LNG Special Report

Geopolitical tensions, flex in EU storage directive and accelerating supply growth ease LNG market tightness

Key Takeaway

LNG Market

As market enters the shoulder season, the outlook for summer 2025 has weakened on the back of three key drivers:

1) Deteriorating Chinese LNG demand, driven by US-China trade war slowing industrial output
2) Increased flexibility in EU storage targets looks set to ease summer refill requirements, restoring a winter-summer premium for 2025-26
3) Improving supply outlook driven by Plaquemines' rapid ramp-up in US and record Qatar exports, where output hit >110% of capacity

LNG Shipping

A wave of newbuilds and reduced voyage distances continue to weigh on spot rates. Record low utilisation is forcing layups and scrapping in the elderly steam-propelled fleet

Chinese-built LNG vessels escape extra fees in US under the proposed USTR directive. But lack of clarity still clouds longer-term aspiration to create a US-built and operated LNG fleet

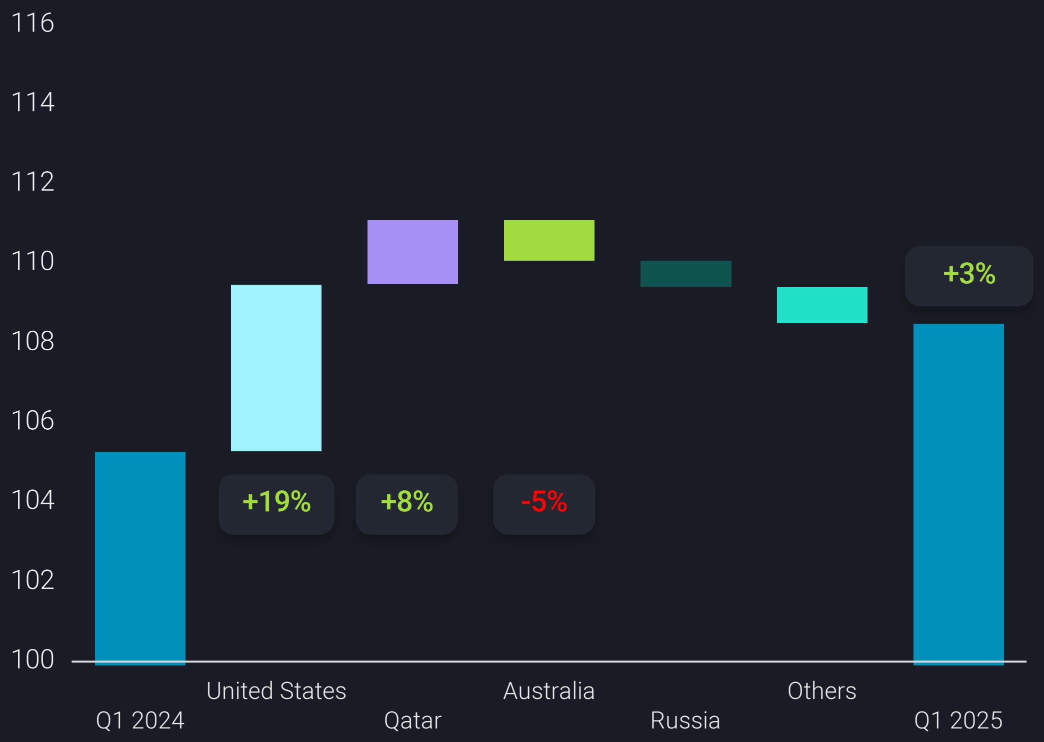
This presentation has been compiled under the guidance of

Felix Booth

Head of LNG

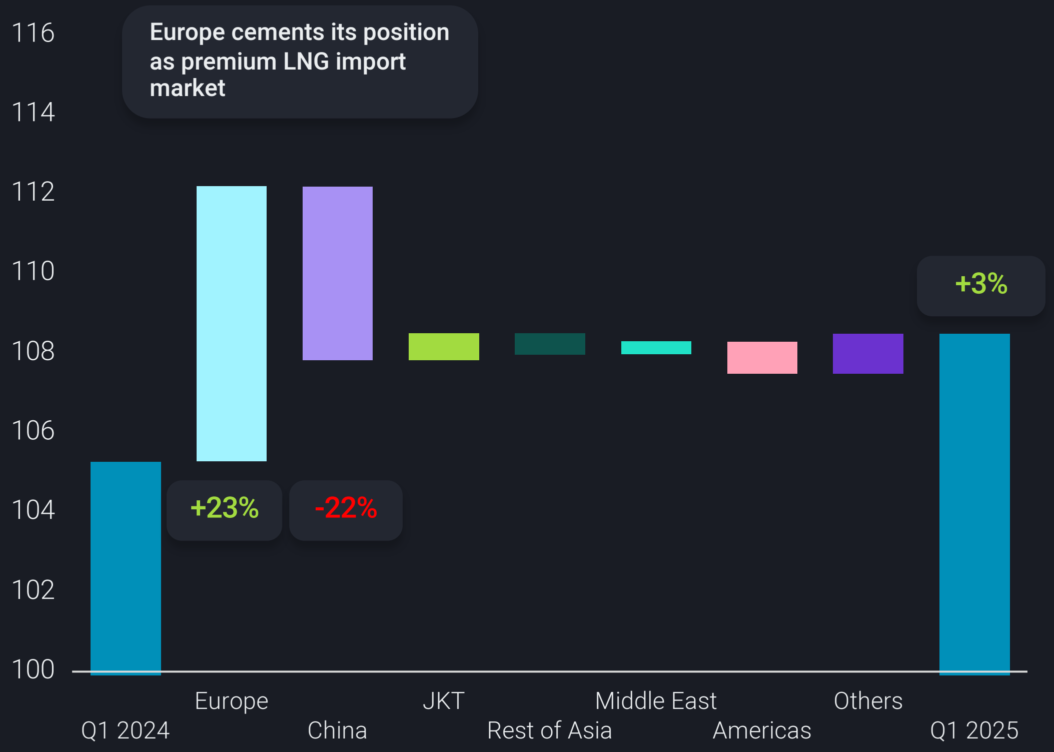
2025 is start of new LNG supply wave, chiefly from North America; Europe and China demand trends reversed on 2024

LNG exports - Q1 y-o-y change (Q1 2025 vs Q1 2024, mt)



[Get live data on platform]

