



**Institute for Energy Economics  
and Financial Analysis**

# **How Japan cashes in on resales of Australian LNG at the expense of Australian gas users**

4<sup>th</sup> June 2025

**Amandine Denis-Ryan – CEO, IEEFA Australia**



# Snapshot of IEEFA



## Evidence-based

Our analyses are thoroughly researched, fact-based, and data driven



## Independent

As a non-profit think tank, our work is free from political influence, corporate and sectoral interests.



## Energy focused

Our mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. We cover domestic and export energy markets.



## Financial analysis

We focus on the financial issues associated with the energy transition, looking at market trends, financial risks and opportunities.

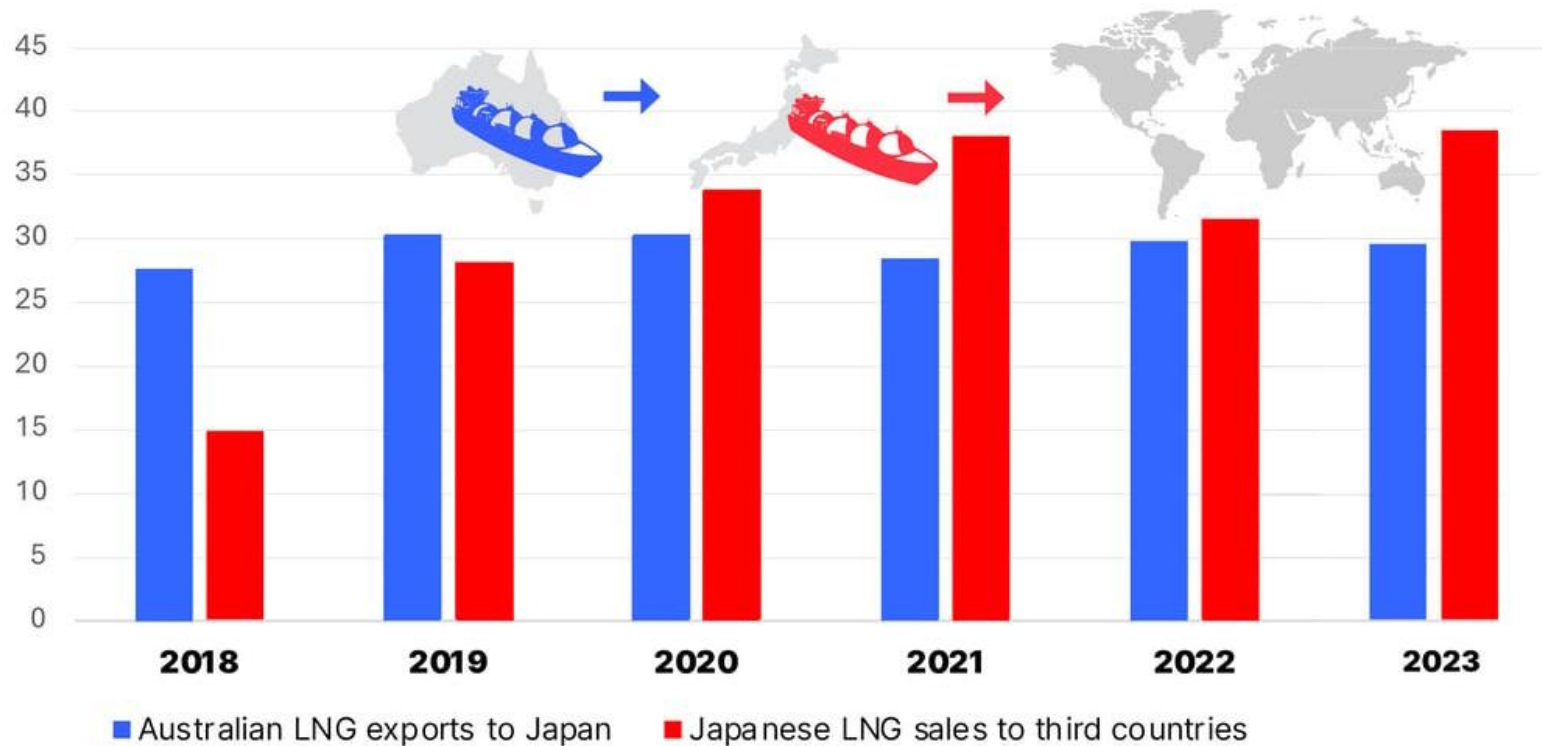


## Global

We have teams in North America, Europe, Asia and Australia.



## Based on Japanese government survey data, IEEFA previously found that Japan resells more LNG overseas than it imports from Australia



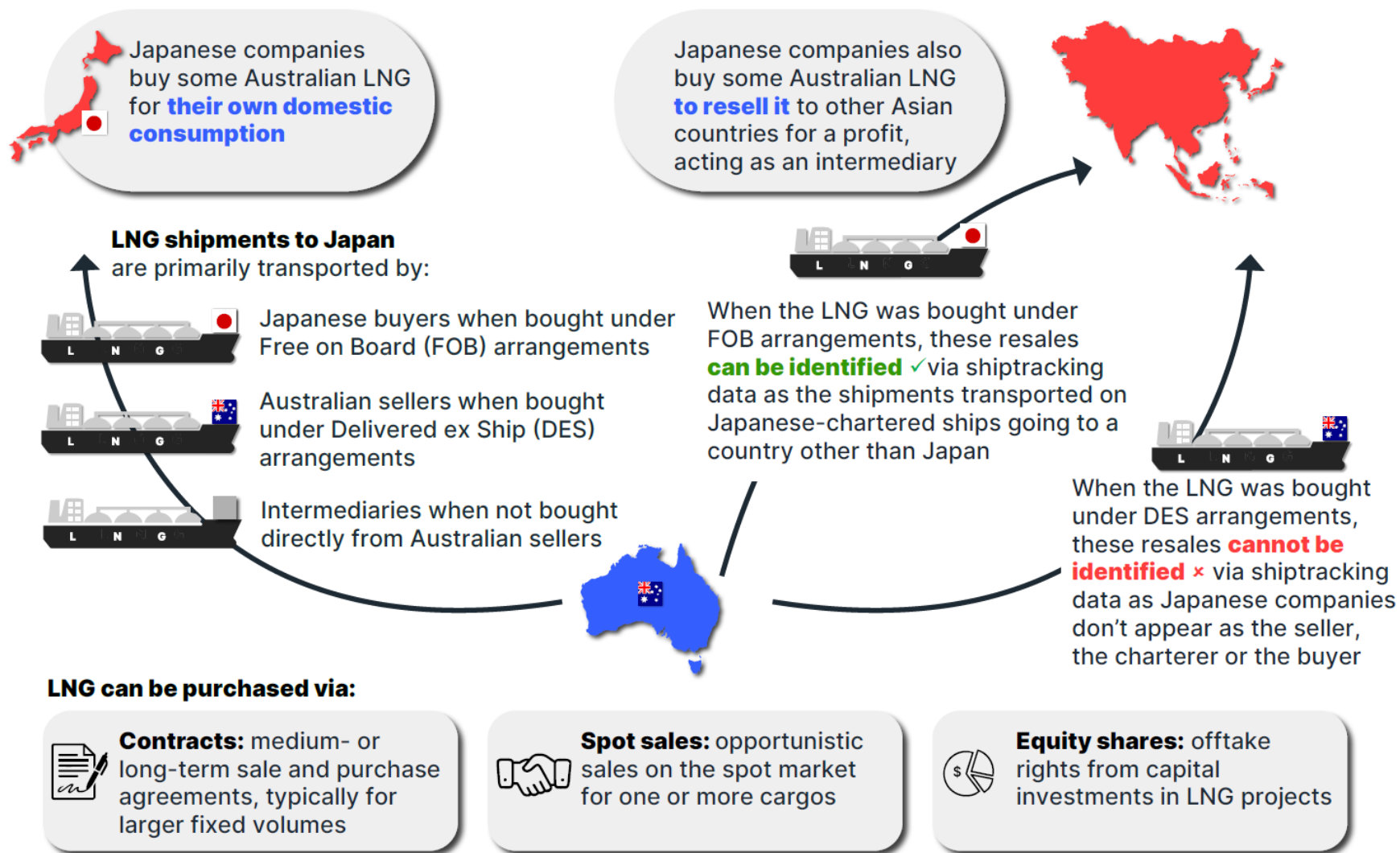
In this report, we estimate and analyse Japanese resales of Australian LNG using bottom-up data (shiptracking and contracts)

