LNG China

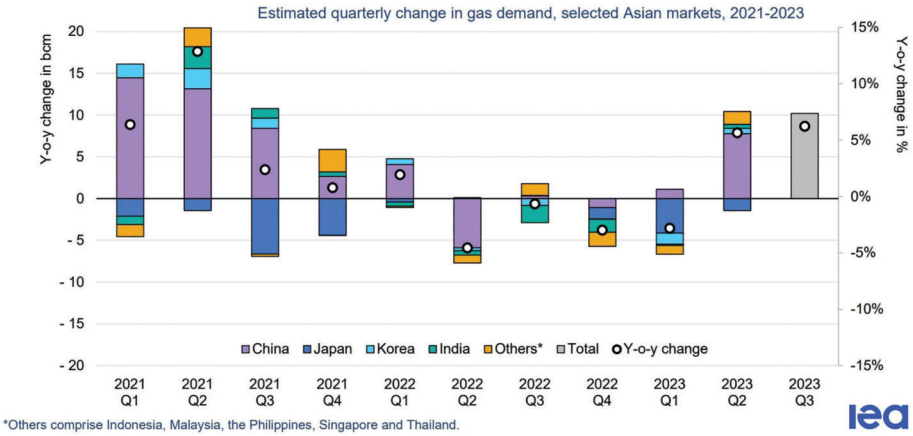
A BI-MONTHLY LNG JOURNAL PUBLICATION

November / December 2023

China to account for almost half of global gas demand growth; IEA says

Though global gas demand growth slows to 1.6% a year through to 2026, China accounts for almost half of that growth as it increasingly draws on the fuel for power generation and industrial production, the International Energy Agency (IEA) forecasts. Lifting of lockdowns made China's gas use rise 7%, or 18 billion cubic metres (bcm) in the first three quarters of 2023 while LNG imports jumped nearly 15%.

Asian gas demand returned to moderate growth in Q2-Q3 2023 primarily driven by China



*Others comprise Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Manufacturing activity and gas consumption rebounded in China in early 2023, when authorities eased their strict anti-Covid policies. But weak export demand together with the country's ongoing real estate downturn weighs on its economic performance: GDP growth is forecast to average just below 4.5% between 2023 and 2026 – well below the 6.6% average growth rate experienced between 2016 and 2019.

The sudden lifting of lockdowns at the start of this year helped the economy to gain steam and rekindled gas consumption from the industrial and power sectors. Gas-burn surged by more than 10% yoy, as higher electricity demand together with lower hydro output increased the call on gas-fired power plants. Industrial gas demand rose by more than 3%, while the city gas segment increased by around 7%, according to IEA figures.

In contrast, Japan's LNG imports retreated as gas-burn for power generation declined by 16% due to an impressive 53%, or 18 TWh, year-on-year rise in nuclear power output in the first eight month of 2023. Similarly, South Korea's gas demand fell 2% over the same period amid good nuclear availability.

Build-out of LNG import capacity

Import infrastructure is rapidly expanding in China: three new import terminals have been commissioned this year – Caofeidian Xintian LNG (6.8 bcm/y), Wenzhou LNG (4 bcm/y) and Nansha LNG (1.4 bcm/y) – bringing the number of the country's terminals to 27

continued on page 3

AGENDA

continued from page 1

with a combined regasification capacity of 156 bcm/y.

Over the first three quarters of 2023, China's LNG imports jumped by nearly 15% as state-owned oil and gas majors signed a series of long-term import contracts to stabilise supply in the wake of the global gas crisis following Russia's invasion of Ukraine. According to IEA figures, China's net LNG imports started to recover in March and grew by 7.8 bcm over the first three quarters of this year.

Looking ahead, analysts expect China to stay the key driver on global gas markets and account for 48% of the world's incremental gas demand in the years through to 2026. With price pressures softening since 2022, demand from China's energy-intensive industry is getting back on track and expected to grow by 8% this year. In fact, industry is forecast to account for 40% of China's gas consumption over the next three years.

Installed gas-fired capacity in China has been expanded by over 40% as the country turns away from coal, prompting a 9% rise in power sector gas-burn. Still, analysts caution that the share of gas in the power mix has grown more slowly than renewables, reaching only 3% of China's total power production in 2022 – far behind the more than 60% share held by coal. ■

China's CNOOC and French utility Engie settle LNG trade in yuan

China National Offshore Oil Corp. (CNOOC) and the French utility Engie have completed a yuan-settled LNG trade through the Shanghai Petroleum and Natural Gas Exchange – the third such LNG trade achieved by the Chinese. A cargo of around 65,000 metric tons of LNG will be delivered in November possibly from Abu Dhabi.

As one of China's largest gas producers, CNOOC aims for gas to account for half of its domestic hydrocarbon output as gas-burn increases in the country's power sector. CNOOC is also an LNG import capacity holder at nine regasification terminals, which mostly lie south of Shanghai.

LNG complements CNOOC domestic gas production and the 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 this August.

