経済産業省

Asia-Pacific Economic Cooperation

Oil and Gas Security Policy

Yoshiomi YOSHINO
Ministry of Economy, Trade and Industry, Japan
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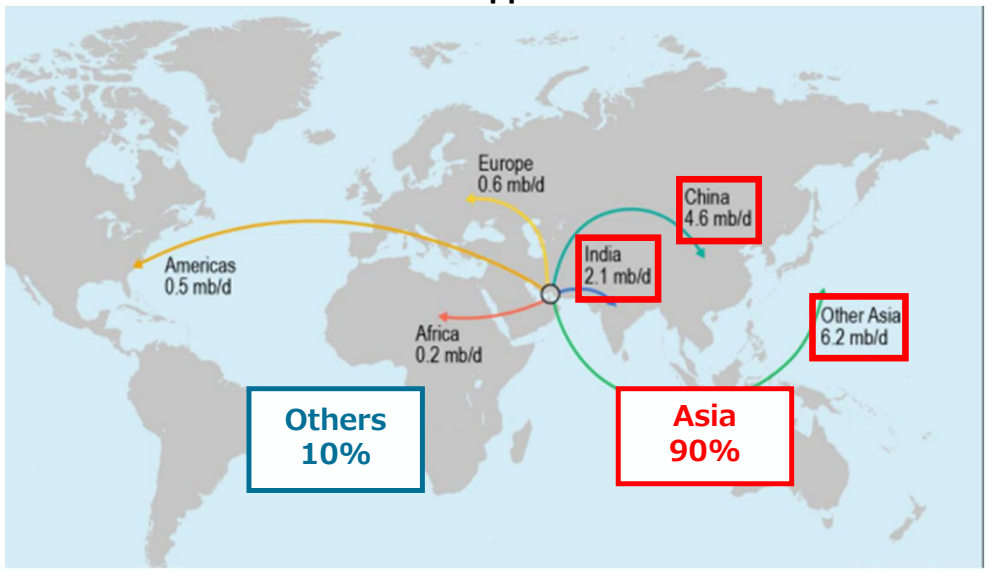
Impact of a Closure of the strait of Hormuz

- Around **90% of the crude oil passing through the Strait of Hormuz**—approximately 13 million barrels per day—**is destined for Asia**.

