

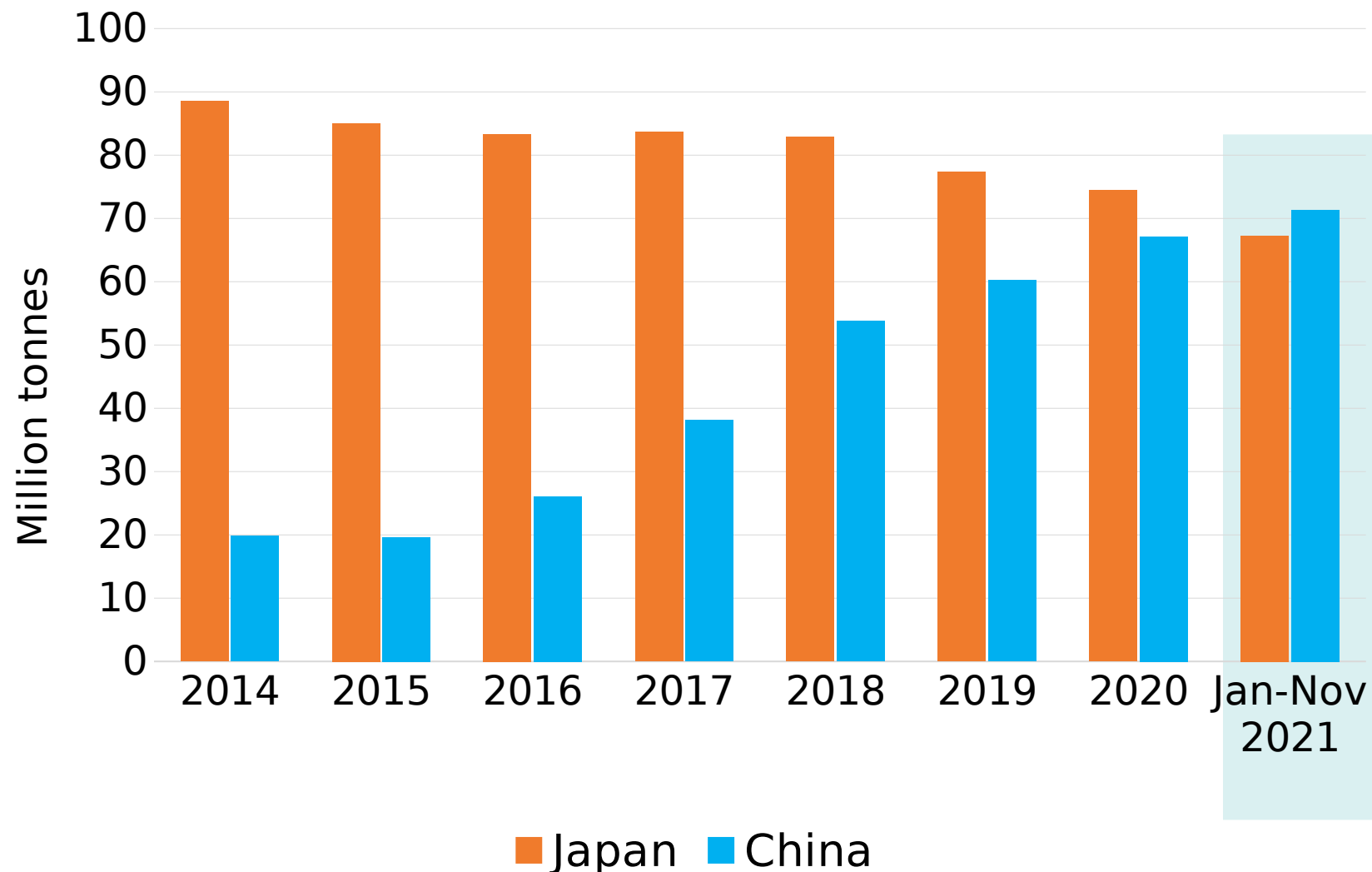
Chart of the Week 2022-01

China Surpasses Japan in LNG Imports



Batt Odgerel
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China Surpasses Japan in LNG Imports



Based on the latest customs data, China has surpassed Japan as the largest LNG importer of the world.

For the first eleven months of 2021, China has imported 71.4 million metric tons (Mt) of LNG while Japan has imported 67.3 Mt during this period. For China, this represents growth of over 19.9% compared to the same period last year. For this same period Japan's year-on-year LNG import growth was just 0.8%.