In April, PetroChina carried out a yuan-settled LNG trade with ADNOC which also involved TotalEnergies. The cargo for that transaction arrive from Das Island in Abu Dhabi in May and was unloaded at the main terminal in southern Guangdong province. 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.

CNOOC's Fujian LNG terminal

Analysts suggest 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. ■

Qatar signs second supply deal with Sinopec for North Field South expansion

QatarEnergy has signed a second partnership and supply agreement with China Petroleum and Chemicals Corp. (Sinopec) for Qatar's North Field South (NFS) expansion project in the Arabian Gulf. Delivery of an additional 3 mtpa of LNG for 27 years has been agreed from the NFS project to Sinopec's receiving terminals in China.

The accord with Sinopec follows the Chinese major's entry as a shareholder of the NFS joint venture company last April.

Under the investment agreement, QatarEnergy will transfer a 5% interest to Sinopec in a joint venture company that will own the equivalent of 6 mtpa of LNG production capacity in the NFS project. "The agreement will not affect the participating interests of any of the other shareholders," the company underlined.

North-Field-platform with Bravo living quarters

Qatar's two LNG expansion project, the NFS joint venture and the NFE venture, are carried out together with Shell and ExxonMobil and will take Qatar's gas output from 77 to 126 mtpa.

The two Qatari LNG expansions involve feed-gas developments in the prolific North Field in the Arabian Gulf and the construction of an additional six mega-Trains each with 8 mtpa of output.

The NFS venture will have two mega-Trains while the NFE project will have four of the mega-Trains processing the Gulf gas for export. ■

LNG China

Publisher
Stuart Fryer

Editor
Anja Karl
Tel: +44 7733 684682
anja@lngjournal.com

Layout
Vivian Chee
chee@thedigitalship.com

Advertising
David Jeffries
Tel: +44 (0) 20 8150 5293
djeffries@lngjournal.com

Subscription included with LNG Journal

Gazprom agrees with CNPC and PipeChina to build pipeline in Far East

Russia's state energy major Gazprom has reached an agreement with China National Petroleum Corp (CNPC) and PipeChina on the design and construction of a cross-border pipeline section in the Far East. A contract stipulates delivery of 10 bcm per year along the Far Eastern route, with Gazprom CEO Alexei Miller announcing 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 flows via the Power of Siberia pipeline which are expected to reach the contractual level of 38 bcm/y in 2025.

China is considering increasing gas import beyond the Power of Siberia's design 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.

Pivoting East, Russia is also working 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 Russia's huge reserves in 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.

In February 2022, China already 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.

Keen to not put all eggs in one basket, China is also trying to get additional gas from Central Asia. A new pipeline could source some 25 bcm/y of gas over a period of 30 years from Turkmenistan via Tajikistan and Kyrgyzstan. Moreover, nine new LNG term contracts began deliveries in 2023, more than offsetting the two short-term contracts that expired at the end of last year. With about 13 bcm of new LNG contracts starting shipments, contracted volume is on course to reach nearly 110 bcm this year – substantially higher than projected demand. Chinese buyers could hence ramp up LNG imports back to the 2021-peak of 108 bcm without having to buy comparatively expensive spot cargoes. ■

Russia to sell gas to China at half the price compared with EU buyers

Russia's Gazprom seems willing to sell gas to China at a steep discount over the next three years – almost half the price European buyers will pay. Prime Minister Mikhail Mishustin indicated that pipeline gas will be sold to CNPC for $271.6 per thousand cubic meters from 2024, while buyers in the EU and Turkey are charged $481.7 on average.

Those price differences could stay in place through to 2026, according to a new economic outlook compiled by Mishustin.

This year, in contrast, Gazprom has been selling pipeline gas to state-owned CNPC at an average of $297.3 per thousand cubic metres, so prices are bound to fall starting from next year as Gazprom is preparing to supply greater volumes to China via the second leg of the Power-of-Siberia pipeline.

Hard bargain for cheaper price

Though "practically all parameters" for Power-of-Siberia 2 – a new 50 bcm/y interconnector to China – have been agreed, China had long abstained to sign a deal as it wanted to bargain for a better price for gas deliveries. Gazprom wants to supply up to 98 bcm of gas by 2030, but analysts doubt China will need that much.

Clearly, Russia's latest offer for pipeline gas deliveries to China shows that it pays off for CNPC to wait for prices to fall as Gazprom is desperate to find alternative buyers outside Europe.

But Beijing is holding back given that Gazprom already delivers gas to China through the first Power-of-Siberia pipeline under a 30-year contract, worth some $400 billion which was concluded in 2019 after hard-fought negotiations on price.

"The original target is for China to import 38 bcm of Russia gas by 2025. Now Russia is saying this will reach 98 bcm by 2030. That is a very big jump, so it pays to be slightly cautious on that," ICIS's China gas analysts Wang Yuanda commented. ■

Owners of Hong Kong FSRU give operational update

The Hong Kong floating LNG import terminal, the "Bauhinia Spirit" FSRU deployed to the east of the Soko Islands, is operating well after entering service in July 2023 and has been receiving diverse cargoes.