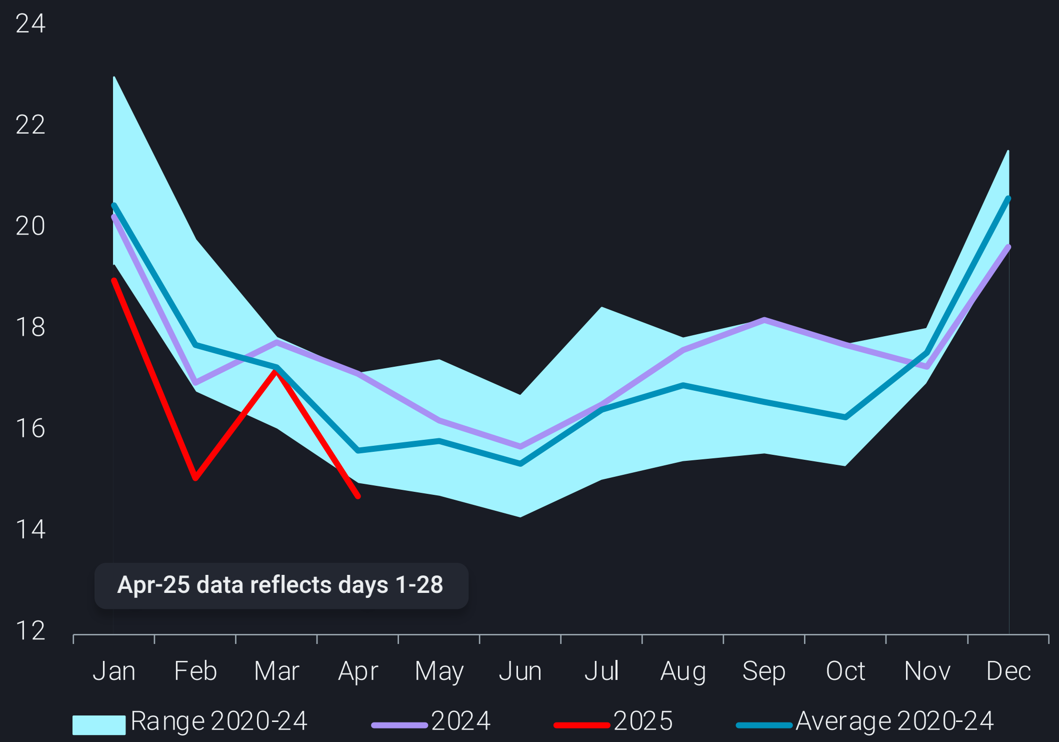
LNG imports - Q1 y-o-y change (Q1 2025 vs Q1 2024, mt)



[Get live data on platform]

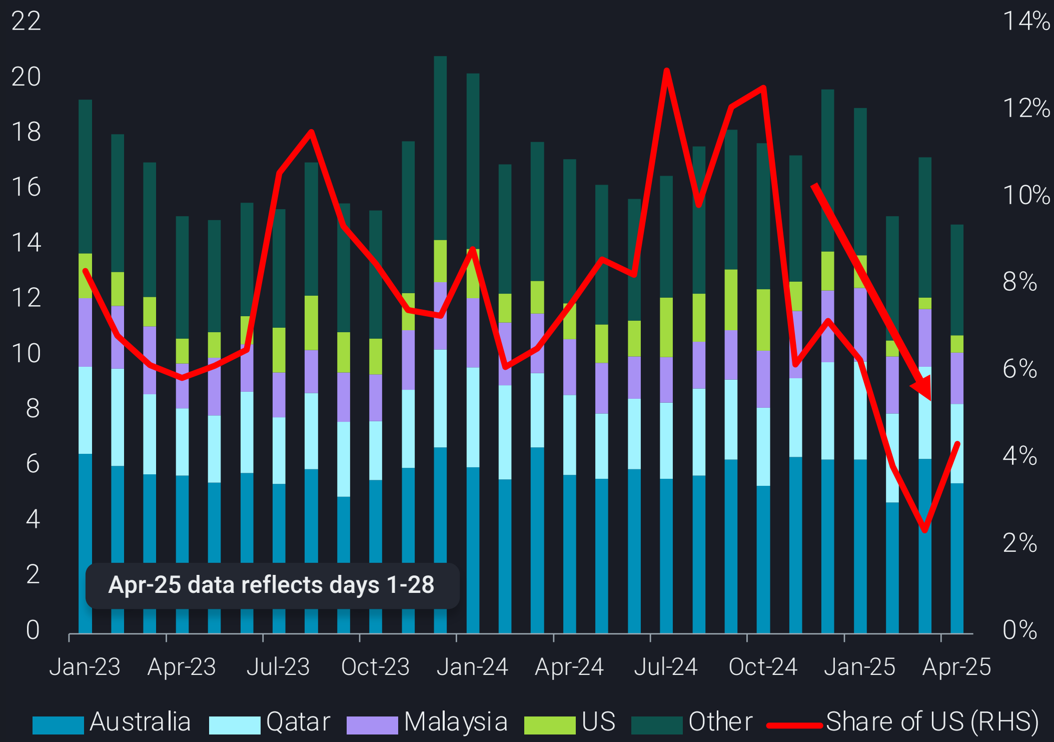
Northeast Asia demand down year-to-date with mild weather and sufficient inventories, reducing competition for US cargoes

Northeast Asia LNG imports (mt)



Get live data on platform

Northeast Asia LNG imports by origin country (mt, LHS) and share from US (%, RHS)



Get live data on platform

China leads decline in Northeast Asia LNG demand; Taiwan ramps up imports in nuclear-to-gas pivot

China's weak industrial and heating demand, coupled with strong pipeline imports and domestic gas production, contributed to a 25% y-o-y fall in LNG receipts in 2025 to date

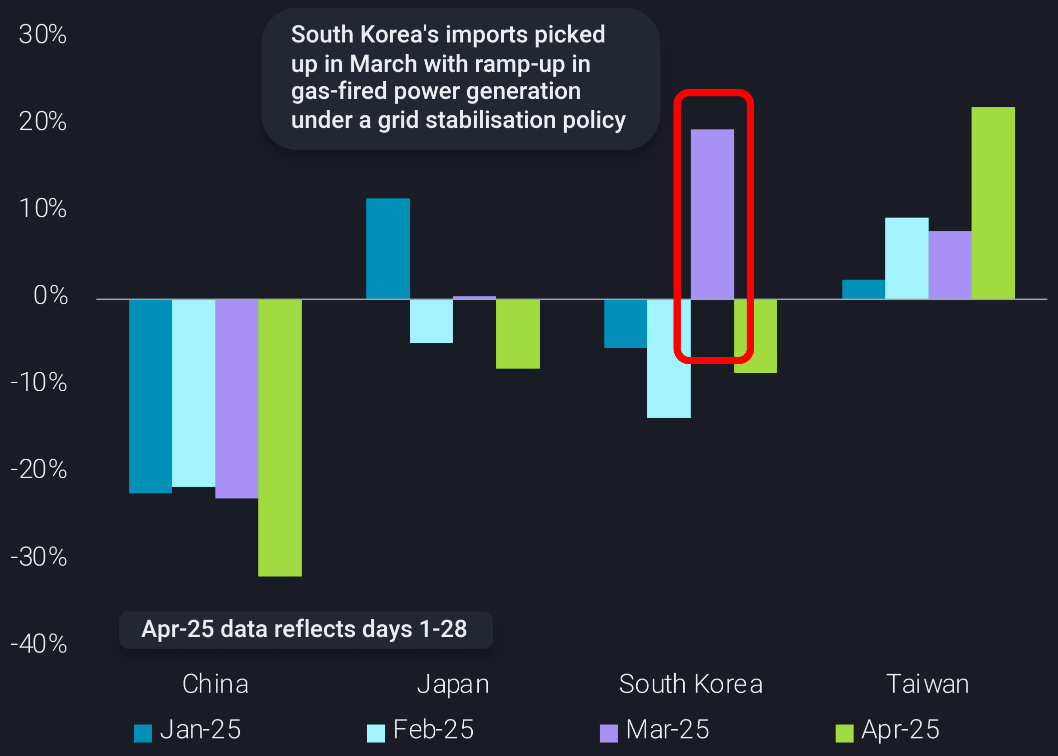
- China has not imported any US cargo since the retaliatory tariffs
- US-China trade war adds to the downward pressure on gas consumption, with LNG set to bear brunt of the reduction

