

LNG WORLD MARKET UPDATE

January 5, 2017

Nuclear power is unlikely to be a dominant source of energy in Japan by 2030; a joint venture is formed to develop LNG terminals in Indonesia; India seeks to increase LNG usage by eliminating an import tax; and US LNG cargoes head to the key LNG demand center of northeast Asia. This weekly news blast is intended to provide relevant industry information to Alaskan stakeholders and inform audiences of the competitive landscape in the global LNG market. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at externalaaffairs@agdc.us with questions.

Natural Gas

HH Spot Price

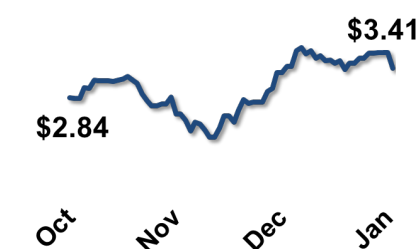
\$3.41 (\$/MMBtu)

January 3 close

Weekly Change

↓ \$0.29 (-7.84%)

Trend



Source: EIA

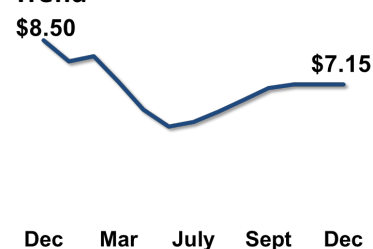
LNG Import Price

Japan

\$7.15 (\$/MMBtu)

December 2016

Trend



Source: World Bank

Japan Unlikely to Meet Ministry's Nuclear Power Targets

(Natural Gas Daily; Jan 3) - Japan's Ministry of Economy, Trade and Industry (METI) forecasts that nuclear power will provide more than one-fifth of its electricity supply in 2030; however mounting public opposition, aging reactors and limited storage space for spent fuel may limit usage. LNG and coal are expected to fill the gap in the country's power mix, which likely means LNG will hold a larger share than the 27% in 2030 predicted by METI. LNG currently accounts for 45% of the energy supply. [Read more](#)

Indonesia to Increase LNG Storage and Regasification Terminals

(The Jakarta Post; Jan 3) - Indonesia is seeking to construct power plants to generate an additional 35,000 megawatts of electricity, with a goal to increase the national electrification ratio of the country to 97 percent by 2019. Indonesian energy investment company Risco Energy and Philippines-based Atlantic, Gulf and Pacific Company (AG&P) have agreed to establish a joint venture to develop small and medium LNG storage and regasification terminals to help increase people's access to electricity. [Read more](#)

Indian Ministries Recommend Zero Import Tax on LNG in 2017 Budget

(Reuters; Jan 5) - To cut the country's carbon footprint, India's energy and environment ministries want the government to scrap an import tax on liquefied natural gas (LNG) to increase the use of gas in its energy mix to 15 percent in three to four years from 6.5 percent now. LNG imports are tax exempt only if shipped in for the power sector. [Read more](#)

As Prices Rise, Northeast Asia Becomes Prime Destination for US LNG

(Platts; Jan 4) - Higher spot LNG prices in Asia have incentivized the journey for vessels carrying US LNG through the Panama Canal and nine cargoes of US LNG are currently headed for the world's key LNG demand center in northeast Asia. Previous US LNG cargoes have headed primarily to South America, the Middle East and South Asia. Platts assessed the JKM LNG Asian benchmark price at \$9.75/MMBtu on Tuesday. [Read more](#)