Source: Kpler and JOGMEC

IEEFA

Source: IEEFA, [Japan does not need Australian LNG to keep the lights on in Tokyo; Japan's LNG resales into overseas markets hit record high in FY2023 as domestic demand plummeted](#)

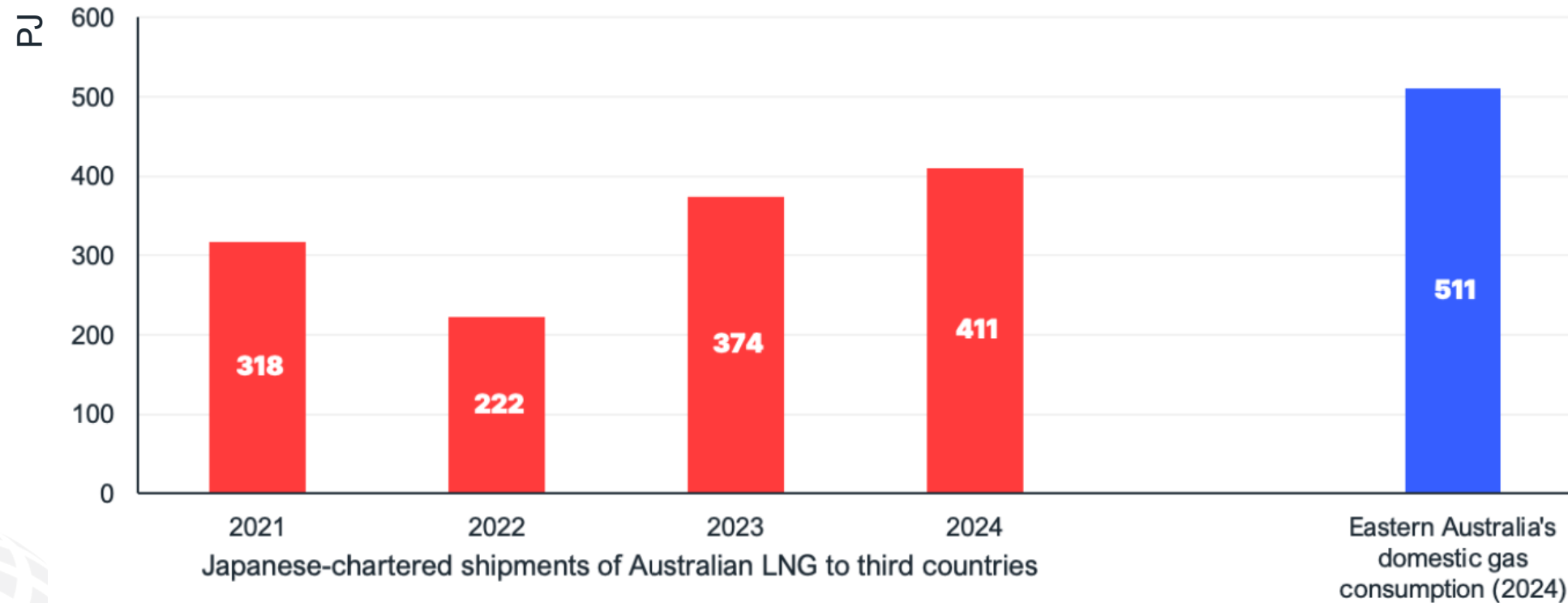
# Principal scenarios for Japanese purchases of Australian LNG