Taiwan's LNG imports rose 10% y-o-y in the first four months as the country shifts from nuclear to gas in the power generation mix

- More gas-fired units are to be commissioned this year, with the last operational nuclear unit to be taken offline in May
- The existing Taichung and Yung An LNG terminals operated at 136% and 128% of nameplate capacity respectively in 2024
- The new 3 mtpa Guantang LNG Terminal received its commissioning cargo in April and will boost import capacity

Japan and South Korea's LNG imports stayed relatively flat y-o-y, with mild weather, returning nuclear capacity and sufficient inventories

Northeast Asia LNG imports y-o-y change (%)



Get live data on platform

Qatar LNG exports achieve record quarter following H2 2024 maintenance period at Ras Laffan facility

Qatar LNG flows marked a record quarter in Q1, totalling 21.8 mt in exports, with close to half of volumes going to Northeast Asia

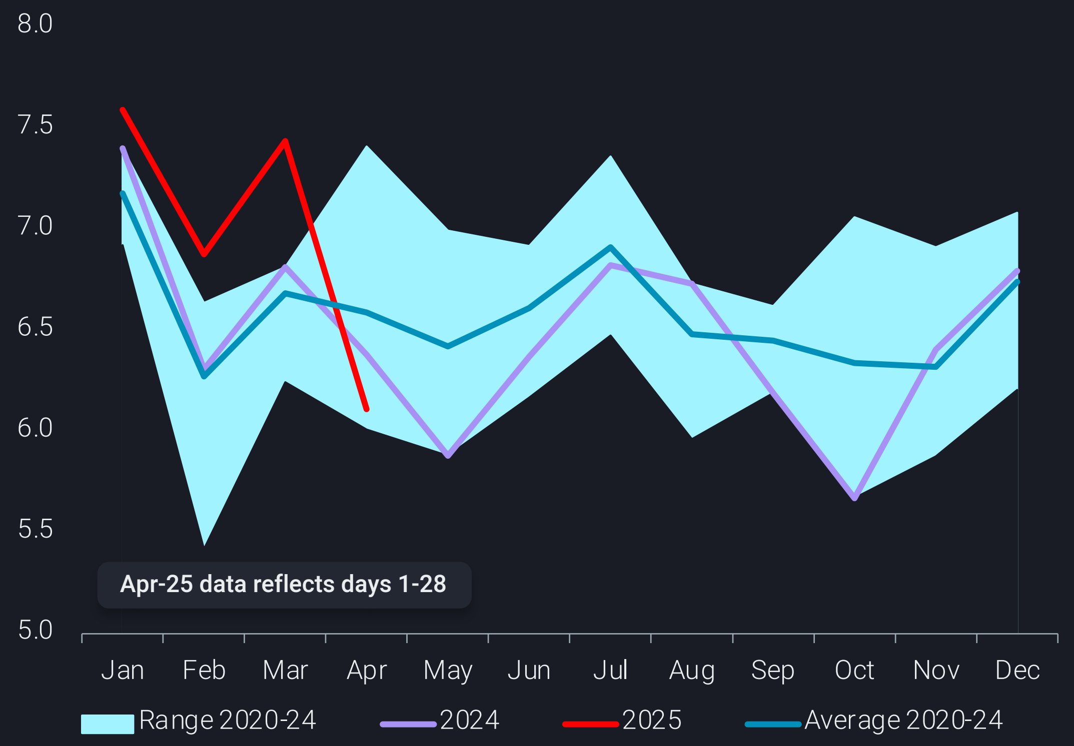
- → This is equivalent to a utilisation rate of 113%
- → This follows a period of heavy maintenance in Q3 and Q4 2024
- → Exports fell in April as two trains experience ongoing outages

The 77 mtpa Ras Laffan complex generally operates above nameplate capacity, achieving utilisation rates of 101% in 2024 and 103% in 2023

- → This trend has emerged since 2018, when the two leading Qatari LNG producers QatarGas and RasGas were merged into a single entity to streamline operations and enhance efficiency
- → Maintaining high utilisation rates has enabled Qatar to preserve market share ahead of its own North Field expansion projects, which will see its output increase to 142 mtpa by 2030

Since 2023, Qatar has ramped up LNG contracting activity to support the North Field expansion, securing 27.3 mtpa in long-term supply agreements

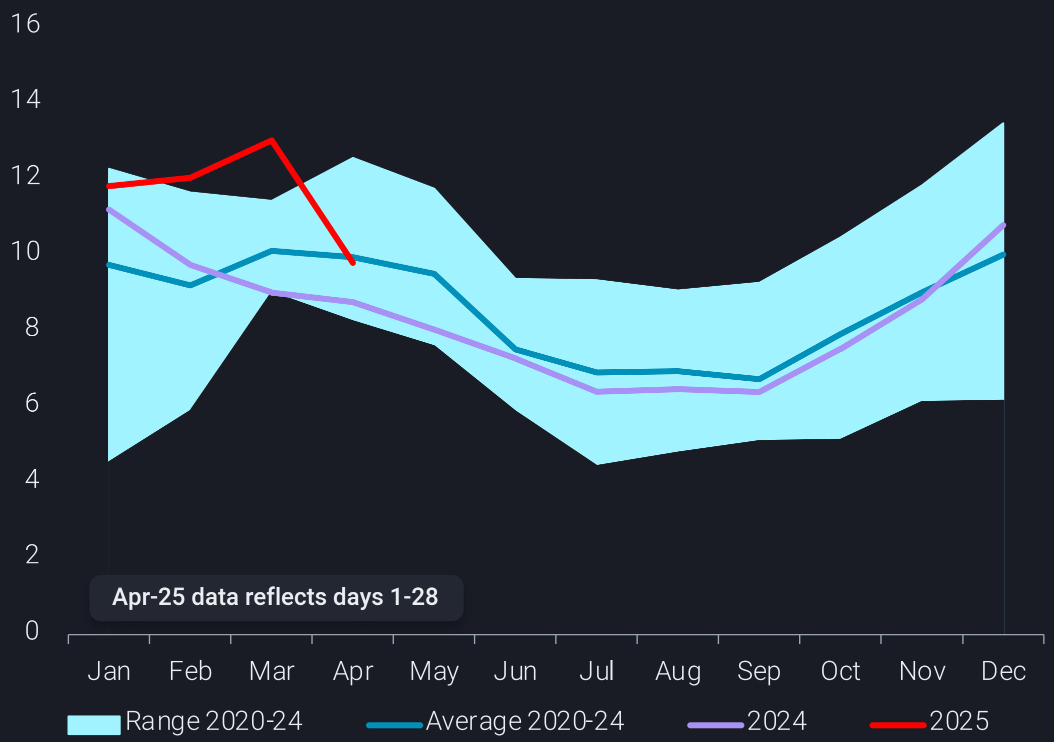
Qatar LNG exports (mt)



