, three US shipments from Calcasieu Pass and Sabine Pass LNG totalling 0.23mmt, two from Ras Laffan amounting to 0.18mmt and one of 0.06mmt from Sakhalin-2 LNG.

### Qingdao LNG and Dalian LNG

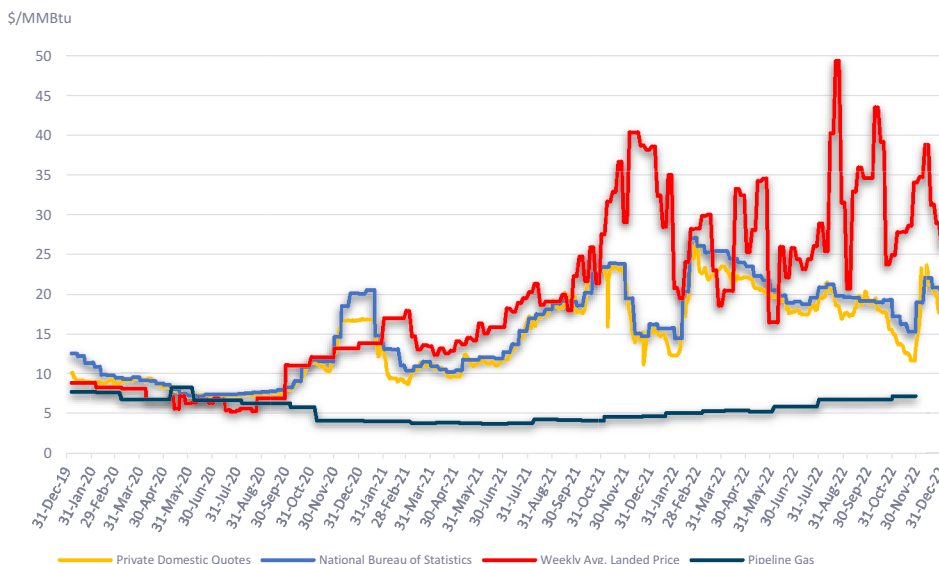
The remaining two northern terminals – Qingdao LNG and Dalian LNG – imported 1.05mmt and 0.30mmt over the reporting period, respectively, which in the case of Qingdao LNG stemmed predominantly from Australia with 0.40mmt. Nine cargoes totalling 0.65mmt from Papua New Guinea, Qatar, Indonesia and Russia completed imports at Qingdao.

November-December supply to the Dalian terminal came mainly from the United States' Sabine Pass and Corpus Christi LNG terminals, which accounted for 0.16mmt, as well as 0.08mmt from Gorgon LNG and 0.06mmt from Sakhalin-2 LNG.

## East China

At the time of writing, demand in East China was dominated by the wider Shanghai area, where Jiangsu LNG imported 1.34mmt during the reporting period. This placed the terminal third among China's leading terminals in November-December. Accordingly, it

## Chinese Gas Prices



Source: LNG Journal, CNBS, GACC, Domestic Traders

operated at well-above nameplate capacity. However, overall LNG demand in East China had decreased by 0.10mmt (-3 percent) to 3.29mmt in November/December from the 3.39mmt 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 China's latest terminal additions Pinghu LNG and Jiangsu Binhai LNG – imported a total of 0.89mmt over the reporting period, down 0.20mmt from the 1.02mmt recorded in September-October on account of a lack of cargoes going to Qidong LNG and Jiangsu Binhai LNG as well as only half the previous period's imports of 0.12mmt going to Pinghu LNG. Pinghu LNG receives its cargoes from Malaysia LNG under a long-term contract. The three terminals aside, the sub-region's imports were led by the Shanghai LNG terminal, which took in 0.71mmt as it boosted imports by 0.28mmt (65 percent) period-on-period. Shanghai's peak-shaving facility was also seen in the market with three imports totalling 0.12mmt, up 0.04mmt (50 percent) from September-October.