CLP Power Hong Kong and The Hongkong Electric Company are the charter owners of the facility and they have recently updated investors on the benefits of LNG imports for the former British colony handed back to China in 1997. "The operation of the terminal has enhanced Hong Kong's fuel supply stability by the addition of a new supply source for natural gas, facilitating the city's energy transition," they said.

The "Bauhinia Spirit" is the world's largest FSRU and has an LNG storage capacity of 263,000 cubic metres. It is moored at the jetty of the terminal to receive, store and regasify LNG before the natural gas is sent by two separate subsea pipelines to CLP Power's Black Point Power Station and HK Electric's Lamma Power Station. "The terminal gives the power companies direct access to international LNG markets and provides a long-term alternative fuel source to meet Hong Kong's generation needs," they added.

CLP Holdings chairman, Sir Michael Kadoorie, said that the construction of the offshore LNG terminal took place in the midst of the pandemic, exemplifying Hong Kong's engineering prowess and the city's can-do spirit. ■

China's peak electricity demand could rise 12.1% this winter; NEA says

Maximum electricity demand in China may soar by 140 gigawatts (GW) or 12,1% from last year's peak as energy use rebounded in the second half of this year, the National Energy Administration (NEA) said. China's electricity demand already increased by 9.9% in September from a year earlier to 781,000 GWh as the country's economic recovery gathered speed.

Hotter than usual temperatures also pushed up this summer's peak demand about 50 GW higher than highs reached in the previous summer, with NEA recording a 3.6% increase from last year's 1,390 GW.

Though power supply is generally guaranteed during the winter, there may be shortages in Yunnan province and Inner Mongolia, an official noted. Eagar 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.

Gas consumption could grow 7% this year

Major gas producing provinces like Hainan and Guangdong are also called upon to ensure stable gas supplies to fuel regional power stations. NEA expects China's gas demand to rebound in the second half of 2023 and reach up to 390 billion cubic metres (bcm) for the full year, a 7% increase. Growth is largely driven by city gas demand from the commercial sector and several gas-fuelled power stations being dispatched during the summer.

Gas offtake from industrial users remains very sensitive to price and will likely respond strongly to price fluctuations as the autumn and winter season approaches. NEA expects the global gas market to continue being influenced by a rebalancing in Europe, while demand in Asia recovers steadily which fosters the need to restock gas inventories.

Domestic gas meant to cover 50% of demand

As one of China's main energy market regulators, NEA underlined the country's gas strategy is to strengthen domestic production and supply via term contracts, complemented with some spot LNG, to maintain price stability. Natural gas produced in China increased to 220 bcm in 2022, up 6% year-on-year. 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.

To stabilise supply, Chinese companies sealed nearly 17 million ton per year of long-term LNG offtake accords last year, with Free-on-Board (FOB) making up nearly 60% of the total. At the same time, pipeline gas deliveries saw a staggering 54% increase, which according to NEA underlines the importance of this partnership in China's energy import strategy.