Get live data on platform

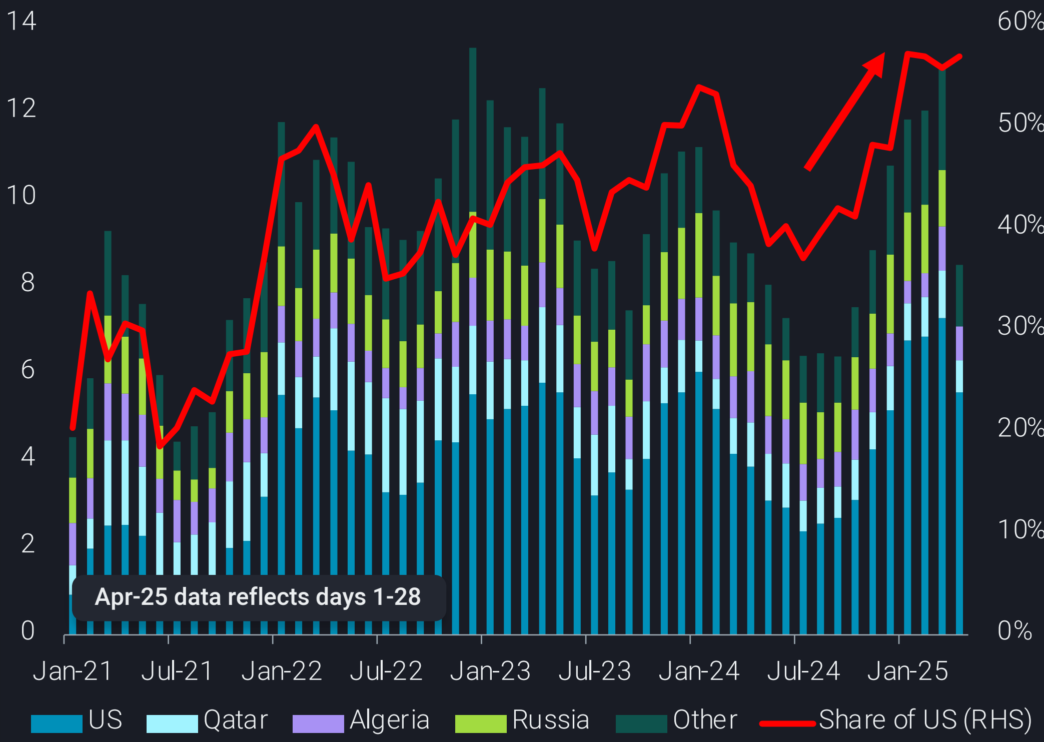
Europe's Q1 imports surge due to cold weather and low storage; US supply dominance grows

Europe LNG imports (mt)



Get live data on platform

Europe LNG imports by origin country (mt, LHS) and share from US (%, RHS)



Get live data on platform

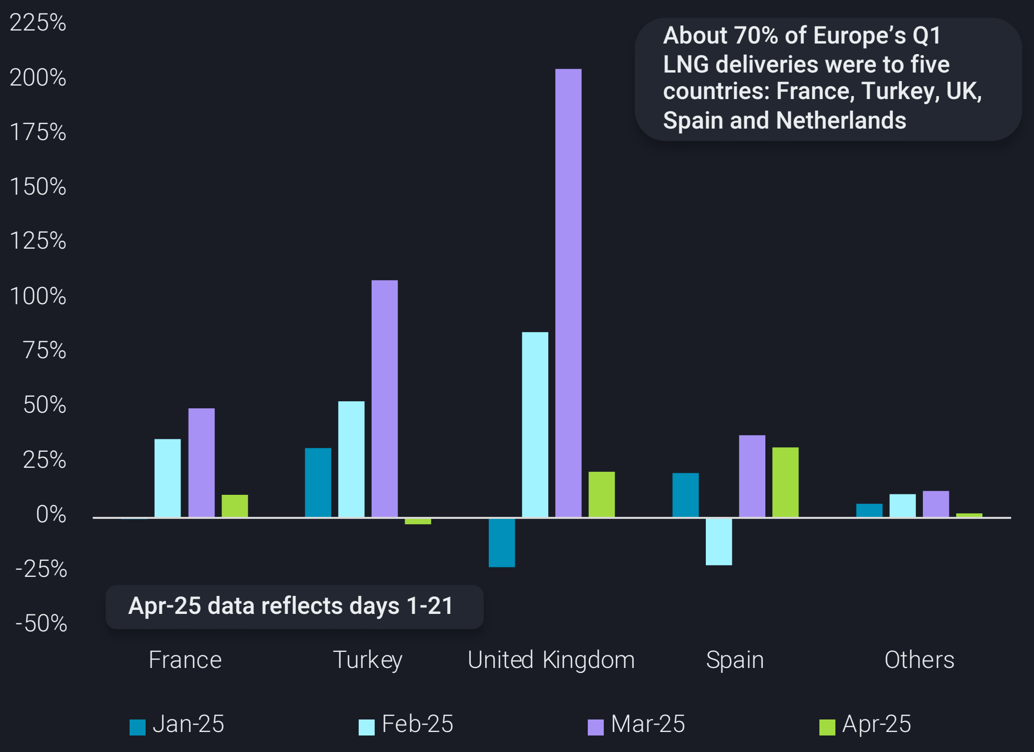
Europe's core LNG import markets broke records in Q1, even before the much-scrutinised gas storage refill begins

Europe's LNG imports hit a record quarterly high in Q1, up 23% y-o-y – benefitting from new US supply and a closed arbitrage to Asia. Import growth was underpinned by Turkey, UK and France:

- ➔ Turkey (up 58% in Q1, y-o-y) - LNG demand reached a new peak in February (2.3 mt) amid low winter temperatures and a higher call on gas in power sector because of constrained hydroelectric output
- ➔ UK (up 42% in Q1, y-o-y) - LNG sendout from import terminals was at its highest since early 2024, partly because of reduced pipeline flows from Norway. In March, 22 LNG cargoes arrived, up sharply from eight in same month in 2024
- ➔ France (up 27% in Q1, y-o-y) - LNG imports broke records in March, as did sendout from terminals. This supported domestic consumption and piped deliveries to neighbouring countries, and enabled gas storage injection to restart

The EU is in the process of relaxing its gas storage targets: from 90% fill by 1 November to 83%, to be met between 1 October and 1 December. This awaits sign-off by the European Parliament and member states, but is already weighing on prices given the implied reduced call on LNG