# How much Australian LNG gets resold by Japan?

# First, we looked at Japanese-chartered shipments of Australian LNG to third countries

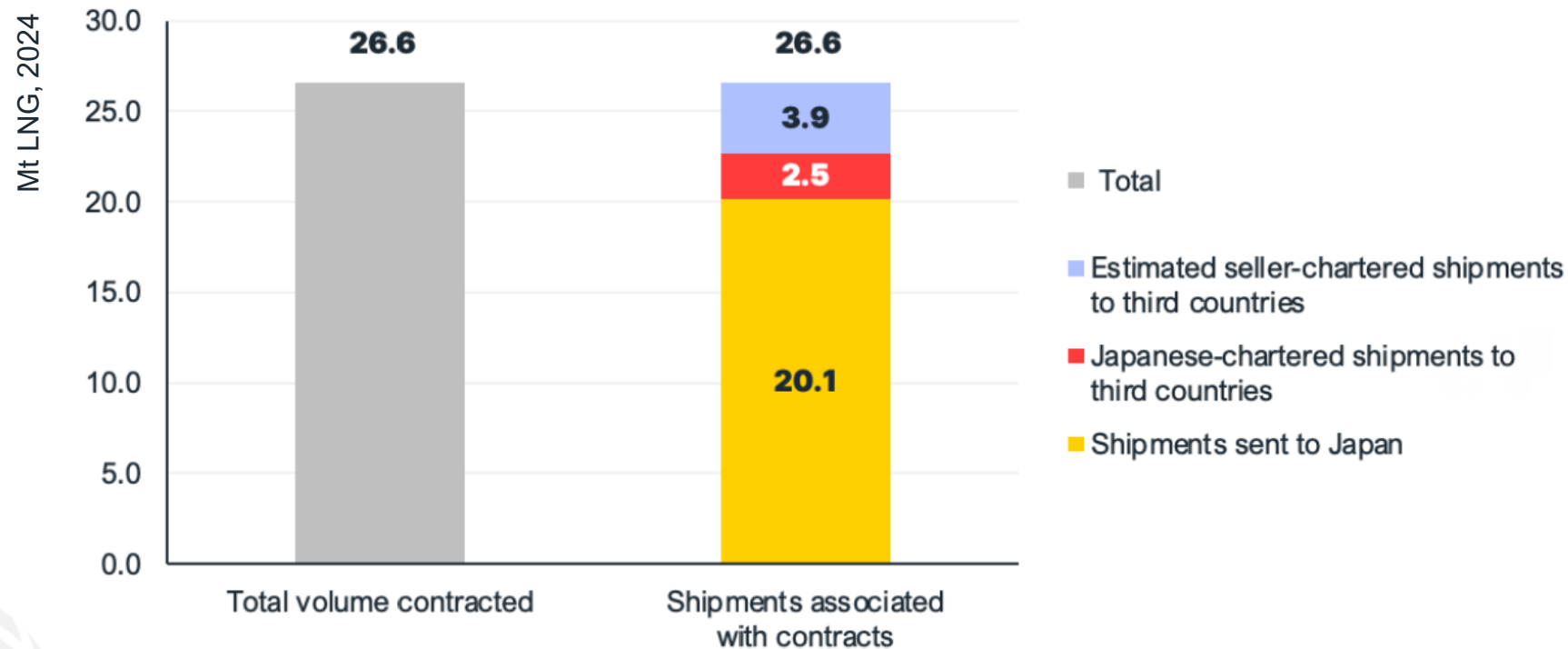


Sources: Kpler data, AEMO, IEEFA



# Secondly, we checked unaccounted for contracts to estimate how much was transported by sellers

## Destination and transport mode of Australian LNG contracted by Japanese companies

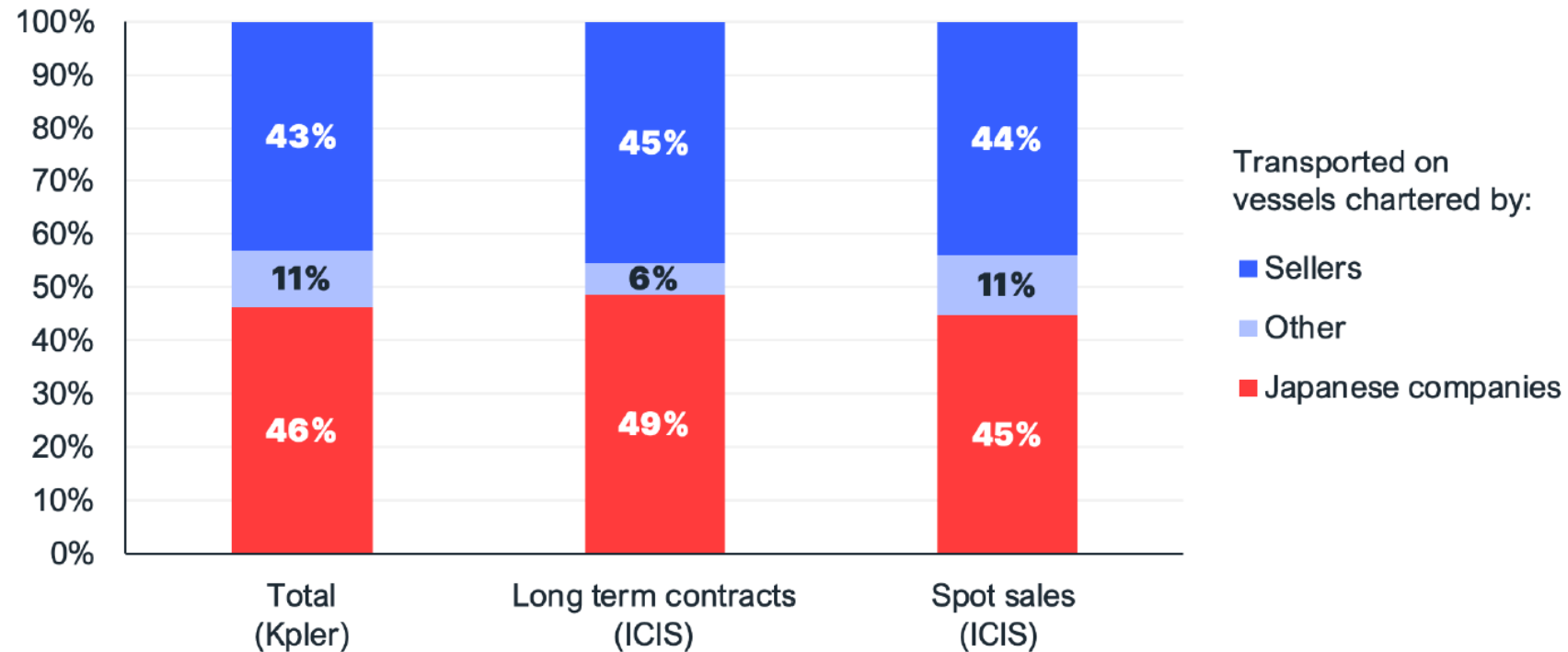


Source: ICIS data.

Note: To be conservative, the analysis assumes that shipments sent to Japan and Japanese-chartered shipments sent to third countries which are not identified as either contracts or spot sales are contracts.

