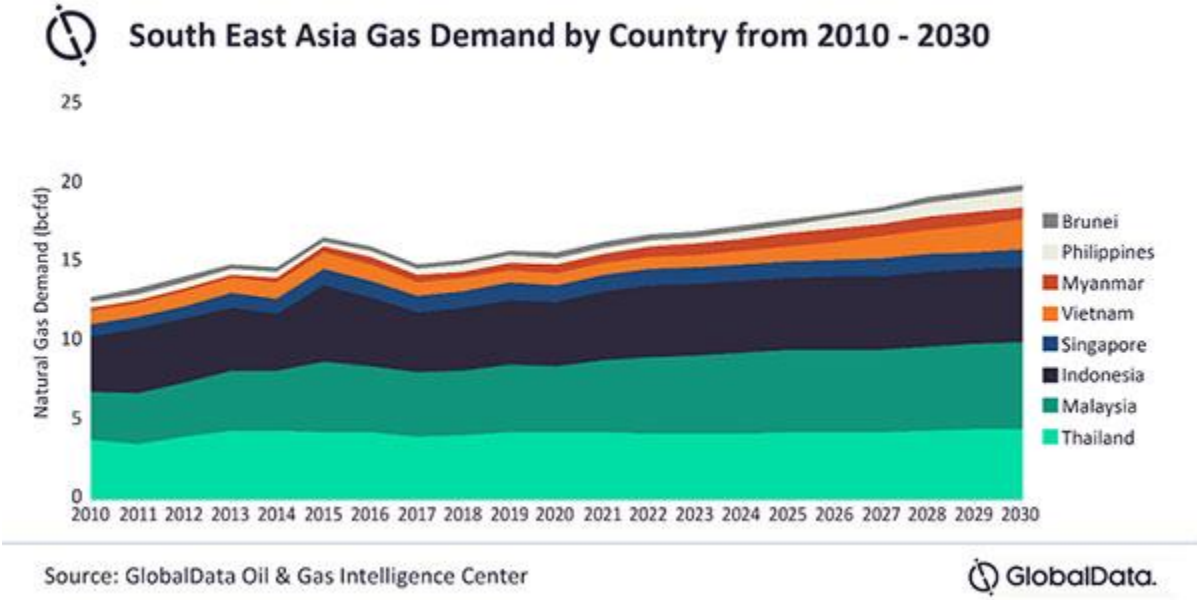


Singapore Plans To Be The Hub For LNG in Asia

Even though Singapore produces no Liquefied Natural Gas (LNG) on its own, the Singapore LNG hub is the premier location to buy and sell energy in the region. Already a global hub for energy trade, particularly with petroleum, Singapore is again looking to make the most of its advantageous geographical location.

Situated at the head of the Malacca Strait, which funnels maritime traffic from Europe, the Middle East, and Africa to Asia, and vice versa, the city-state sees a considerable amount of maritime traffic pass by its shores. This has given Singapore the opportunity to become a critical trade and transport hub in the region.

Latching on to Asia's growing demand for LNG, Singapore is seizing the moment once again. The Asia-Pacific region is responsible for [70% of the world's LNG demand](#), and this number is still growing. Singapore's [Jurong Island](#), which houses over 100 international petroleum, petrochemical, and chemical companies, is expanding its capacities to accommodate the growing influx of LNG.



Source: [LNG Industry](#)

Does Singapore produce LNG?

Singapore doesn't produce any of its own LNG, but that isn't stopping it from becoming one of the major players in the Asia-Pacific LNG sphere. Singapore's plans for the future rely on LNG. They currently have sizeable [natural gas import contracts that expire in 2024](#), after which they plan to turn to LNG to meet all of their natural gas needs.