Challenges of inflexible pricing

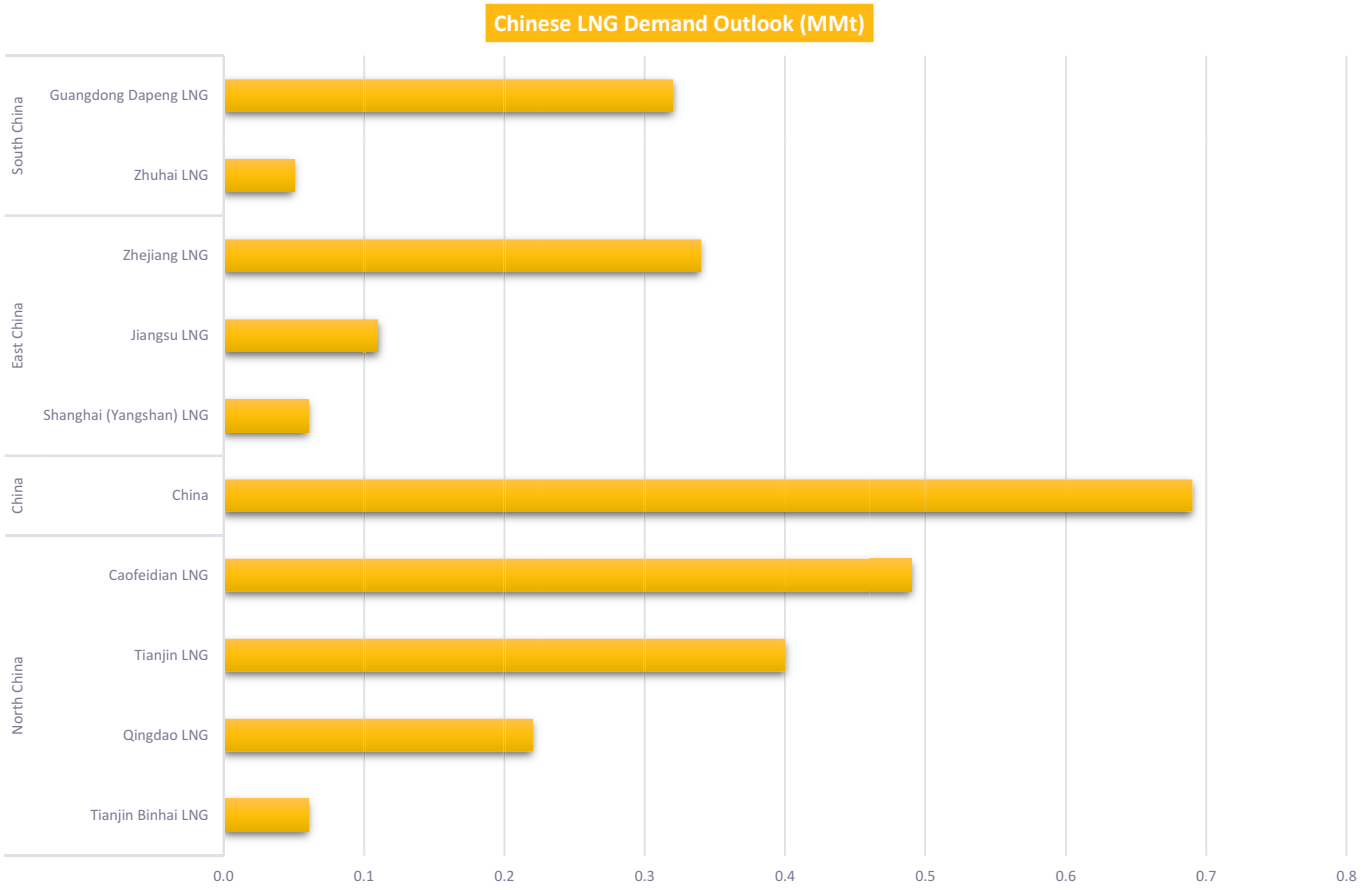
Inflexible pricing embedded in some long-term contrast were criticised by NEA as this resulted in high import costs compared to global LNG spot prices in the first half of this year.

Domestic demand was dampened in this scenario, but gas consumption still rebounded 5.6% year-on-year to 194 bcm, covered by 115.5 bcm of domestic production, plus 33.2 bcm of pipeline gas deliveries and 42.6 bcm of LNG. Pandemic-related restrictions had lowered China's overall gas consumption by 1.2% to 364 bcm lowered, while the share of gas in primary energy consumption fell by 0.5% to 8.4%, the report specified. ■

Construction of the 500-kV Yangtze River crossing power line

Chinese LNG Demand Outlook

There were 2.74mmt of LNG on the water with destinations in China according to our market visibility at the time of writing on 7 November. These cargoes had an estimated delivery horizon of 1 December. Only three of these inbound cargoes had originated in the United States, however, whilst close to a third (0.83mmt) was derived from Australia followed by 0.68mmt from Qatar. Nine cargoes totalling 0.69mmt 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 1.17mmt, 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 0.37mmt, led by 0.32mmt headed for the Guangdong Dapeng LNG terminal. Anticipated LNG deliveries to East China amounted to 0.51mmt. Apparent demand there was led by 0.34mmt going to the Zhejiang LNG terminal at the time of writing.

Seven LNG cargoes totalling 0.69mmt were broadly headed towards China but without specifying an arrival port. The shipments aboard the Yamal LNG-derived Vladimir Rusanov, LNG Merak, Georgiy Ushakov and Clean Planet, as well as the Ras Laffan-sailed Mozah and Al Dafna, the Bonny Island-sailed LNG Imo and the Australia Pacific LNG-derived CESI LianYungAng had an arrival horizon of 20 November.

CPC PUMPS INTERNATIONAL

Part of the **Atlas Copco** Gas and Process Division

Atlas Copco

In LNG, experience matters

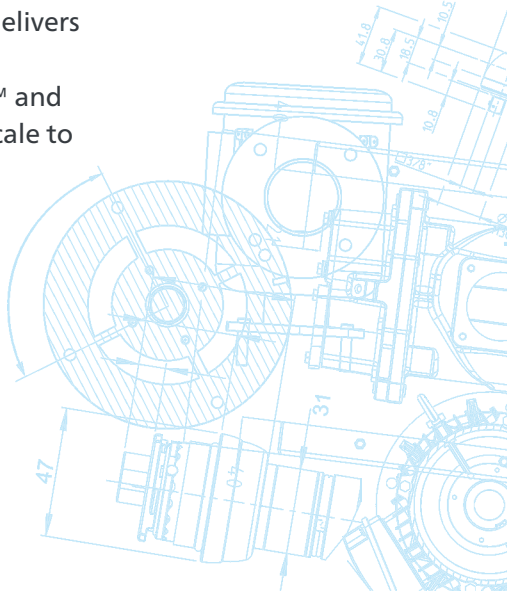
The LNG industry is constantly evolving, and we can help you lead the way. The expertise of Atlas Copco Gas and Process and CPC Pumps International Inc. provides custom-engineered compression and expansion technology that boosts your productivity throughout the LNG value chain.