#### Zhejiang & Zhoushan LNG

At the neighbouring terminals Zhejiang and Zhoushan LNG, imports amounted to 0.78mmt and 0.28mmt, respectively. Zhejiang LNG's offtakes had thus decreased by 0.27mmt (-26 percent) compared to September-October after it had reached its throughput capacity ceiling during the previous reporting period. Meanwhile, Zhoushan LNG continued to increase imports period-on-period by 0.06mmt (27 percent) to 0.28mmt from 0.22mmt. LNG to Zhejiang LNG was mainly supplied by Qatar, with four cargoes totalling 0.33mmt stemming from Ras Laffan whilst Queensland Curtis LNG in Australia supplied five shipments totalling 0.31mmt. Russia's Yamal LNG also supplied 0.07mmt via one cargo alongside a shipment of 0.07mmt from Malaysia LNG. Zhoushan's four imports totalling 0.28mmt came from Gorgon LNG in Australia, Idku LNG in Egypt and Ras Laffan in Qatar. Zhoushan is one of the few Chinese LNG import terminals not controlled by one of the state-owned petrochemical giants PetroChina, Sinopec and CNOOC.

## South China

Regional imports in South China – where LNG demand is primarily determined by the southern industrial centre of Shenzhen – saw a

significant demand increase in November-December, our data showed. The region's imports amounted to 5.12mmt over the reporting period, which meant they were up by 1.28mmt (33 percent) from the 3.84mmt recorded in September-October.

#### Shenzhen terminals

South China's imports were still led by Shenzhen's active terminals – Guangdong Dapeng and Shenzhen Diefu LNG. Dongguan LNG and the adjacent peak-shaving facility, on the other hand, continued their market absences. The region's most prominent terminal – Guangdong Dapeng LNG (GDLNG) – saw offtakes of 1.85mmt, placing it first among China's terminals. At 1.85mmt, the terminal had increased its November-December imports by 0.12mmt (7 percent) from 1.73mmt during the previous two-month period. Guangdong Dapeng LNG's average capacity utilisation stood at 163 percent over the reporting period, which resulted in neighbouring Shenzhen Diefu LNG importing 0.68mmt and pegging its terminal utilisation at 102 percent. Shenzhen Diefu usually steps in when GDLNG's throughput requirements are stretched beyond capacity.

#### Zhuhai and Jieyang LNG

Zhuhai LNG increased offtakes by 0.20mmt (45 percent) to 0.64mmt over the reporting period from 0.44mmt the previous period, which pegged overall capacity utilisation at 114 percent. The roster of Zhuhai's imports came from a wide variety of sources including Malaysia, Australia, the United States, Equatorial Guinea, Nigeria, Malaysia and Qatar. We also recorded a Belgian re-export. Ordinarily, Zhuhai is supplied mainly by Australia with a smaller proportion coming from Qatar. However, with a tight mark, CNOOC's trading arm likely had to source spot cargoes further afield.

Alongside Zhuhai, Jieyang LNG also saw a substantial increase in imports during the November-December period. Full-period offtakes were up by 0.16mmt (38 percent) to 0.58mmt in November-December from 0.42mmt in September-October. Accordingly, Jieyang LNG saw capacity utilisation of 83 percent over the reporting period compared to 60 percent in September-October. The terminal has ascended to become an important indicator of Chinese LNG demand since the inauguration of China's state-owned China Oil and Gas Pipeline Network (also known as PipeChina) last year. 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 increase in the South China region, Fujian LNG again saw demand grow in November-December. At 0.59mmt, imports were up 0.09mmt (18 percent) from the 0.50mmt recorded during the previous period. The terminal's capacity utilisation, therefore, stood at 56 percent. Concurrently, Beihai LNG also saw higher demand over the reporting period. Offtakes at the terminal had increased by 0.17mmt (71 percent) to 0.41mmt from 0.24mmt in September-October. The terminals' annualised capacity utilisation stood at 82 percent for the reporting period and was on par with its year-on-year equivalent.