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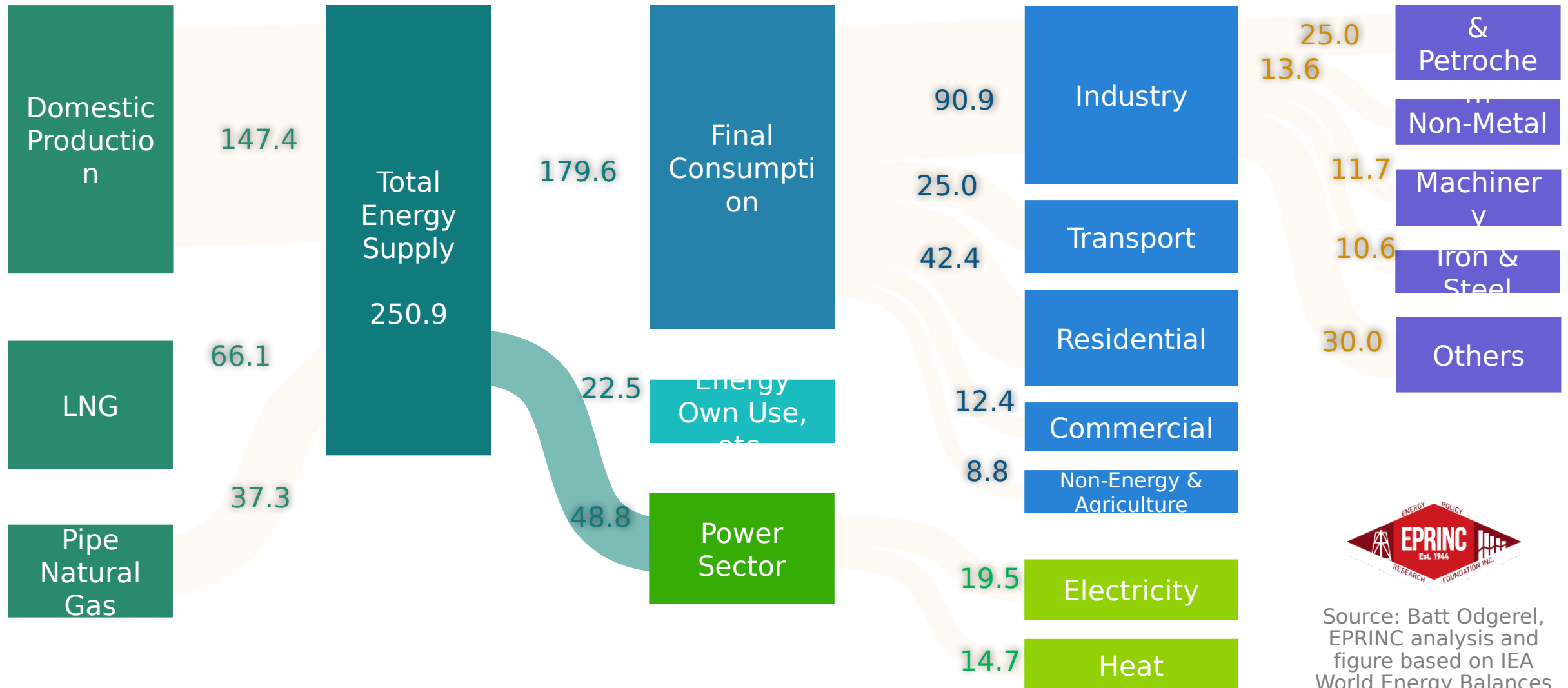


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- **Driven by rapid coal-to-gas switching that began in the 13th five-year plan period (2016-2020), China has been ramping up its import capacity for LNG, which accounted for 65% of the country's total natural gas imports in the first eleven months of the year. In 2018, China also surpassed Japan as the largest importer of natural gas; China imports natural gas from Central Asian states, Myanmar, and Russia via pipelines.**
- **Despite the double-digit growth in consumption, domestic production, and imports, natural gas still accounts for approximately 8% of China's total primary energy supply. Coal remains the dominant and, in many cases, the only fuel in industrial sectors and power generation in China.**
- **Japan's LNG imports have constantly declined since 2017, making it possible for China to catch up. This is in large part because of Japan's recommissioning of many of its nuclear reactors that were shutdown after the earthquake-induced 2011 Fukushima nuclear power plant accident.**
- **This slide deck is available at: <https://eprinc.org/chart-of-the-week/>**
- **For more information on this chart, please contact Batt Odgerel (batto@eprinc.org).**