Destinations of Crude Oil Shipped via the Strait of Hormuz



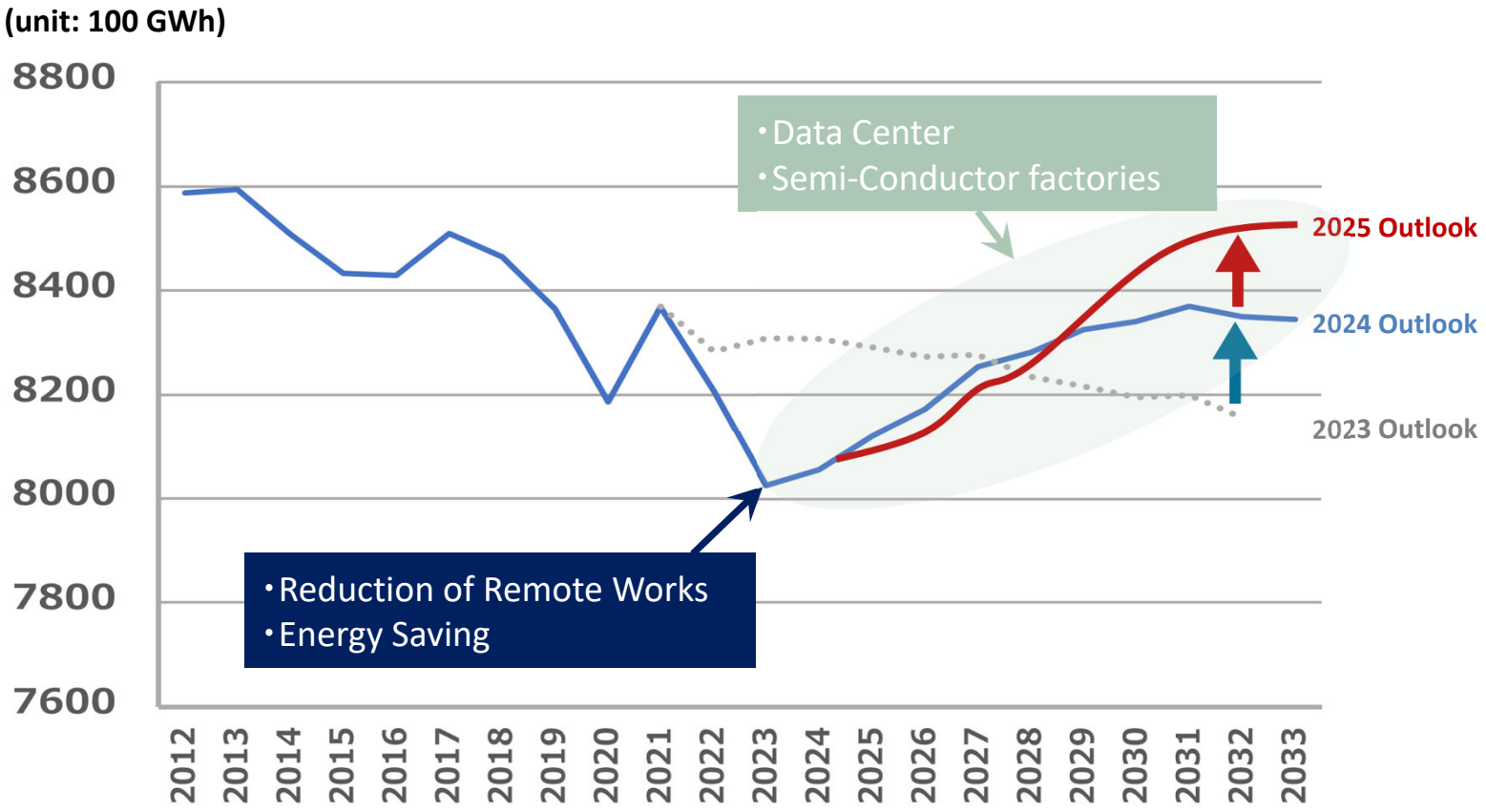
(Source) IEA

Asia's Dependence on Hormuz for Crude Oil Imports

	Dependence on Hormuz	Stockpile measured in days of supply
the Philippines	**94%**	45 days
Viet Nam	**81%**	30 days
Singapore	**69%**	Not disclosed
Thailand	**61%**	60 days
Malaysia	**47%**	Not disclosed
Indonesia	**21%**	25 days
Japan	**92%**	201days