# Thirdly, we estimated how much spot sales shipments were likely transported by seller

Delivery mode for Australian LNG flowing to Japan, 2024 sales

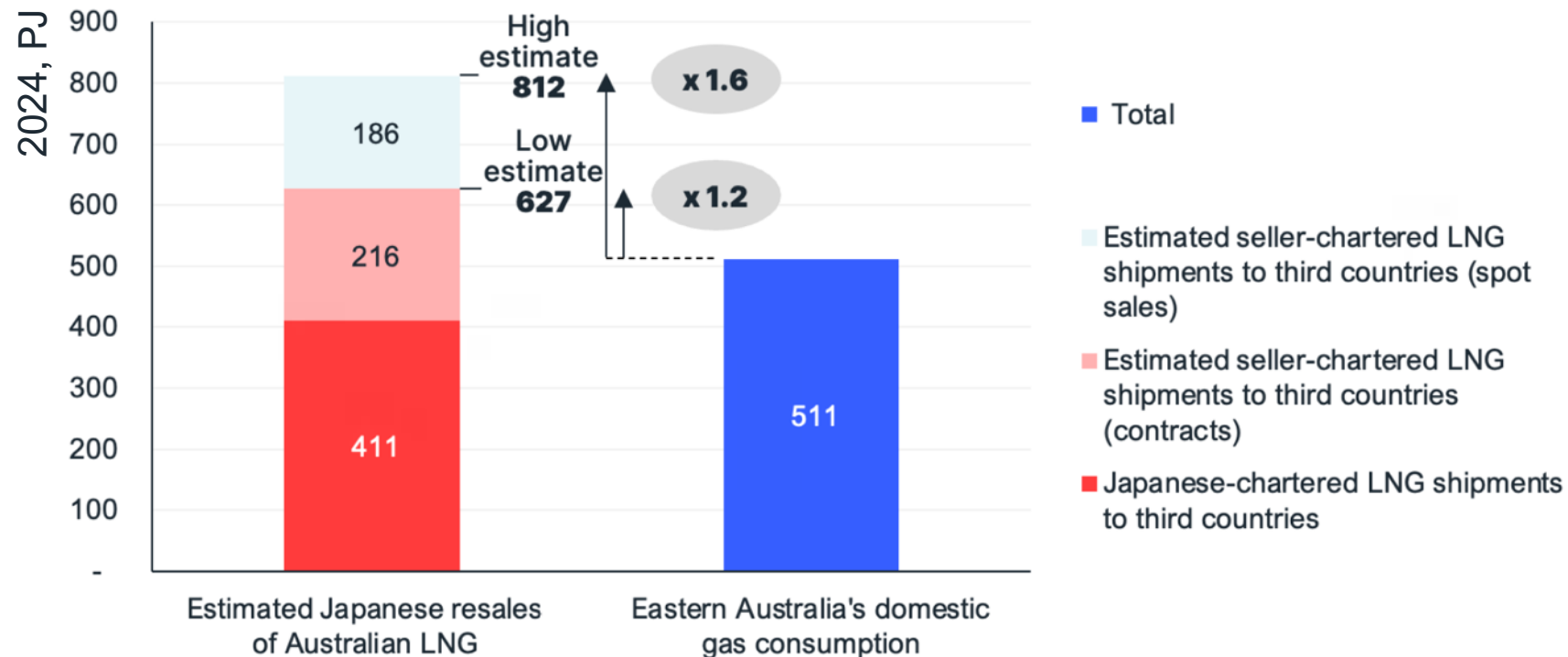


Sources: Kpler data, ICIS data (See Disclaimer below Figure 3).