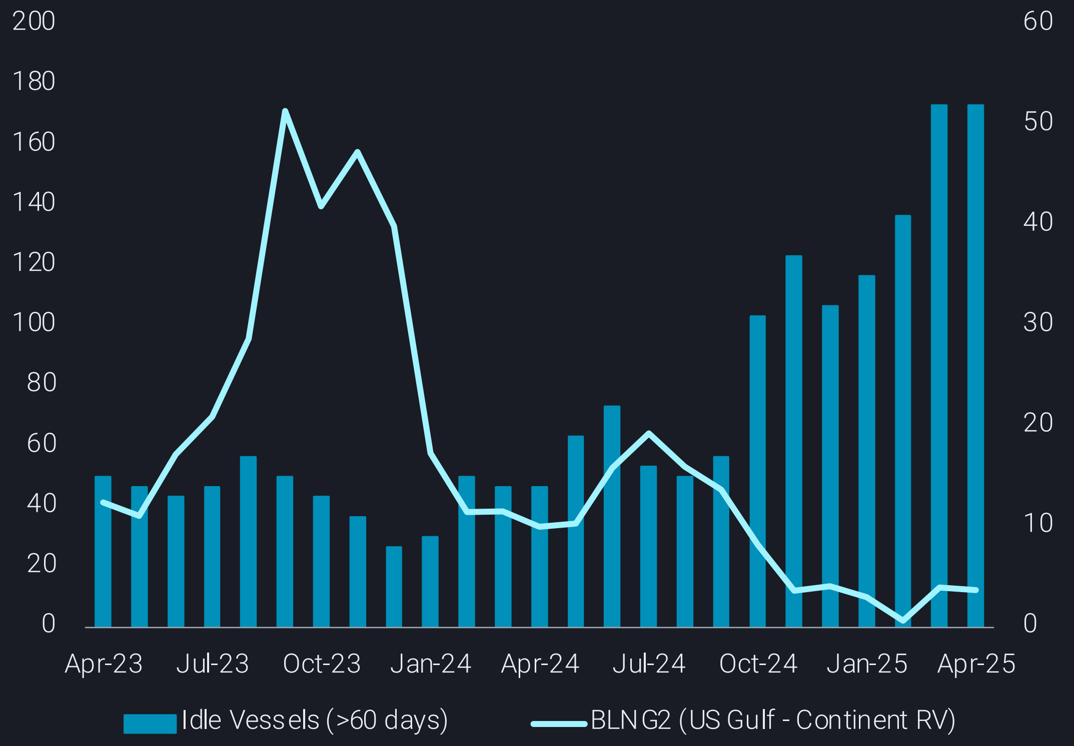
LNG imports by core European markets (% change vs same month in 2024)



Get live data on platform

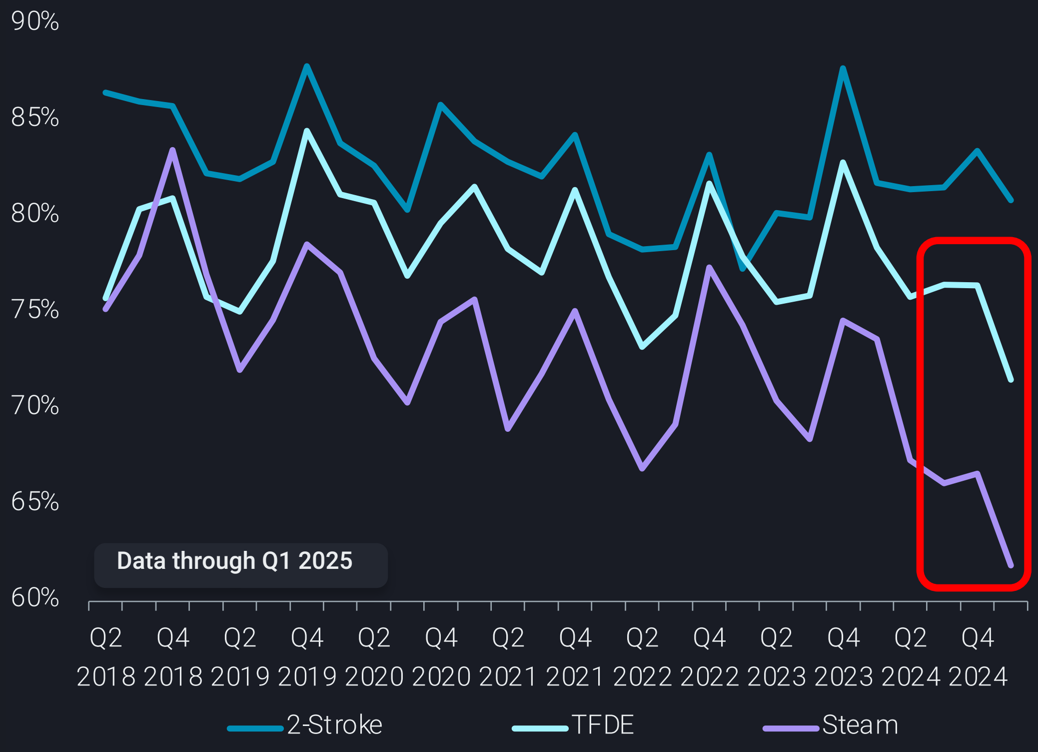
Wave of newbuilds and reduced voyage distances weigh on spot rates; record low utilisation forces layups and scrapping

Baltic Exchange LNG spot rate assessment (US$/day, LHS) and number of vessels idle for >60 days (count, RHS)



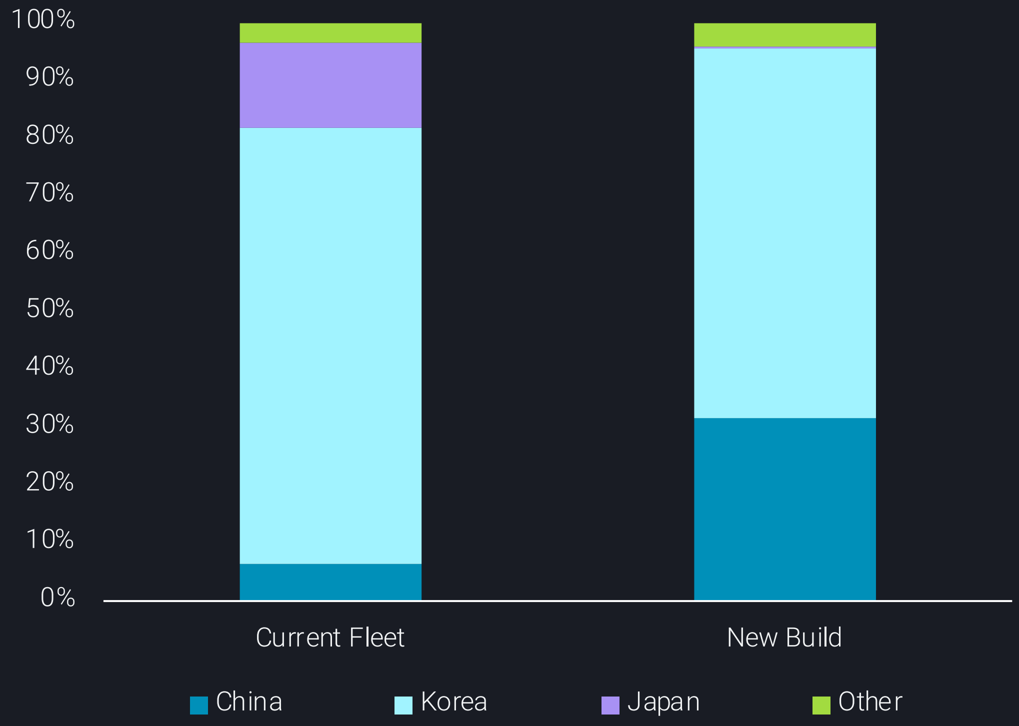
[Get live data on platform]