Given Condition：New Demand

Japan’s Electricity Demand Outlook



（出典）電力広域的運営推進機関HP 2024年度　全国及び供給区域ごとの需要想定について

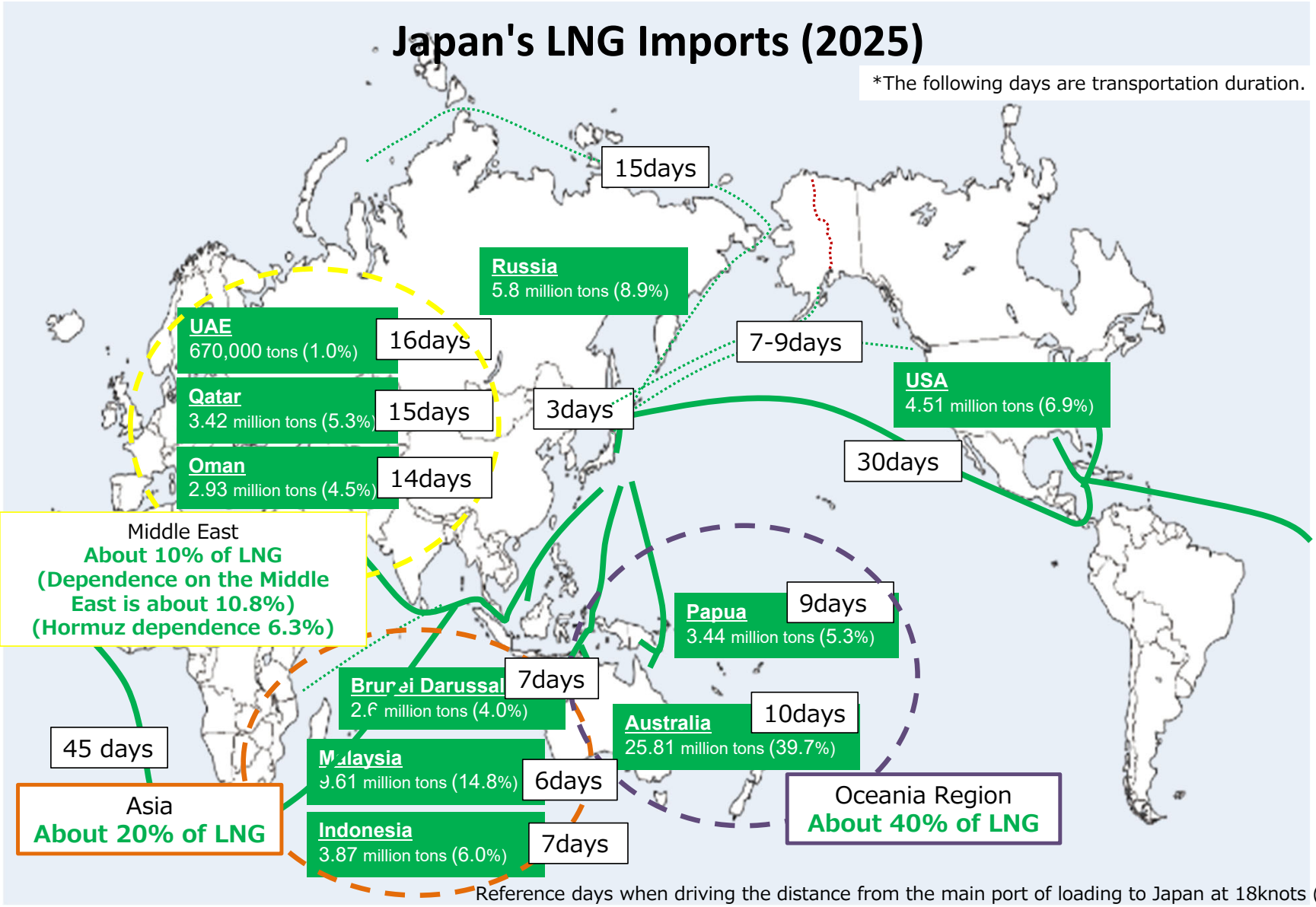
What to do as LNG Policy

❶Diversify - **Supply Sources**

❷Gas Security - **Region/Economy - Specific**

❸Methane Abatement

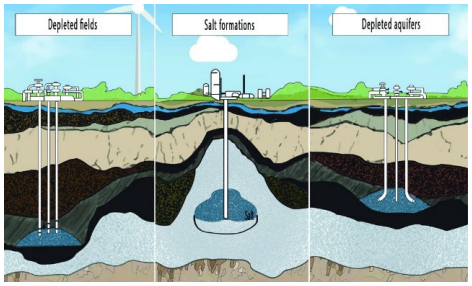
- **Collaboration between Buyers and Suppliers**



Reference days when driving the distance from the main port of loading to Japan at 18knots (about 33km/h)

Examples of gas reserve mechanisms

Underground gas storage



Natural gas is stored physically underground at suitable geological formations.

Commonly used in EU and the US utilizing depleted gas reservoirs.

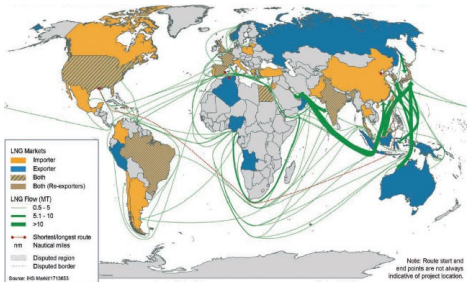
This could secure gas at large scale and for long time, however storage sites are not always available globally.

Buffer LNG capacity

Additional LNG procurement and storage capacity can work as a buffer against market imbalance. (e.g., Strategic Buffer LNG,)

Also, increasing the percentage of the **long-term contract** is also contributing gas security.

