

Biggest US gas shipper hunts China deals, trade truce or not



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America's biggest natural gas exporter is ready to sign long-term agreements with buyers in China, the world's top market for the fuel, with or without a trade truce.

Cheniere Energy Inc isn't delaying any liquefied natural gas deals because of the trade dispute, chief executive officer Jack Fusco said in an interview in Shanghai. If that's happening, it's on the part of Chinese customers or their government, he said.

"Their approval process is between them and their regulatory agencies," Fusco said on the sidelines of the LNG2019 conference. "But we are a publicly traded company, and we are not going to slow down."

A supply deal between Cheniere and China Petrochemical Corp, known as Sinopec, is expected to be awaiting a resolution to the US-China trade spat. The companies had been in talks for

nearly a year when progress stalled as the Trump administration escalated a tariff war between the two countries, people familiar with the situation said last month. Fusco declined to comment about any negotiations.

LNG is perhaps the best example of a trade that would benefit both countries. China is the world's fastest growing market for the super-chilled fuel, which it wants to use in place of coal to fight pollution. And the US, buoyed by booming natural gas production from shale fields, could easily be on track to be the world's biggest exporter.

"Two companies working together could be a win-win," Fusco said. "A Chinese company and an American company, trying to show our administrations what the possibilities are."

China National Offshore Oil Corp, the country's largest LNG importer, hasn't excluded the US in its search for overseas upstream and LNG investment opportunities, Chen Jie, chief engineer for the company's gas and power unit, said in an interview at the conference.

"Buying US resources can actually help ease the trade frictions between the two countries," Chen said.

US suppliers have seen their efforts to court Chinese buyers jammed up because of the trade dispute. While China has at times been a large buyer of spot LNG from the US, the only long-term contract is between Cheniere and a unit of state-owned China National Petroleum Corp for 1.2mn tonnes per year over 25 years, and that was signed in February 2018, before trade issues intensified.

"My expectation is if the trade dispute gets solved that there could be good things to come for Cheniere here in China," Fusco said in an interview on Bloomberg TV.