Across our history, we have engineered advanced process equipment that delivers maximum efficiency in modular, compact packaging. We offer end-to-end centrifugal compressors, screw compressors, turboexpanders, companders™ and centrifugal fluid pumps customized for every LNG application, from small scale to large scale, onshore and off.

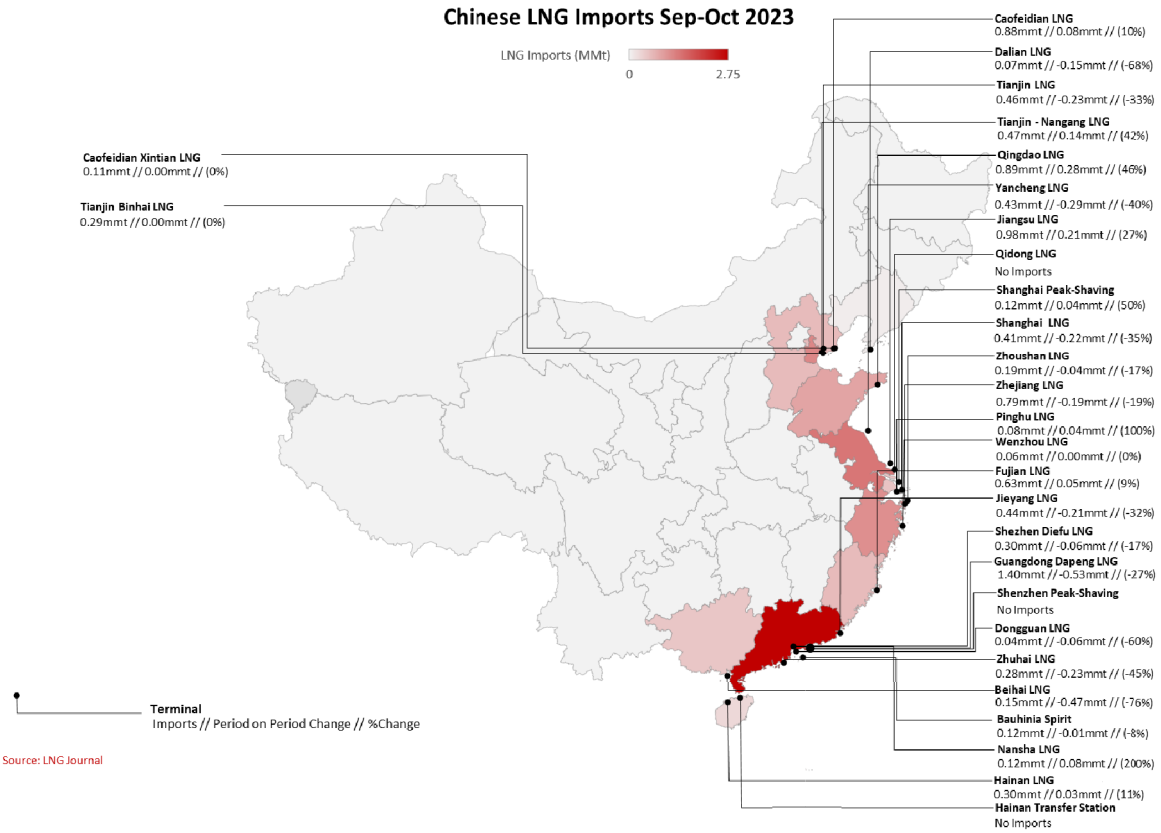
Scan the respective QR Codes to learn more about the solutions.

Atlas Copco
Gas and Process

CPC Pumps
International Inc.



Chinese LNG Demand: September-October 2023



China's monthly LNG offtake in October amounted to 5.37mmt, our data showed at the time of writing, which constituted negative monthly demand growth of 0.26mmt from the 5.63mmt we recorded in September. Chinese demand during the reporting period of September and October of 11.0mmt thus decreased by 1.35mmt (-11 percent) from total imports of 12.35mmt during the preceding two-month reporting period of July and August 2023. China's LNG imports in July and August stood at 6.16mmt and 6.19mmt, respectively. Accordingly, China's annualised LNG import capacity utilisation during the current reporting period stood at roughly 59 percent, down 20pp from the previous reporting period of July-August. The amount imported during the reporting period nevertheless also constituted a robust increase of 1.32mmt (14 percent) from the 9.68mmt we recorded during the September-October period of 2022.

Prices

Our calculations based on Chinese customs data indicate an continued cooling-off of China's landed LNG prices to an average of US$13.45/mmBtu during the reporting period of September-October, coming down from peaks of US$27.58/mmBtu in January and US$29.01/MMBtu in February. Accordingly, these not only represented a significant cooldown from even higher prices at around US$38.80/mmBtu in December 2022, but they also remained drastically below the high-water mark of US$49.32/mmBtu in August 2022.

