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LNG gas shipments to Japan soar as Europe demand slacks

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PARIS, April 4 (Reuters) - Shipments of liquefied natural gas (LNG) to Japan soared last year as the country burned more gas to compensate for the closure of its nuclear plants, the LNG importers' association said.

The Paris-based International Group of LNG Importers (GIIGNL) spelled out in its annual report the extent of the massive shift eastwards of LNG shipments caused by the 2011 Fukushima disaster.

Total global LNG trade fell 1.9 percent to 298.22 billion cubic metres in 2012 - the first decline in 30 years - but Japanese imports rose 11.4 percent to 108.87 billion cubic metres and now make up 37.3 percent of global demand.

At the end of 2012, Asia accounted for 71 percent of global LNG demand, with imports of 209.68 billion cubic metres, compared to 64 percent in 2011.

South Korea's LNG imports rose 3.4 percent to 47.35 billion cubic metres, China's rose 12.2 percent to 18.35 billion cubic metres.

"LNG is a global commodity, and with prices being the highest in Asia, that is where trade went," deputy GIIGNL director Vincent Demoury told Reuters on Thursday.

LNG shipments to Europe fell 27 percent to 60.22 billion cubic metres, below the 2009 level as the economic crisis weighs on European demand.

Shipments to the UK were down by nearly 47 percent to 13.08 billion cubic metres, to France by 32 percent to 9.11 billion cubic metres and to Spain by 16 percent to 18.49 billion cubic metres.

The result is that most of Europe's LNG terminals stand idle most of the time, with an average utilisation rate (imports as a percent of capacity) of just 31 percent in Europe.

"At any rate, we need these terminals for the security and diversification of gas supply," Demoury said.

In the shale-gas rich United States, LNG imports fell nearly 50 percent to just 4.12 billion cubic metres and the average terminal utilisation rate was just 2 percent.

In coming years, the U.S. could become a major LNG exporter. Cheniere Energy received the first permits for natural gas exports and expects to bring its first terminal on line in 2015.

GIIGNL said that U.S. LNG exports, eagerly awaited by many Asia importers, will have a profound impact on prices if the Chenier project is followed by other projects.

The total LNG tanker fleet consisted of 378 vessels at the end of 2012. (Reporting by Marion Douet and Geert De Clercq; writing by Geert De Clercq; editing by Keiron Henderson)

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