Additional Slides

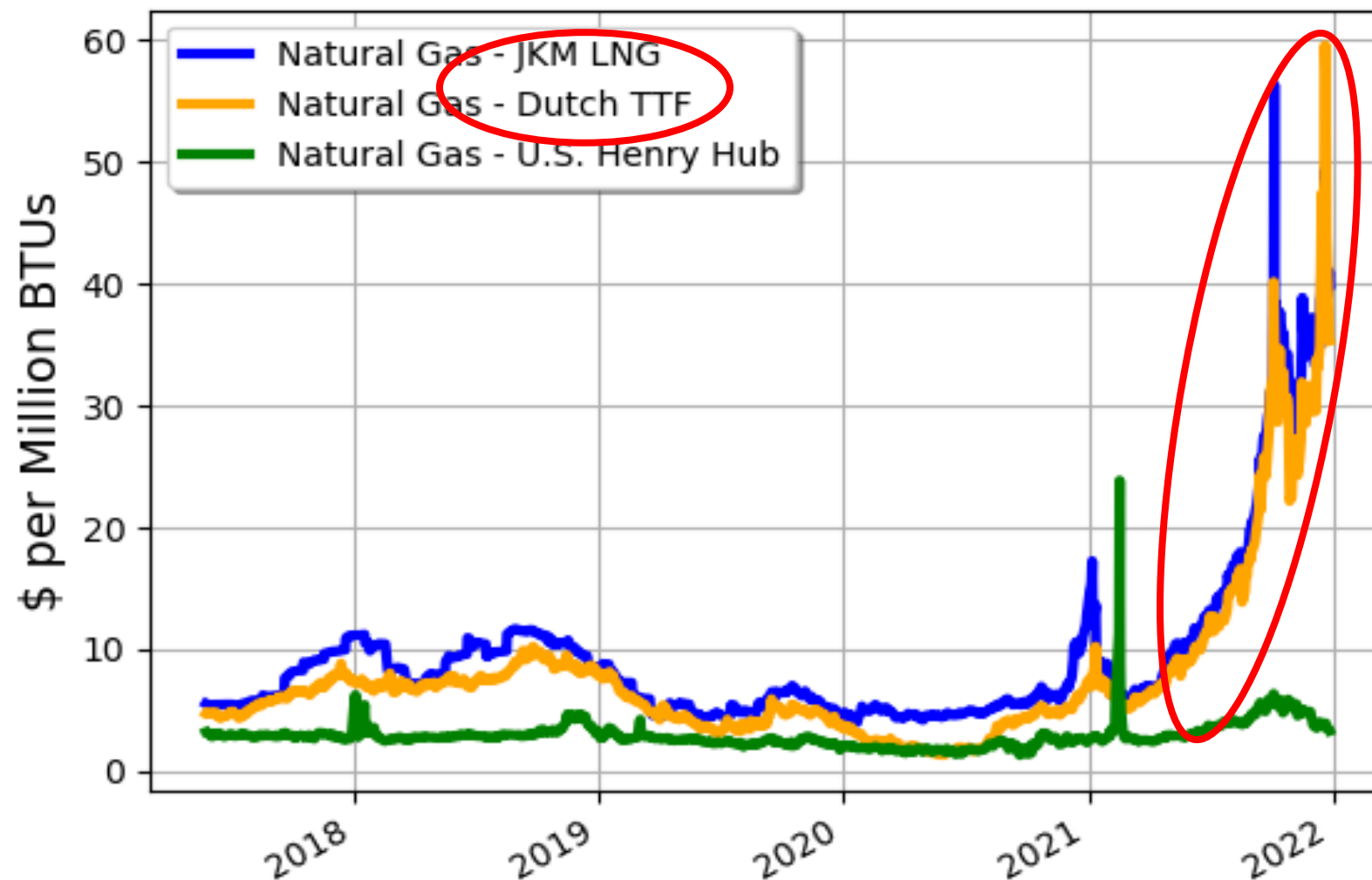
China's Natural Gas Supply and Demand System, 2019

(Million metric tons of oil equivalent)



Source: Batt Odgerel, EPRINC analysis and figure based on IEA World Energy Balances

Natural Gas - JKM LNG, Natural Gas - Dutch TTF, Natural Gas - U.S. Henry Hub: 12/19/2016 to 12/28/2021



While U.S. natural gas prices have been relatively tame, East Asian (JKM LNG) and West European (Dutch TTF) benchmark spot prices began in mid-2021 signaling considerable global natural gas market tightness.

Analysis based on CME, EIA, and ICE Data

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