China's economy advanced by 4.9 percent year-on-year in Q3 2023, exceeding the market predictions of 4.4 percent and instilling optimism that it will achieve the government's annual target of approximately 5 percent this year, thanks to ongoing economic support from Beijing that counterbalanced the adverse effects of a protracted property market turmoil and sluggish trade.

Chinese domestic LNG prices began to trend higher in September and October whilst 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 September/October, the highest privately quoted domestic price had increased to US$14.62/mmBtu on 31 October. Accordingly, the average Chinese domestic LNG price during the reporting period increased to US$12.31/mmBtu.

Meanwhile, the average domestic price indicated by the National Bureau of Statistics (CNBS) stood at US$13.11/mmBtu for the first half of October (the most recent available dataset by the CNBS), which represents an increase of US$1.26/mmBtu (-11 percent) from US$11.85/mmBtu in September.

North China

LNG demand increased in the north of China during the reporting period up to 31 October, with offtakes up by 0.60mmt from 2.65mmt in the two months of July-August to 3.25mmt for the reporting period of September-October. The largest shares of LNG influx into the region during the reporting period took place via the Qingdao LNG terminal.

China's North led by Caofeidian LNG

Leading the roster of northern terminals by volumes imported, Qingdao LNG took in 0.89mmt during the reporting period. This

ExxonMobil | LNG

Reshaping **energy**

Growth | Connections | Brighter Futures

ExxonMobil's LNG value chain in reliable, efficient and responsive. Meeting the world's energy demands, enabling dependable economic growth for people, businesses and communities.

Together, we are reshaping energy.

exxonmobilling.com

constituted an increase in offtakes by 0.19mmt (10 percent) compared to the previous two-month period. Imports consisted predominantly of four Australia Pacific LNG cargoes and four from PNG LNG. Deliveries were also made from Russia, Qatar and Indonesia.

Caofeidian LNG

Imports at Caofeidian LNG amounted to 0.88mmt, up 0.12mmt (21 percent) from 0.80mmt in July-August, according to our data. These imports were led by Russia, which was the source of five cargoes totalling 0.33mmt via Yamal LNG. Additionally, shipments amounting to 0.55mmt stemmed from Qatar, Australia and the United States.

Tianjin LNG

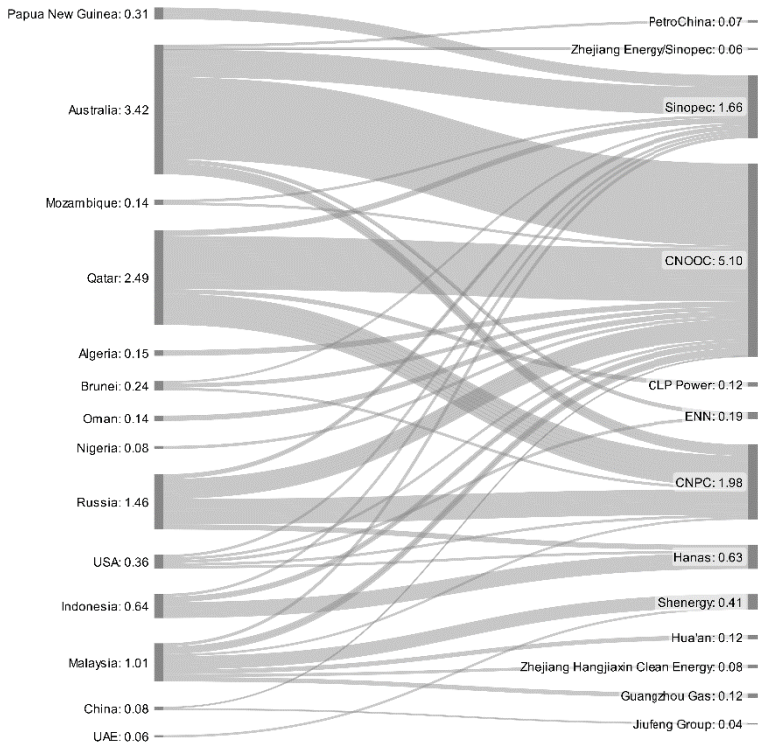
Tianjin LNG, meanwhile, had offtakes amounting to 0.54mmt over the reporting period compared to 0.69mmt in July-August. The terminal thus saw an import increase of 0.03mmt (5 percent). Cargoes comprised, inter alia, three shipments from Australia.

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

The remaining four northern terminals – Tianjin – Nangang, Tianjin Binhai, Caofeidian Xintian LNG and Dalian LNG – imported 0.94mmt over the reporting period, respectively, which in the case of Tianjin - Nangang LNG stemmed predominantly from Qatar with 0.27mmt. The new Tianjin Binhai terminal's imports amounted to 0.29mmt alongside 0.11mmt arriving at Caofeidian Xintian LNG.

