

China's Blue Skies Action Plan:

Cleaning up China's air and boosting Australian LNG exports

"The largest global LNG trade flow route continues to be intra-Pacific trade, a trend that is unlikely to change in the near term given high demand growth in China, Southeast Asia, and South Asia, and increasing supply from Australia."

– International Gas Union 2019 World LNG Report



China's [Blue Sky action plan](#) is spurring the country's transition from coal to a range of low-carbon options, such as Liquefied Natural Gas, for its energy needs.



The core goal is to [significantly reduce air pollution](#) across China's key urban areas within three years. To achieve this, China is replacing coal-fuelled power generation with natural gas. Much of this natural gas is imported.



In fact, in 2018 China became the world's [second-largest LNG importer](#) after Japan upon boosting imports [41% to 54 million tonnes](#), almost double the previous year.



Demand for natural gas from China is expected to pass 400 billion cubic metres by 2022, expanding from an expected [30 – 40 billion cubic metres this year](#).



Why does this matter to us?

Australia is the largest supplier of LNG to China and supplied over [53% of China's LNG imports](#) during the first five months of 2019, up from around 40% in 2016 when a previous round of new Australian export projects started to ramp up. What's good for China's skies is great for the Australian economy.

"After the gas meters were installed, the air was remarkably clear and the living environment was cleaner too."

– Chinese construction worker to [The Sydney Morning Herald](#)