# In total, we estimate Japan resold ~600-800PJ of Australian LNG in 2024

## Estimated Japanese resales of Australian LNG vs Eastern Australia gas demand



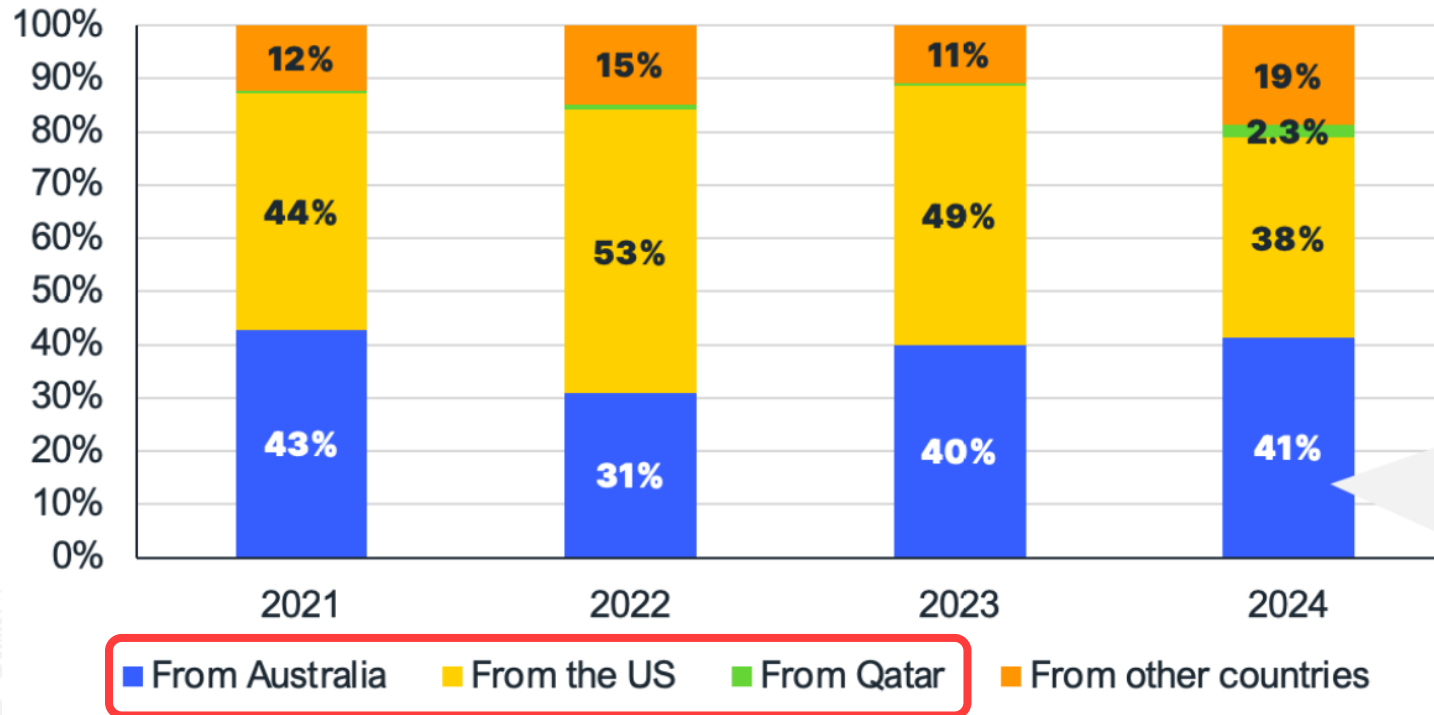
Sources: Kpler data, AEMO, IEEFA



**Where do resales come from,  
where do they go,  
what are they worth?**

# We found Australia is now the largest source of identified resales

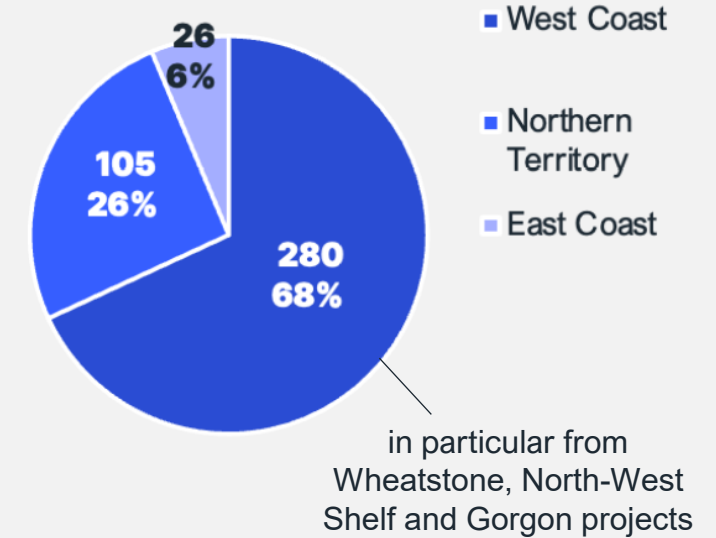
## Origins of Japanese-chartered LNG shipments sold to third countries



Source: Kpler data

All produce about the same volume

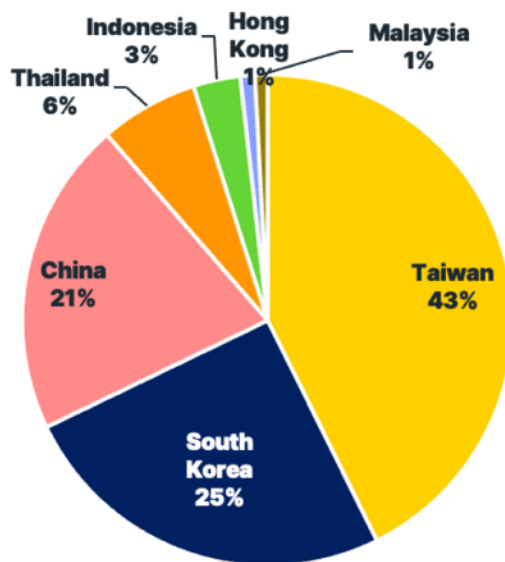
### Origin within Australia, PJ and %



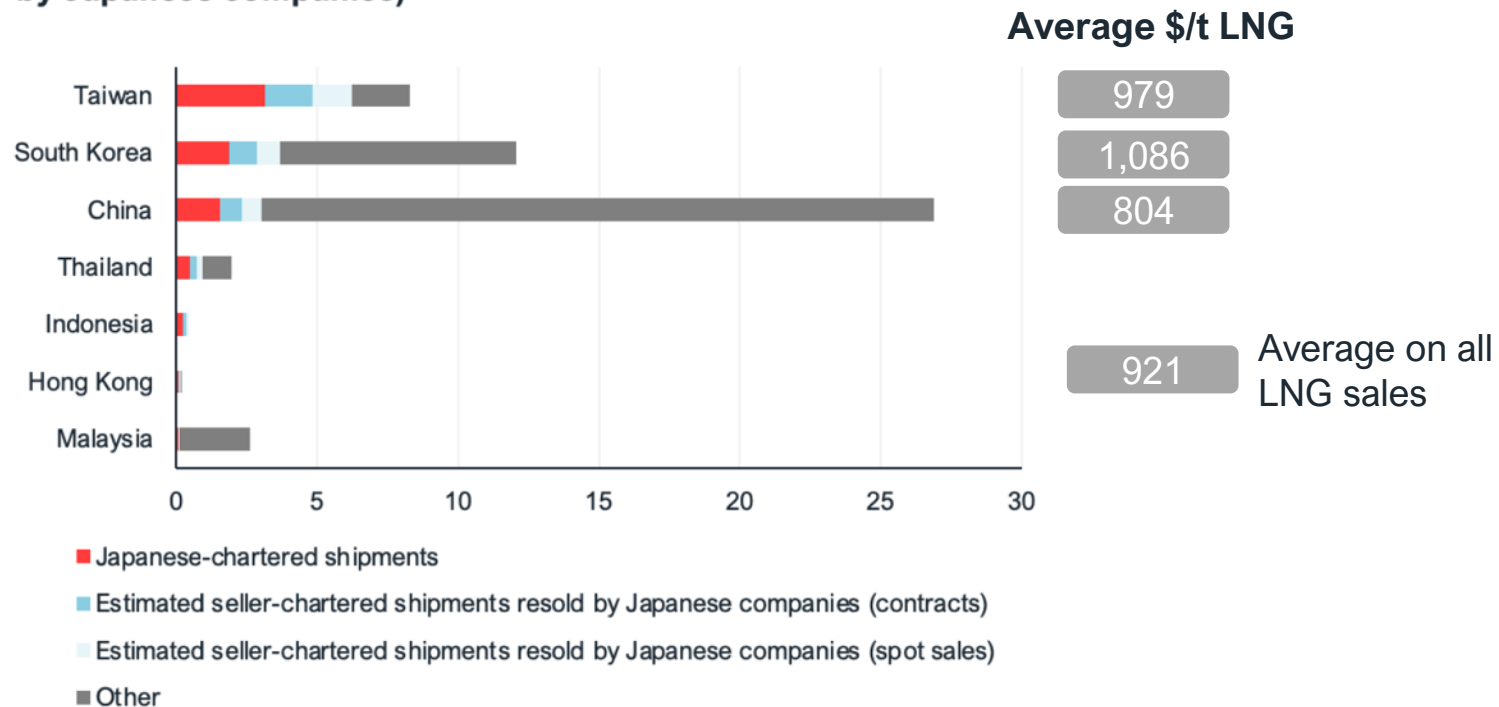
# Two thirds of the identified resales went to Taiwan and South Korea, premium markets for Australia

## Destination of Australian LNG shipments in 2024 (excluding Japan)

Japanese-chartered shipments of Australian LNG to third countries



Australian LNG exports (Mt, including likely share captured/onsold by Japanese companies)



