

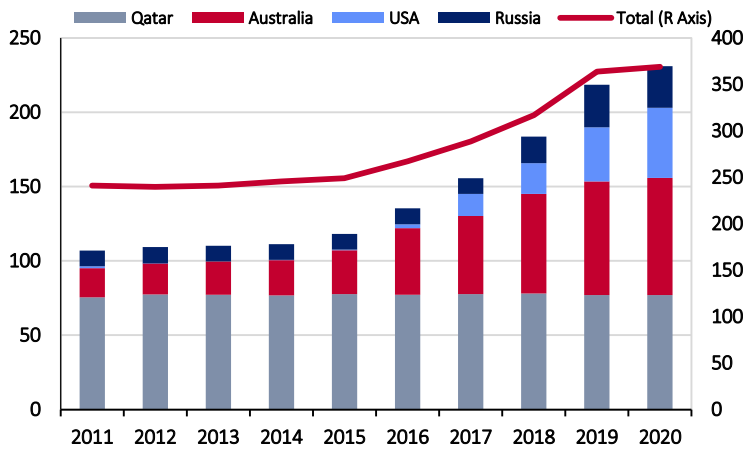
### Introduction

There has been a significant lack of positive news around lately, but the LNG market can offer a little ray of sunshine among the dark storm clouds. This month, after analysing the fleets movements and much number crunching, we can offer our overview of the LNG trades for 2020.

### LNG trade continues to expand

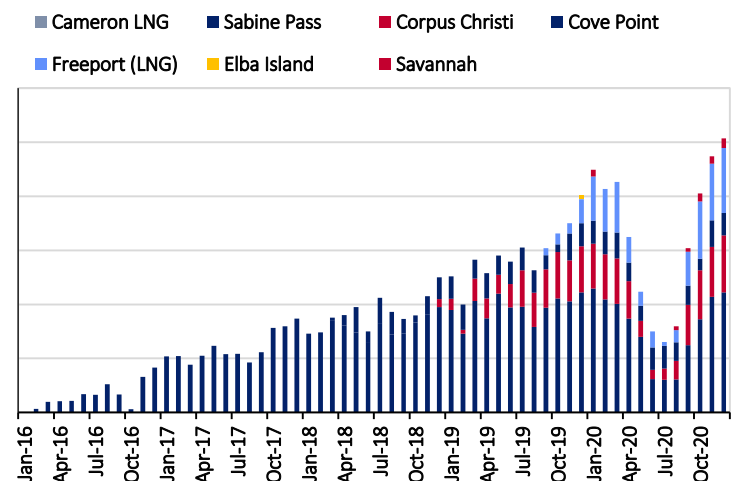
Despite the rapid decrease in demand for LNG during Q2 and Q3 of 2020, overall LNG trade for the year actually grew by 1.4% compared to the previous year. Total seaborne LNG trade reached 369 Million tonnes (Mt), an increase of just over 5 Mt compared to 2019 trade. Preliminary trade analysis highlights that Australia was the largest LNG exporter with 79 Mt, an increase of 2.5 Mt compared to the previous year. Qatar sustained output at 77 Mt, while Russia also exported 28 Mt for the second year. The main news is the dramatic increase in US exports.

### Largest LNG Exporting Countries (Mt)



US LNG exports were on a major growth trajectory during 2019 and the opening months of 2020. However, the impact of the Coronavirus pandemic took its toll on US producers, as significant numbers of cargoes were cancelled as gas prices and demand weakened. The ability to cancel cargoes highlighted the contract flexibility that buyers have insisted upon.

### US LNG Exports by Project (Mt)

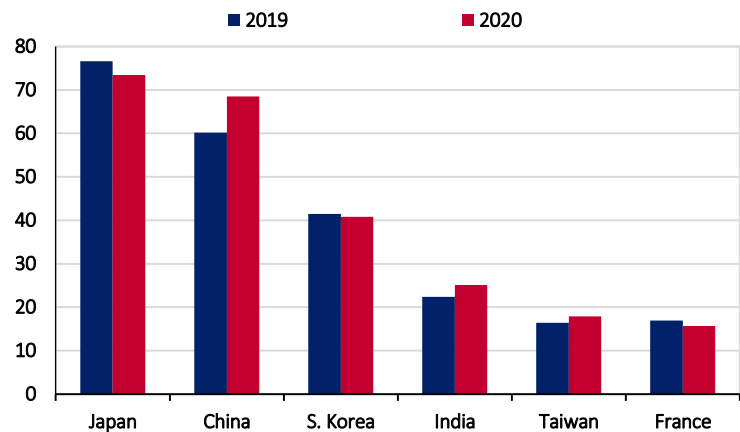


However, as can be seen in the chart, there was a significant increase in export volumes from the summer onwards. During December, exports hit their highest recorded volume at 6 Mt. Depending on the timing of the various LNG projects coming on-stream, we are forecasting that the US could over take Australian LNG exports by mid-decade.

### Mixed bag for Importers

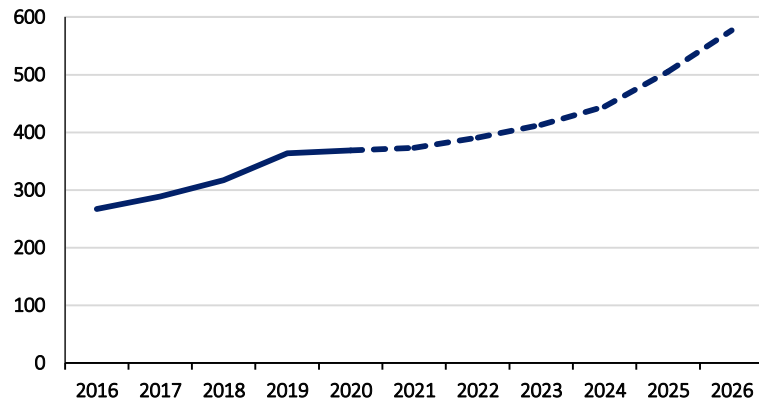
Demand for LNG experienced a torpid time during 2020, although some countries were able to make the most out of a relatively negative market. Japan and South Korea both imported less LNG than the year previous, although this is possibly down to more fundamental structure changes within their economy. Countries that showed increased LNG imports such as China and India were able to benefit from low LNG prices and so increased their purchase of cargoes. The Chinese market is becoming ever more important to the LNG sector, and we forecast that it will overtake Japan as the largest importer of LNG by mid-decade.

### Countries with Increased LNG Imports (Mt)



With a lack of significant new liquefaction capacity coming on stream in the next few years there will be incremental increases in supply until the large Qatari expansion and various other projects, including a large number of US projects coming on stream. Overall, we are forecasting that the LNG market will reach over 575 Mt by 2026.

### Forecast LNG Trade to 2026 (Mt)



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