September-October supply to Dalian LNG came entirely from Australia. The APLNG-derived CESI Tianjin supplied 0.07mmt

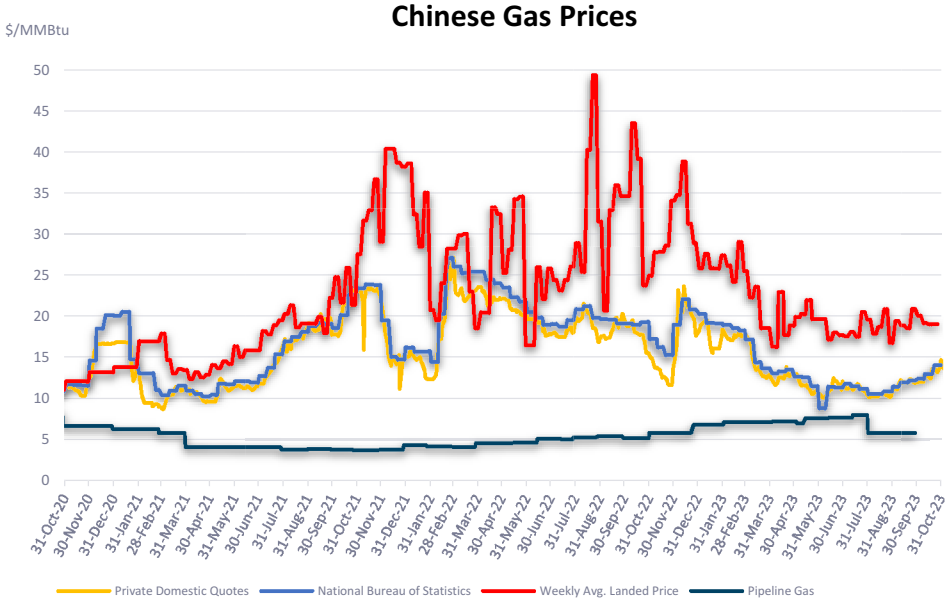
Chinese LNG Buyers (MMt)



Source: LNG Journal

East China

Chinese Gas Prices



Source: LNG Journal, CNBS, GACC, Domestic Traders

At the time of writing, demand in East China was dominated by the wider Shanghai area, where Jiangsu LNG imported 1.10mmt during the reporting period. This placed the terminal second among China's leading terminals in September-October. Accordingly, it operated at well-above nameplate capacity. Still, overall LNG demand in East China was down by 0.76mmt (-19 percent) period-on-period to 3.26mmt in September-October from the 3.26mmt we recorded in July-August.

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 0.61mmt over the reporting period. This was down 1.31mmt (-68 percent) from the 1.92mmt we recorded in July-August on account of lower offtakes at Shanghai LNG and the Qidong LNG's market absence.

Yancheng LNG

The new Yancheng LNG facility did not continue to ramp up imports during the reporting period, with offtakes down by 0.34mmt (-44 percent) to 0.43mmt from 0.77mmt in July-August. The bulk of that supply came from Australia's QCLNG and APLNG plants in addition to a total of four

cargoes from Qatar and Russia's Sakhalin-2 LNG.

Zhejiang & Zhoushan LNG

At the remaining regional terminals Zhejiang and Zhoushan LNG, imports amounted to 0.87mmt and 0.19mmt, respectively. Zhejiang LNG's offtakes had thus decreased significantly by 0.11mmt (-11 percent) from 0.98mmt in July-August. Meanwhile, Zhoushan LNG decreased imports period-on-period by 0.12mmt (-39 percent) to 0.19mmt from 0.31mmt. LNG to Zhejiang LNG was mainly supplied by Qatar, with seven cargoes totalling 0.63mmt. Supply also came from Australia, Indonesia as well as a re-export from Shenzhen Diefu LNG. Zhoushan's imports of 0.19mmt came from Australia's Gorgon LNG in addition to 0.08mmt from Sabine Pass 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).

Wenzhou LNG

During the July-August report period, the East China region saw the inauguration of China's latest LNG terminal at Wenzhou city. The facility maintained its offtake level at 0.06mmt during September-October.

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 September-October, our data showed. The region's imports amounted to 4.49mmt over the reporting period, which meant they were down by 1.19mmt (-21 percent) from the 5.68mmt recorded in July-August.

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 re-exports from Hainan LNG totalling 0.04mmt. The region's most prominent terminal – Guangdong Dapeng LNG (GDLNG) – saw offtakes of 1.48mmt, as usual placing it first among China's terminals. At 1.48mmt, the terminal had slashed its September-October imports by 0.53mmt (-26 percent) from 2.01mmt during the previous two-month period. Guangdong Dapeng LNG's average capacity utilisation stood at 55percent over the reporting period. Neighbouring Shenzhen Diefu LNG imported 0.45mmt and pegging its terminal utilisation at 38 percent.

Zhuhai and Jieyang LNG

Zhuhai LNG curtailed offtakes by 0.23mmt (-40 percent) to 0.35mmt over the reporting period from 0.58mmt the previous period. Unlike during previous reporting periods, the roster of Zhuhai's LNG suppliers had shrunk and comprised in QCLNG and NWS LNG in Australia as well as Oman and Qatar.