Sources: Kpler data, IEEFA

# Resales of Australian LNG is very lucrative for Japan

Estimated sales revenue

**\$11-14bn**

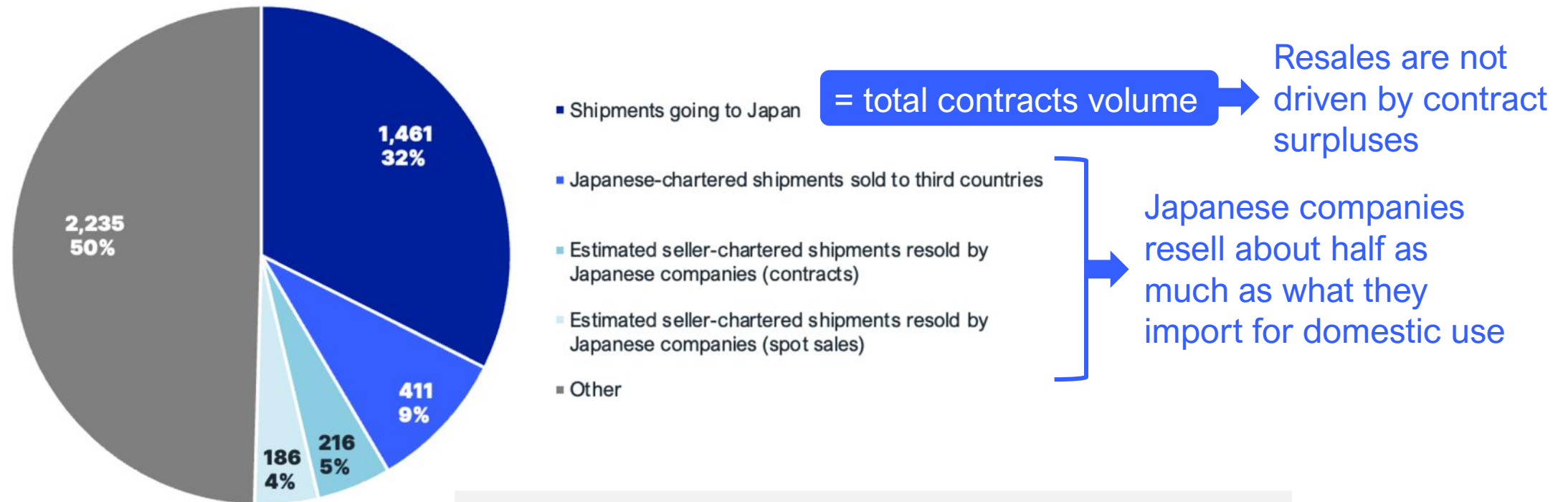
Estimated profit margin

**>\$1bn**



# Data highlights commercial interests behind resales

## Australian LNG exports and likely share bought by Japanese companies, 2024 (PJ)



Source: Kpler data, IEEFA

In total, Japan may buy ~50% of Australian LNG

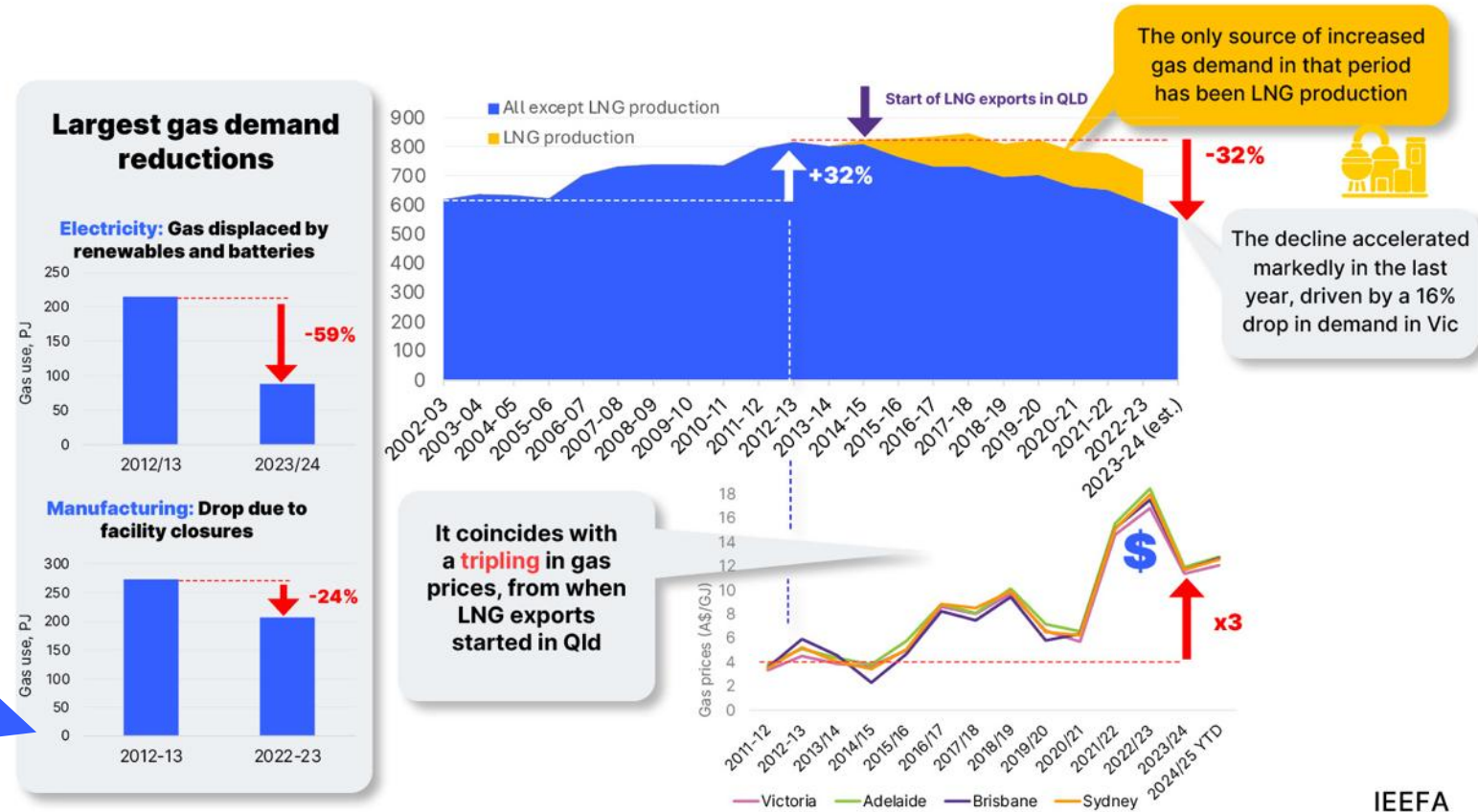




# What's the implication for Australia?

# LNG exports have been hurting Australian households and businesses

## Eastern Australia gas demand slashed since LNG exports began

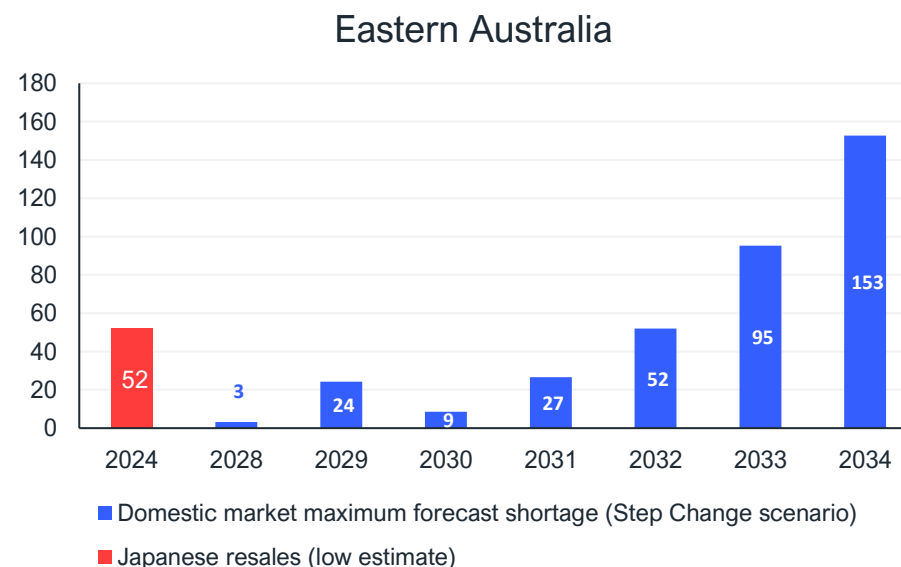