Economic utilisation rate of conventional LNG fleet (by vessel propulsion, %)



China's LNGC construction on the rise; USTR plan requiring US-built LNGC for exports starting 2028 faces great challenges

China-built LNG fleet share (%)



Source: Gibson

The US Trade Representative (USTR) has released initial proposals on imposing fees on China-built or operated vessels calling at US ports. LNGCs have avoided fees for port calls by Chinese vessels

A separate rule will require a growing share of LNG exports to be shipped on US-built, flagged, and operated vessels starting in 2028

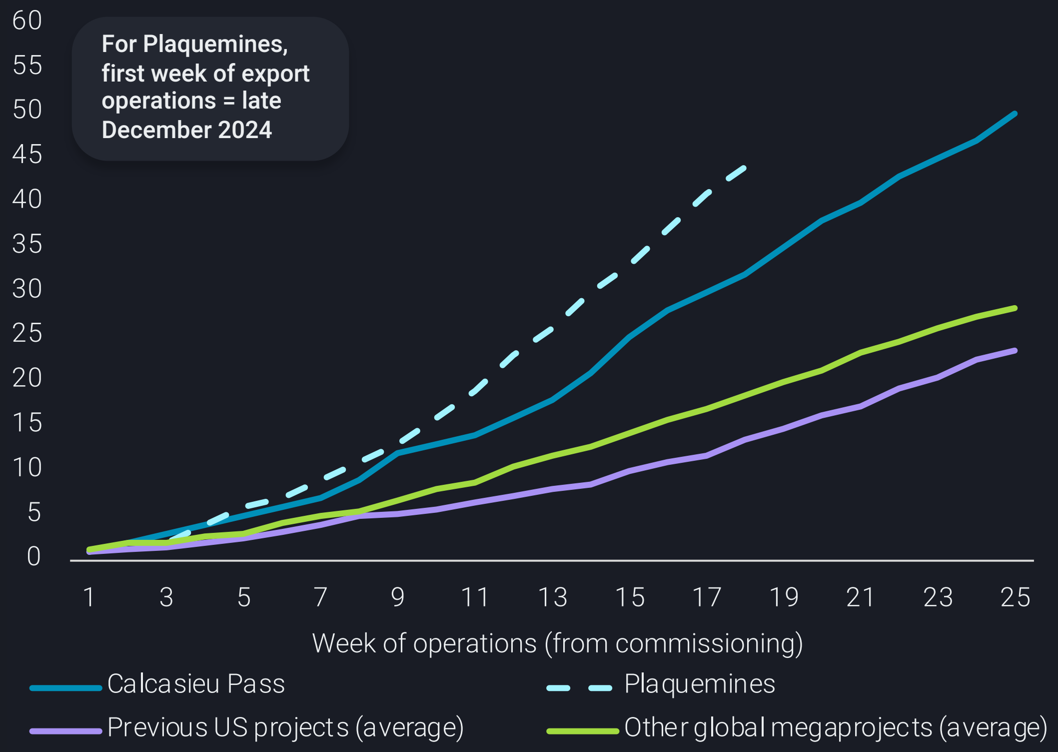
- → From April 2028, at least 1% of US LNG export volumes must meet this requirement, gradually increasing to 15% by 2047
- → Exemption: If the vessel owner orders an equivalent US-built LNG carrier, requirements are deferred for three years
- → Penalties: The LNG terminal is responsible for reporting and the project operator's LNG export licence may be suspended if requirements are not met

Using 2024 as a benchmark, shipping 1% of US export volumes would require at least two LNGCs to run those 12 voyages

Further clarity on the terms are critical and must reflect the relationship between operator, shipper and vessel owner in the LNG industry. Industry alignment will be essential to turn these aspiration into reality

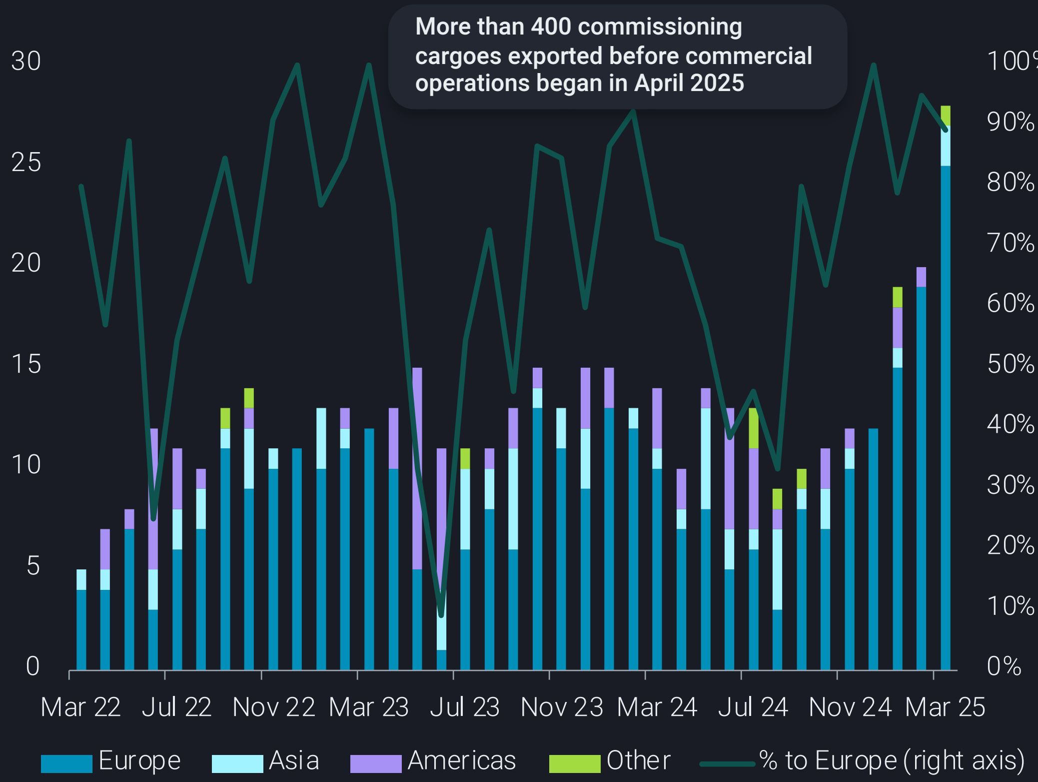
Plaquemines LNG fast ramp-up in US continues Venture Global's impressive commissioning track record via modular approach