#### Hainan Island

The remaining two regional LNG terminals – Hainan LNG and the Hainan Transfer Station on Hainan Island – also saw a considerable demand increase due to higher activity at the Hainan LNG terminal. Whilst the Transfer Station saw its two-month offtake double to 0.04mmt period-on-period, Hainan LNG increased imports by 0.06mmt (22 percent) to 0.33mmt in November-December from 0.27mmt in September-October. The terminal continued to take in supplies from international sources, chiefly from Malaysia but also from Brunei, Singapore, Indonesia and Russia. Previously, supply to the terminal was limited to mostly re-exports from Beihai LNG. These re-exports stopped in August. LNG capacity utilisation on Hainan Island over the reporting period was thus 66 percent.

| Region | Terminal                | Export Basin |             |             | December 2022 | November 2022 | Rep. Period Utilisation |
|--------|-------------------------|--------------|-------------|-------------|---------------|---------------|-------------------------|
|        |                         | Atlantic     | Middle East | Pacific     |               |               |                         |
| North  | Dalian LNG              | 0.08         | -           | 0.08        | 0.16          | 0.14          | 30%                     |
|        | Tianjin - Nangang LNG   | 0.15         | 0.09        | 0.23        | 0.47          | 0.60          | 59%                     |
|        | Qingdao LNG             | -            | 0.07        | 0.51        | 0.58          | 0.47          | 105%                    |
|        | Tianjin LNG             | 0.23         | 0.06        | 0.4         | 0.69          | 0.41          | 91%                     |
|        | Caofeidian LNG          | 0.07         | 0.5         | 0.2         | 0.77          | 0.68          | 134%                    |
| East   | Zhejiang LNG            | -            | 0.15        | 0.31        | 0.46          | 0.32          | 156%                    |
|        | Shanghai (Yangshan)     | -            | -           | 0.48        | 0.48          | 0.23          | 142%                    |
|        | Jiangsu LNG             | 0.07         | 0.5         | 0.21        | 0.78          | 0.56          | 230%                    |
|        | Qidong LNG              | -            | -           | -           | -             | -             | 0%                      |
|        | Zhoushan LNG            | -            | 0.12        | -           | 0.12          | 0.16          | 56%                     |
|        | Shanghai Peak-Shaving   | -            | -           | 0.04        | 0.04          | 0.08          | 12%                     |
|        | Pinghu LNG              | -            | -           | -           | -             | 0.06          | 36%                     |
|        | Jiangsu Binhai LNG      | -            | -           | -           | -             | -             | 0%                      |
|        | Guangdong Dapeng LNG    | 0.07         | 0.42        | 0.65        | 1.14          | 0.71          | 163%                    |
|        | Fujian LNG              | -            | -           | 0.17        | 0.17          | 0.42          | 56%                     |
| South  | Beihai LNG              | -            | 0.06        | 0.13        | 0.19          | 0.22          | 82%                     |
|        | Zhuhai LNG              | 0.27         | -           | 0.06        | 0.33          | 0.31          | 114%                    |
|        | Hainan LNG              | 0.07         | -           | 0.08        | 0.15          | 0.18          | 66%                     |
|        | Jieyang LNG             | 0.07         | -           | 0.16        | 0.23          | 0.35          | 83%                     |
|        | Dongguan LNG            | -            | -           | -           | -             | -             | 0%                      |
|        | Shenzhen Diefu LNG      | 0.15         | 0.06        | 0.12        | 0.33          | 0.35          | 102%                    |
|        | Hainan Transfer Station | -            | -           | 0.02        | 0.02          | 0.02          | 67%                     |
|        | Shenzhen Peak-Shaving   | -            | -           | -           | -             | -             | 0%                      |
|        | <b>Total</b>            | <b>1.23</b>  | <b>2.03</b> | <b>3.85</b> | <b>7.11</b>   | <b>6.27</b>   | <b>85%</b>              |

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A handwritten signature in blue ink, likely belonging to Jill Evanko.

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