



Results of the First Comprehensive Survey on LNG Handling Volume by Japanese Companies

Japan Oil, Gas and Metals National Corporation

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1. Outline of our survey



- **Objectives:** The New International Resource Strategy (formulated in March 2020 by Ministry of Economy, Trade and Industry) states that in order to enhance LNG security and maintain Japan's influence in the LNG market, it calls for a shift in LNG policy toward more encouraging the involvement of Japanese companies in more transactions supplied to third countries ("external trade"), not only in imports of LNG, but also in the entire value chain from production to receiving of LNG, and to promote necessary measures. It also set a numerical target as visible indicator to measure the achievement, and which is 100 million tonnes of LNG by 2030 that would be handled by Japanese companies, including "external trade". The objectives of this survey is to confirm the status of achievement of the policy.
- **Survey Period:** June to August 2021 (two-month period), briefing sessions were held prior to the survey.
- **Survey Targets:** A total of 30 Japanese companies which handle LNG, such as electric power companies, gas companies, trading companies, oil companies, and steel companies (all companies cooperated with our survey.)

<Survey sheet>

Company name

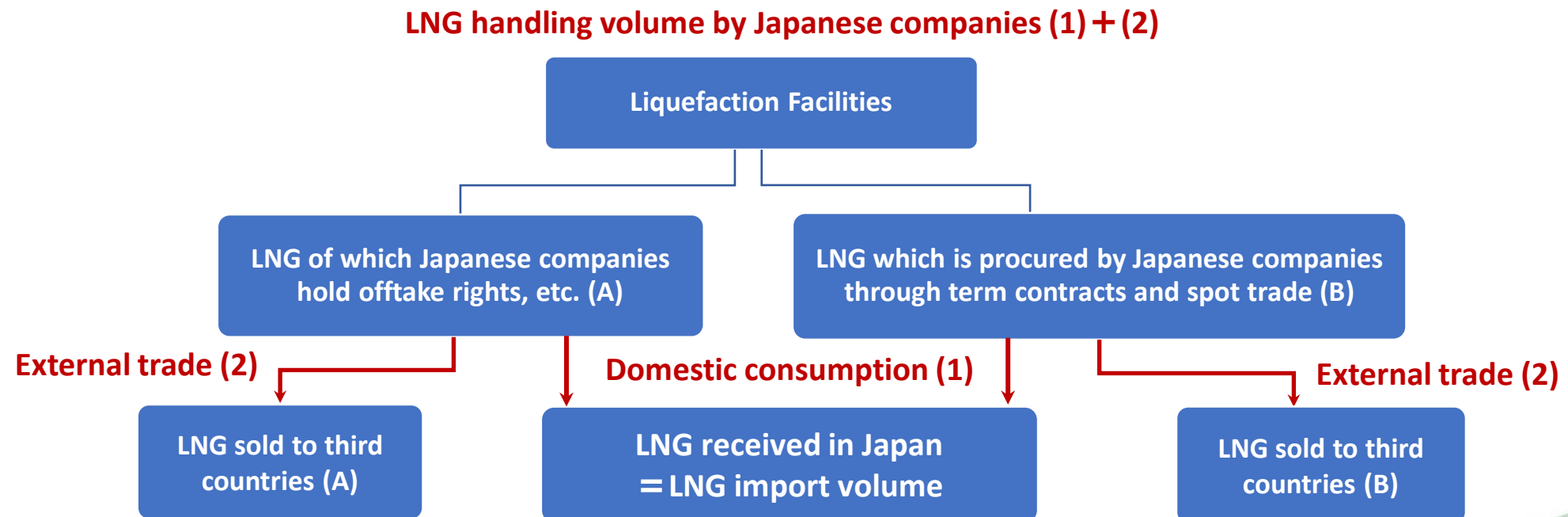
	Actuals (10,000 tonnes)		
	FY2018	FY2019	FY2020
(1) LNG procured for domestic consumption (LNG import volume from the Trade Statistics of Japan, Ministry of Finance)	/	/	/
(2) External trade: LNG volume sold to third countries (A) + (B)	0	0	0
(A) LNG volume sold to third countries out of the LNG of which Japanese companies have offtake rights through participation in LNG projects or tolling agreements, etc.	0	0	0
(B) LNG volume procured by Japanese companies through term contracts and spot trade	0	0	0

*The survey may double count those volume which are reported as (2) but its final destination is Japan and have been included in (1).

*Of the volume in (2), the survey may double count those volume reported by each company in the case where multiple Japanese companies are involved in the same cargo in the process of resale

2. Definition of “LNG handling volume by Japanese companies”

- The LNG handling volume by Japanese companies is defined as the LNG volume that is possessed, even temporarily, by Japanese companies for procurement or sales. In order to eliminate duplication between procurement and sales of LNG, the LNG volume handled is the sum of (1) the LNG procured for consumption in Japan and (2) the LNG sold to third countries.
- The LNG procured for consumption in Japan (1) is defined as the volume of LNG received by Japanese companies at receiving terminals in Japan as the final destination. Then the survey extracts the data of the import volume from the Trade Statistics of Japan, Ministry of Finance. The LNG sold to third countries (2); “external trade” consists of (A) LNG of which Japanese companies have offtake rights through participation in LNG projects and (B) LNG procured by Japanese companies through term contracts and spot trade. Note that duplication of trades by Japanese companies for resale after sales to foreign companies is not excluded.



*The survey may double count those volume which are reported as (2) but its final destination is Japan and have been included in (1).

*Of the volume in (2), the survey may double count those volume reported by each company in the case where multiple Japanese companies are involved in the same cargo in the process of resale

3. Results of our survey



- The LNG handling volume by Japanese companies was 95.52 million tonnes in FY2018, 104.61 million tonnes in FY2019, and increased to 110.2 million tonnes in FY2020 as a result of the increase in external trade.
- In order to continue to expand external trade that contributes to strengthening LNG security, more participation in upstream and midstream LNG projects, as well as more flexible contract conditions for term contracts without destination restrictions.

Results of the FY2021 survey

Items	Actuals (10,000 tonnes)		
	FY2018	FY2019	FY2020
(1) LNG procured for domestic consumption (LNG import volume from the Trade Statistics of Japan, Ministry of Finance)	8,055	7,650	7,636
(2) External trade: LNG volume sold to third countries (A) + (B)	1,497	2,811	3,384
(A) LNG of which Japanese companies have offtake rights through participation in LNG projects or tolling agreements, etc.	760	1,053	1,160
(B) LNG volume procured by Japanese companies through term contracts and spot trade	737	1,758	2,224
Total	9,552	10,461	11,020

LNG Handling Volume by Japanese companies