US LNG export cargoes (cumulative) by terminal in first weeks of operations



Get live data on platform

Calcasieu Pass and Plaquemines LNG export cargoes per month



Get live data on platform

Plaquemines LNG has already reached its Phase 1 nameplate capacity on a short-run basis, even before all trains are online

Venture Global's Plaquemines LNG project in Louisiana consists of:

- Phase 1 (13.3 mtpa from 24 trains) – commissioning ongoing
- Phase 2 (6.7 mtpa from 12 trains) – start-up later in 2025

In April, the operator received approval to launch operations at trains 19-20 (block 10) and 21-22 (block 11)

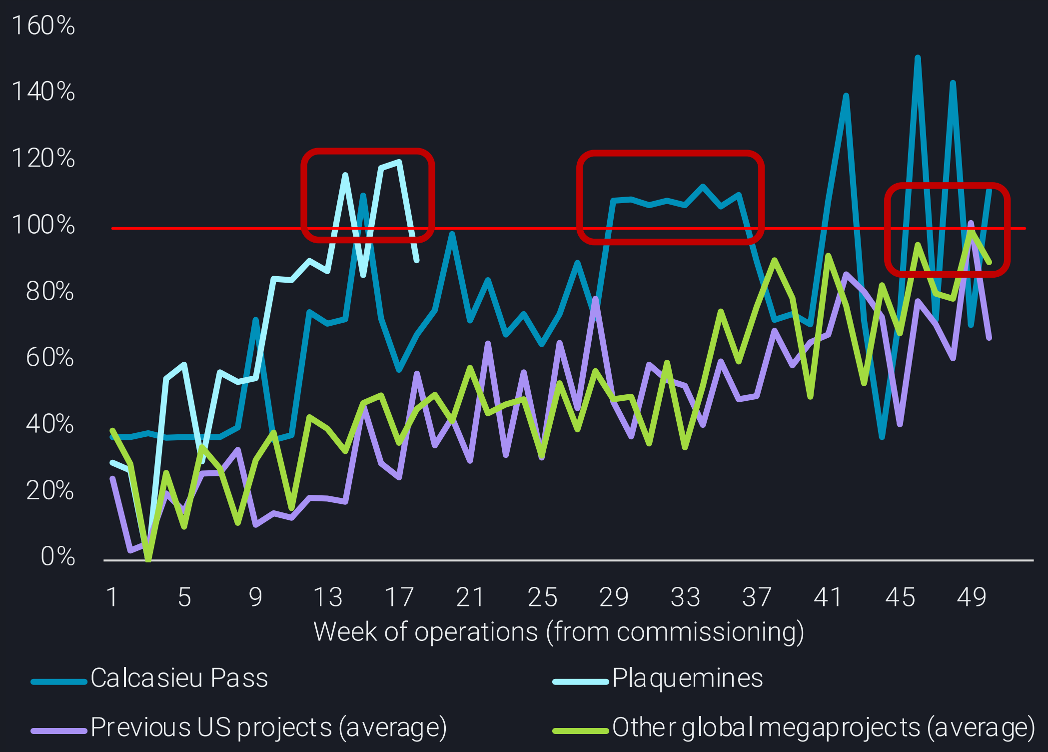
- To date, the small-scale trains have achieved pro-rata production rates of up to 140% of nameplate capacity

Since 2016, other major LNG projects in the US and globally – consisting of traditional larger liquefaction trains – have averaged close to 12 months to approach 100% utilisation on a sustained basis

- Calcasieu Pass achieved this milestone in roughly seven months. Plaquemines is set to be even quicker

Despite cost and commercial pressures, this attests to the project delivery success of Venture Global's modular approach. As do shortened lead times from FID to first export

Benchmarking of liquefaction capacity* utilisation (%) by terminal in first year of operations



* Capacity refers to aggregate nameplate capacity of liquefaction trains commissioned in first 12 months of project operations (excludes any later expansion capacity).

Southeast Asia's LNG demand dipped in Q1 due to higher spot market prices

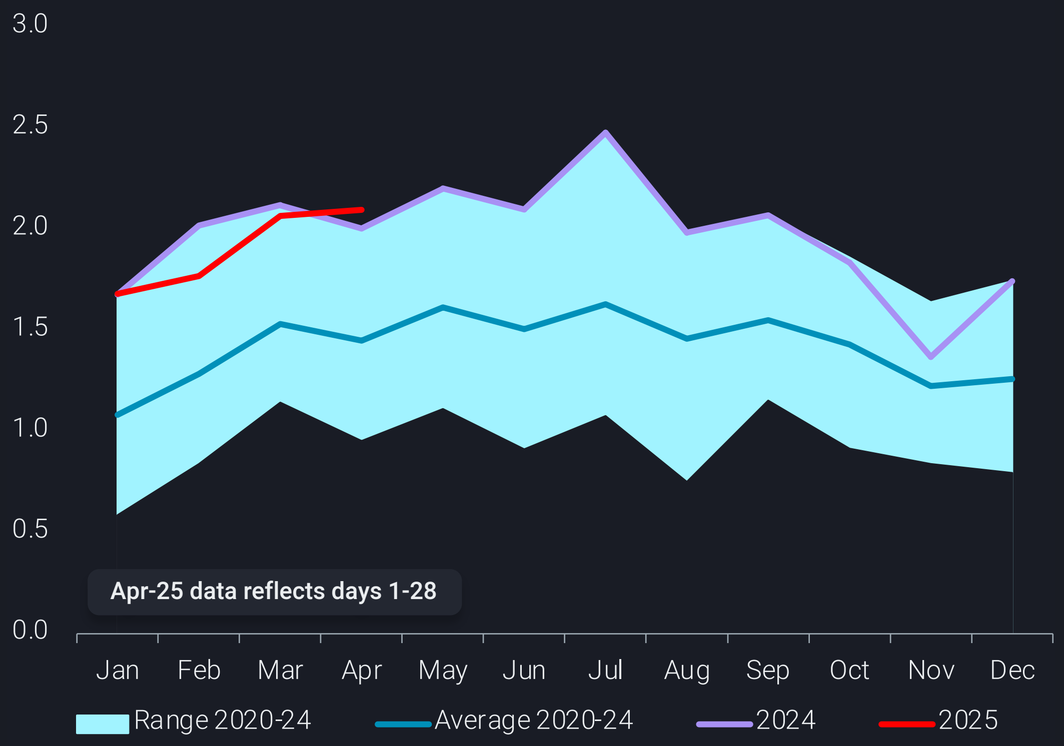
Southeast Asia's LNG import growth decelerated sharply in Q1, showing a 5% y-o-y drop, down from a robust 35% increase in Q1 2024

- → Higher LNG prices, driven by strong demand in Europe, have dampened Southeast Asian buyers' appetite for spot cargoes

Thailand, which accounts for 50% of this region's LNG imports, saw a 12% y-o-y decline in Q1 2025

- → Peak seasonal demand typically occurs in summer. However, this year's consumption may soften owing to forecasted cooler temperatures
- → Thailand faced lower domestic gas production in the past, typically prompting an increase in LNG imports to bridge the shortfall
- → But state-owned PTTEP has committed to prioritising gas production and has successfully maintained output of 800 mmcfd from the Gulf of Thailand through the G1/61 project

Southeast Asia LNG imports (mt)



[Get live data on platform]

LNG Analytics

Your go-to partner for navigating the present and future LNG market opportunities with precision and foresight.