In contrast to Zhuhai, Jieyang LNG also saw a decrease in imports during the September-October period. Offtakes were down by 0.05mmt (-8 percent) to 0.60mmt in September-October from 0.65mmt in July-August. 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 line with the overall demand decrease in the South China region, Fujian LNG also saw offtakes decrease in September-October. At 0.63mmt, imports were down by 0.03mmt (-5 percent) from the 0.66mmt recorded during the previous period. Accordingly, the terminal's capacity utilisation still stood at 60 percent during the reporting period.

Beihai LNG also saw lower demand over the reporting period. Offtakes at the terminal had slumped by 0.46mmt (-67 percent) to 0.23mmt from 0.69mmt in July-August. The terminals' annualised capacity utilisation stood at 46 percent for the reporting period.

Bauhinia Spirit FSRU and Nansha LNG

The CLP Power-operated Bauhinia Spirit FSRU offshore Hong Kong decreased imports by 0.01mmt (-8 percent) to 0.12mmt during the report period from 0.13mmt in July-August.

The Guangzhou Gas-operated Nansha LNG terminal also continued imports during the September-October period. The new 1 million tonnes per annum (mtpa) terminal in China's Guangzhou Province commenced Phase 1 operations after receiving its 0.04mmt inaugural cargo via the Maran Gas Coronis on 8 August. During the report period, the terminal increased offtakes by 0.08mmt (200 percent) to 0.12mmt.

Hainan Island

The remaining two regional LNG terminals – Hainan LNG and the Hainan Transfer Station on Hainan Island – saw a considerable demand increase due to higher activity at the Hainan LNG terminal. Whilst the Transfer Station was not seen in the market and thereby effectively cut offtakes by 0.03mmt period-on-period, Hainan LNG increased imports by 0.10mmt (29 percent) to 0.45mmt in September-October from 0.35mmt in July-August. The terminal continued to take in supplies from a variety of international sources, comprising Russia, Australia, Malaysia and Algeria. Previously, supply to the terminal was limited to mostly re-exports from Beihai LNG. These re-exports stopped in October last year, our data indicate.

Region	Terminal	Export Basin			October 2023	September 2023	Rep. Period Utilisation
		Atlantic	Middle East	Pacific			
North	Dalian LNG	-	-	0.07	0.07	-	7%
	Tianjin - Nangang LNG	-	0.09	0.13	0.22	0.25	26%
	Qingdao LNG	-	0.09	0.43	0.52	0.37	89%
	Tianjin LNG	0.07	-	0.2	0.27	0.27	45%
	Caofeidian LNG	0.19	0.17	0.22	0.58	0.30	81%
	Caofeidian Xintian LNG	-	-	-	-	0.11	13%
	Tianjin Binhai LNG	0.07	0.06	0.08	0.21	0.08	35%
East	Zhejiang LNG	-	0.36	0.1	0.46	0.41	174%
	Shanghai (Yangshan)	-	0.06	0.15	0.21	0.20	82%
	Jiangsu LNG	0.14	0.34	0.07	0.55	0.55	189%
	Qidong LNG	-	-	-	-	-	0%
	Zhoushan LNG	-	-	0.03	0.03	0.16	38%
	Shanghai Peak-Shaving	-	-	0.04	0.04	0.08	12%
	Pinghu LNG	-	-	0.08	0.08	-	48%
	Yancheng LNG	-	0.08	0.21	0.29	0.14	86%
	Wenzhou LNG	-	-	0.06	0.06	-	12%
South	Guangdong Dapeng LNG	-	0.08	0.54	0.62	0.86	131%
	Fujian LNG	0.07	-	0.18	0.25	0.38	60%
	Beihai LNG	-	-	0.08	0.08	0.15	46%
	Zhuhai LNG	-	0.09	-	0.09	0.26	62%
	Hainan LNG	-	-	0.14	0.14	0.31	90%
	Jieyang LNG	0.08	-	0.15	0.23	0.37	86%
	Dongguan LNG	-	-	-	-	0.04	33%
	Shenzhen Diefu LNG	0.07	-	0.18	0.25	0.20	68%
	Hainan Transfer Station	-	-	-	-	-	0%
	Shenzhen Peak-Shaving	-	-	-	-	-	0%
	Nansha LNG	-	-	0.06	0.06	0.06	75%
	Bauhinia Spirit	-	0.06	-	0.06	0.06	21%
	Total	**0.69**	**1.48**	**3.20**	**5.37**	**5.61**	**59%**

Source: LNG Journal


CHART
NEXUS OF CLEAN™
"Chart's vision is to be the global leader in the design, engineering and manufacturing of cryogenic process technologies and equipment for the Nexus of Clean™ — clean power, clean water, clean food and clean industrials, regardless of molecule."
JILL EVANKO / CEO / CHART INDUSTRIES
CLEAN
CLEAN
CLEAN
CLEAN
CHART DELIVERS CLEAN SOLUTIONS FOR
Power
Water
Food
Industrials
Learn more at chartindustries.com