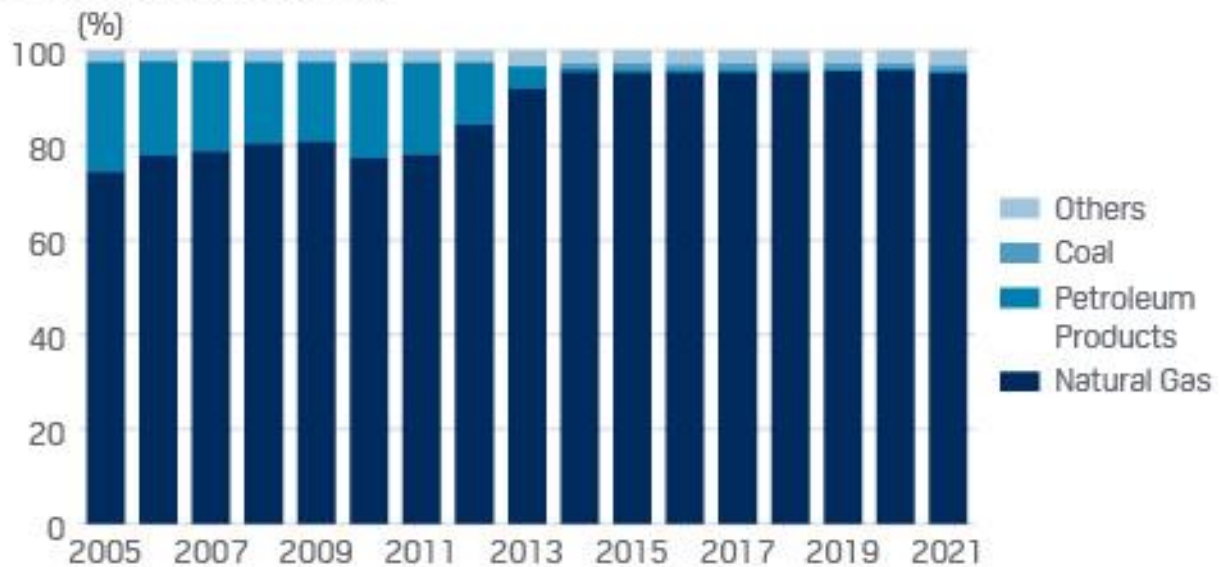
Currently, [Singapore receives natural gas through pipelines](#), primarily from Malaysia and Indonesia. However, the plan is to transition completely to the liquefied version. Gas is a crucial energy source for Singapore. About [95% of its electricity](#) is generated from natural gas.

Where does Singapore get LNG?

Singapore started importing LNG in 2013. In 2020, almost [70% of Singapore's LNG imports](#) came from Australia and the United States. Qatar and Angola are also significant contributors to Singapore's LNG supply.

The imported LNG goes to one LNG terminal on Jurong Island that began operations in 2013. The terminal receives LNG from cargo carriers and then redistributes it to other importers globally. As well as being an exchange hub, the terminal serves to store LNG and distribute the hydrocarbon energy into Singapore's natural gas network.

NATURAL GAS ACCOUNTS FOR BULK OF SINGAPORE'S POWER GENERATION



Source: Energy Market Authority

Source: [S&P Global](#)

Who owns Singapore's LNG (SLNG)?

Singapore's LNG network and terminal are owned by [Singapore LNG Corporation](#) (SLNG). The company was incorporated by the Singapore government's Energy Market Authority to design, construct, and operate the LNG Terminal on Jurong Island.

The terminal holds 3 storage tanks at 180,000m³ each and [one of the largest storage tanks in the world](#) at 260,000m³. The terminal currently supplies 25-30% of Singapore's energy supply but can meet Singapore's total energy demand if required.

The SLNG is also exploring the possibility of working with alternative renewable sources of energy, most notably hydrogen.

Singapore LNG Bunkering

Singapore is currently the [world's largest bunkering hub](#) and is continuing to expand its capacity for LNG bunkering. As a global supply hub for LNG where natural resources can be bought, sold, and stored, Singapore is the most important LNG hub in the Asia-Pacific region.

Singapore recently awarded a [new LNG bunker supply license](#) to Total Marine Fuels Private Limited, the 3rd LNG license for the port. The agreement kicked in on January 1, 2022, and the term will run for 5 years.

A fascinating feature of Singapore's LNG hub is the [Global LNG Exchange \(GLX\)](#). The online marketplace allows buyers and sellers to execute trades much like those on the stock market. Traditionally, these exchanges would need to be performed bilaterally with buyers and sellers relying on market insight and knowledge to know the current fair price for LNG.

With GLX, parties involved in the transaction can execute their trades quickly, securely, and with the confidence they are getting fair market value.

LNG in Singapore's Future

The growing LNG market in Asia has allowed Singapore to expand on its notoriety as a global energy hub. As the Asia-Pacific region weans itself from dirty energy production methods like coal and petroleum, demand for LNG to replace these feedstocks is growing.

Despite producing no LNG on its own, Singapore is becoming the most important player in Asia's LNG realm.