825+
LNG carriers tracked

250+
LNG terminals monitored

>17B
External data points analysed

>75%
Destination prediction accuracy

Effective P&L management

Stay ahead of rapid changing market dynamics

Enhanced productivity

Seamless access to insights and customisable data analysis

Dedicated support

In-house global team of LNG industry experts providing market intelligence and customer support

Key features

- Flows analytics
- Floating storage
- Diversions
- Shipping analytics
- LNG outage status
- LNG spot charter rate outlook

Book your free demo today

Market Intelligence & Analytics Services

Market analysis reports

- Weekly PDF Reports grouped by region (EMEA, APAC, Americas)
- Weekly Global Freight Snapshot
- Weekly Global Crude Onshore Inventory Report
- Special Market Reports (e.g. LNG, LPG, Dark Fleets)

Data reports

- Cushing Inventory Alerts four times per week
- Panama Canal report
- LNG outage report

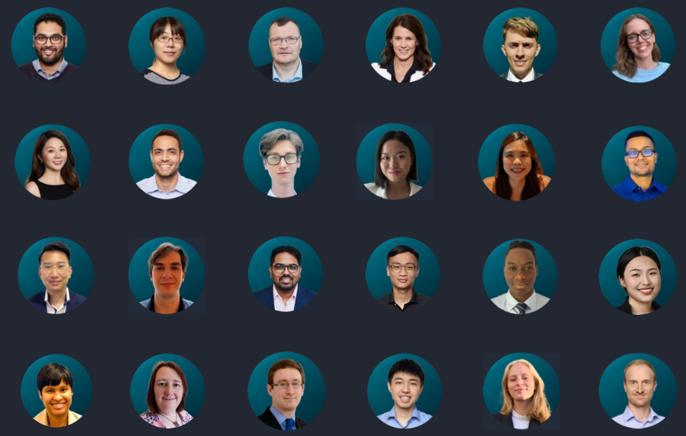
Live analysis briefings

- 2 x 15 minute live video briefings every Tuesday
- On demand archive available
- Twice a year analysis roadshow with custom briefings
- Ongoing Vortexa events and webinars

Sign up →

Dedicated support

- Support with integration (UI, Excel Plug In, API), as well as analysis domain support
- Solutions Engineer team
- Dedicated Customer Success Managers
- Vortexa Academy training platform
- Useful tips & tricks



The Vortexa market intelligence & support team comprises 20+ people globally, averaging 10+ years in energy and freight analytics.

Based in London, Singapore, New York, Dubai, Houston, Abu Dhabi and Geneva, our analysts work with our clients to extract value from our analytics.

Book your free demo

London
Vortexa Ltd.
Tower 42, Leaf A&B
25 Old Broad Street
EC2N 1HQ

Singapore
Vortexa Asia Pte Ltd.
9 Battery Road, Singapore, 049910

New York
Vortexa Inc.
368 9th Ave
New York, 10001, USA

Houston
Vortexa Inc.
2200 Post Oak Blvd. Suite 1000,
Houston, TX 77056, USA

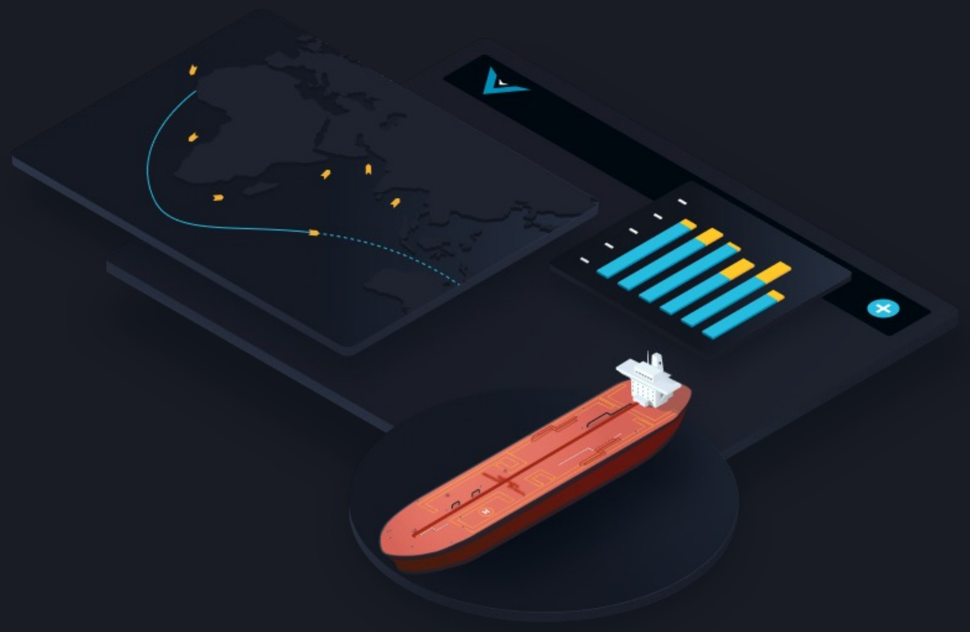
Dubai
Vortexa ME Ltd.
Level 54, Almas Tower
JLT, Dubai, UAE

Abu Dhabi
Vortexa ME Ltd.
19/20, 11 Al Maqam Tower
Regus ADGM Square
Abu Dhabi, UAE

Geneva
Vortexa SA
Course de Rive 14
1204 Genève, Switzerland

Disclaimer

Thank you!



This information is a market analysis service, it does not constitute a solicitation for the purchase or sale of any commodity or financial instrument. Any persons acting on information contained in this material do so solely at their own risk. Vortexa Ltd and its affiliates are not responsible for the accuracy of data collected from external sources and will not be held liable for any errors or omissions in facts or analysis contained in this information service. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are reasonable, Vortexa and its affiliates make no representations or warranties whatsoever to the completeness or accuracy of the information provided. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. Vortexa accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither Vortexa nor any of its employees shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by law. Vortexa's third party sources provide data on an "as-is" basis and accept no responsibility and disclaim any liability relating to reliance on or use of their data by any party. When Vortexa comments or opines on data obtained from third party sources, these comments or opinions shall be understood as Vortexa's own comments or opinions unless a third party is quoted as their source.