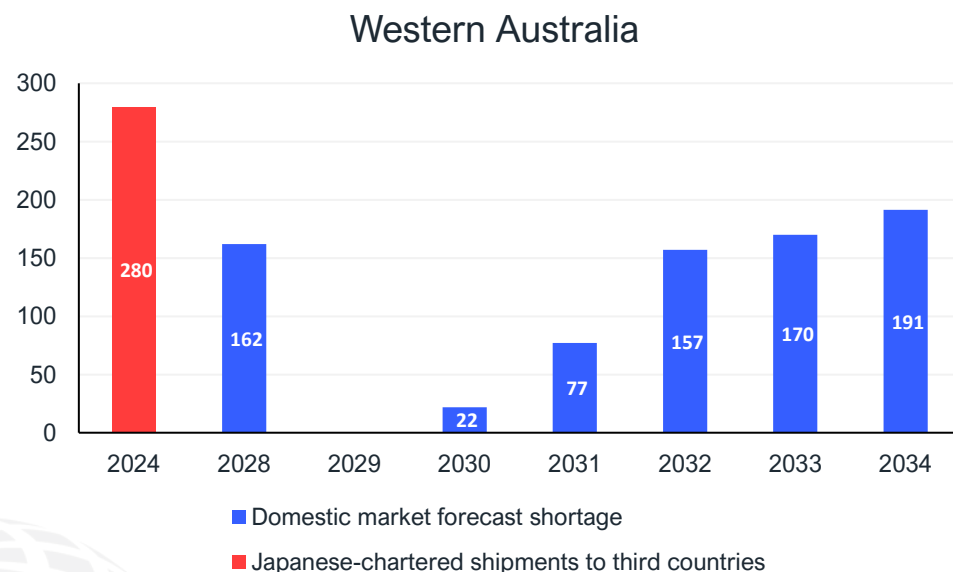


IEEFA

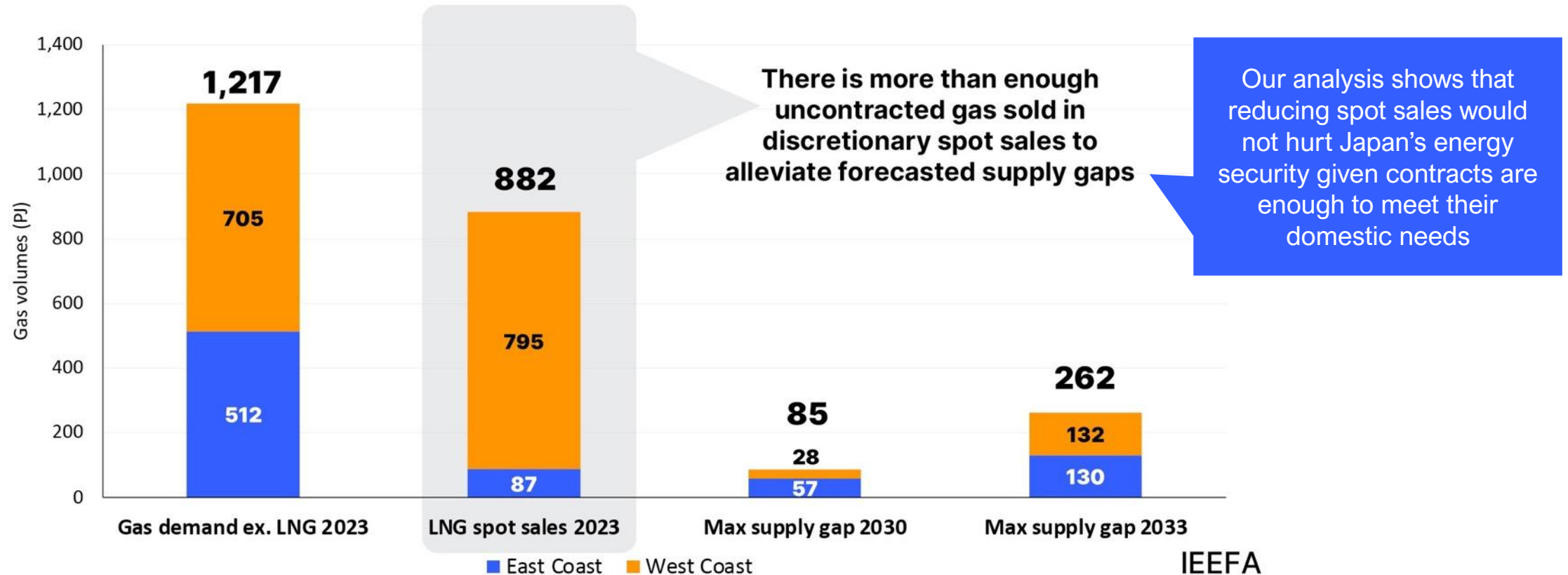
Source: IEEFA, [LNG exports prompt fall in eastern Australia's gas demand](#)

# Australia is currently facing gas shortages on both coasts, and is even considering importing LNG

The resales from both East & West Australia are larger than projected gas shortages in coming years



# The government should seriously look at diverting a portion of LNG spot exports to alleviate gas shortages



Source: IEEFA, [Australian gas users pay price as LNG exporters prioritise spot market windfalls](#), [An export tax is the best way to address looming gas shortages and reduce prices](#)



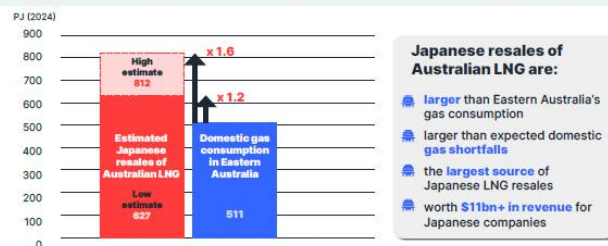
May 2025

Amandine Denis-Ryan || CEO, IEEFA Australia

Josh Runciman || Lead Analyst, Australian Gas

## How Japan cashes in on resales of Australian LNG at the expense of Australian gas users

- Japan onsold at least 600 petajoules (PJ) of Australian LNG to overseas markets, and potentially 800PJ, in 2024, more than Eastern Australia's annual domestic gas consumption.
- In 2024, Australia was the largest source of Japanese-chartered LNG shipments sold to third countries, supplying 41% of cargos.
- In both Eastern and Western Australia, Japanese resales of Australia LNG are larger than the projected annual gas shortfalls in coming years.
- Japanese resales are likely driving more than A\$1 billion in profits for Japanese companies, raising questions about Japan's interests in Australia's energy policies.



### Japanese resales of Australian LNG are:

- larger than Eastern Australia's gas consumption
- larger than expected domestic gas shortfalls
- the largest source of Japanese LNG resales
- worth \$11bn+ in revenue for Japanese companies

### Introduction

Japan has historically been the world's largest buyer of liquefied natural gas (LNG). However, as domestic demand declines, [Japanese companies are increasingly focusing their attention on reselling LNG overseas](#). IEEFA previously highlighted that the growing scale of those resales means [Japan appears to have resold more LNG overseas than it imports from Australia for the fourth year in a row](#).

How Japan cashes in on resales of Australian LNG at the expense of Australian gas users

ieefa.org | 1

## Download the report

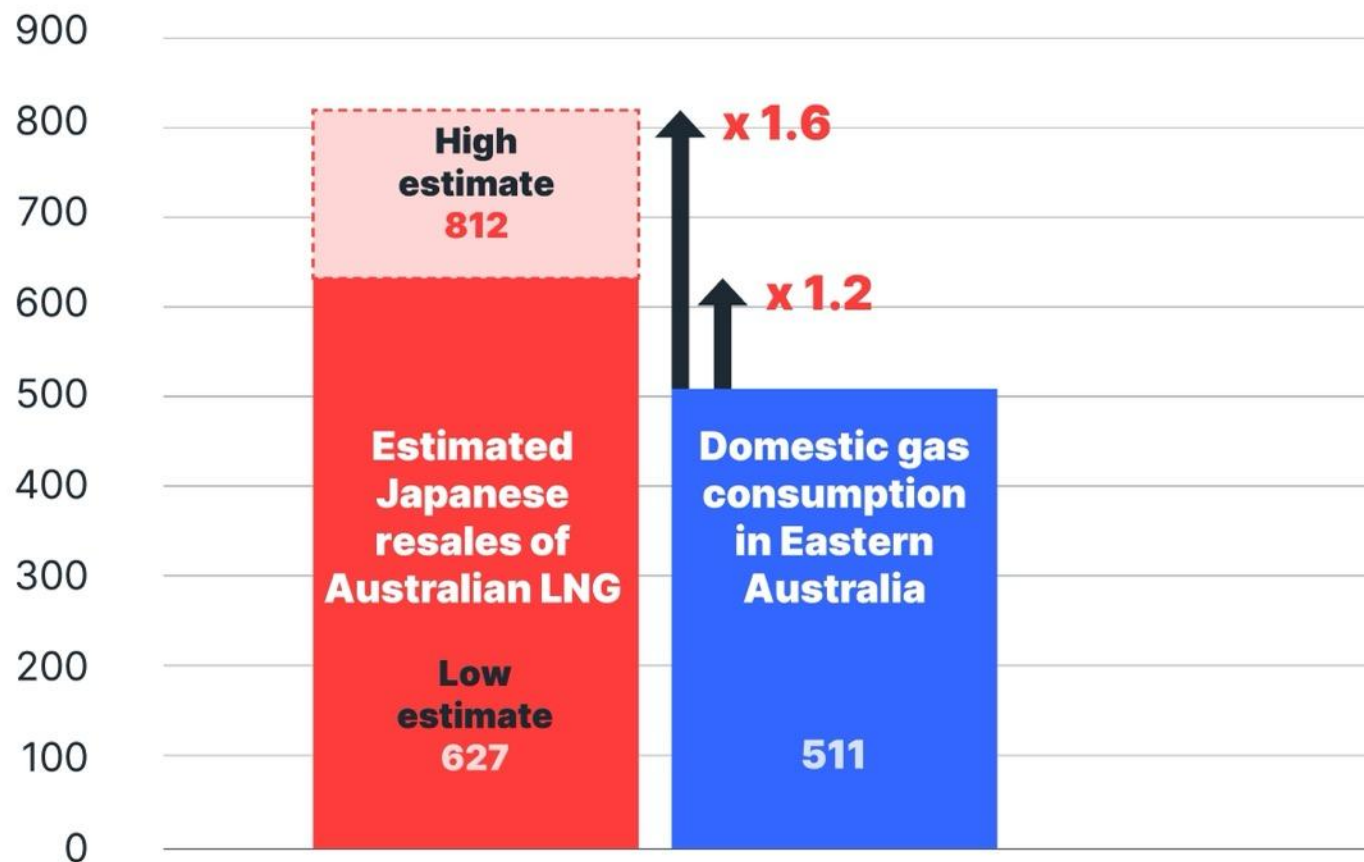


Source: IEEFA, [How Japan cashes in on resales of Australian LNG at the expense of Australian gas users](#)



# Japan cashes in on resales of Australian LNG at the expense of Australian gas users

PJ (2024)



## Japanese resales of Australian LNG are:

-  **larger** than Eastern Australia's gas consumption
-  larger than expected domestic **gas shortfalls**
-  the **largest source** of Japanese LNG resales
-  worth **\$11bn+ in revenue** for Japanese companies

IEEFA





# Contact

**Amandine Denis-Ryan**, CEO, IEEFA Australia

[adenisryan@ieefa.org](mailto:adenisryan@ieefa.org)

**Joshua Runciman**, Australian gas lead, IEEFA

[jrunciman@ieefa.org](mailto:jrunciman@ieefa.org)



**Institute for Energy Economics  
and Financial Analysis**

[www.ieefa.org](http://www.ieefa.org)