Contracting flexibility



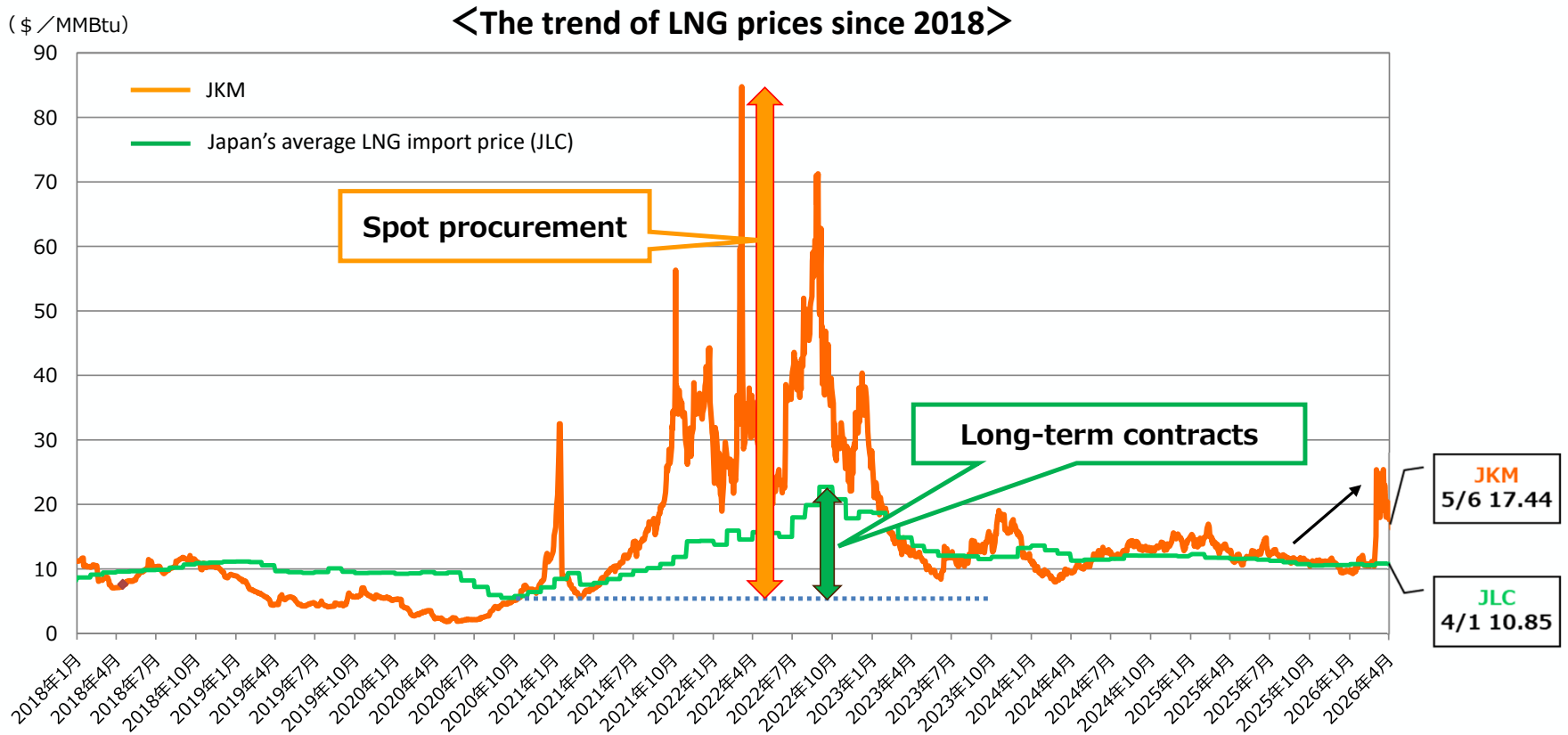
Flexible contracting schemes can be used to increase purchase volume or relocate/swap LNG cargoes.

Technical challenges of gas or LNG storage can be avoided.

Public partnership and cooperation can enhance reliability of additional supply in times of need.

The significance of long-term LNG contracts

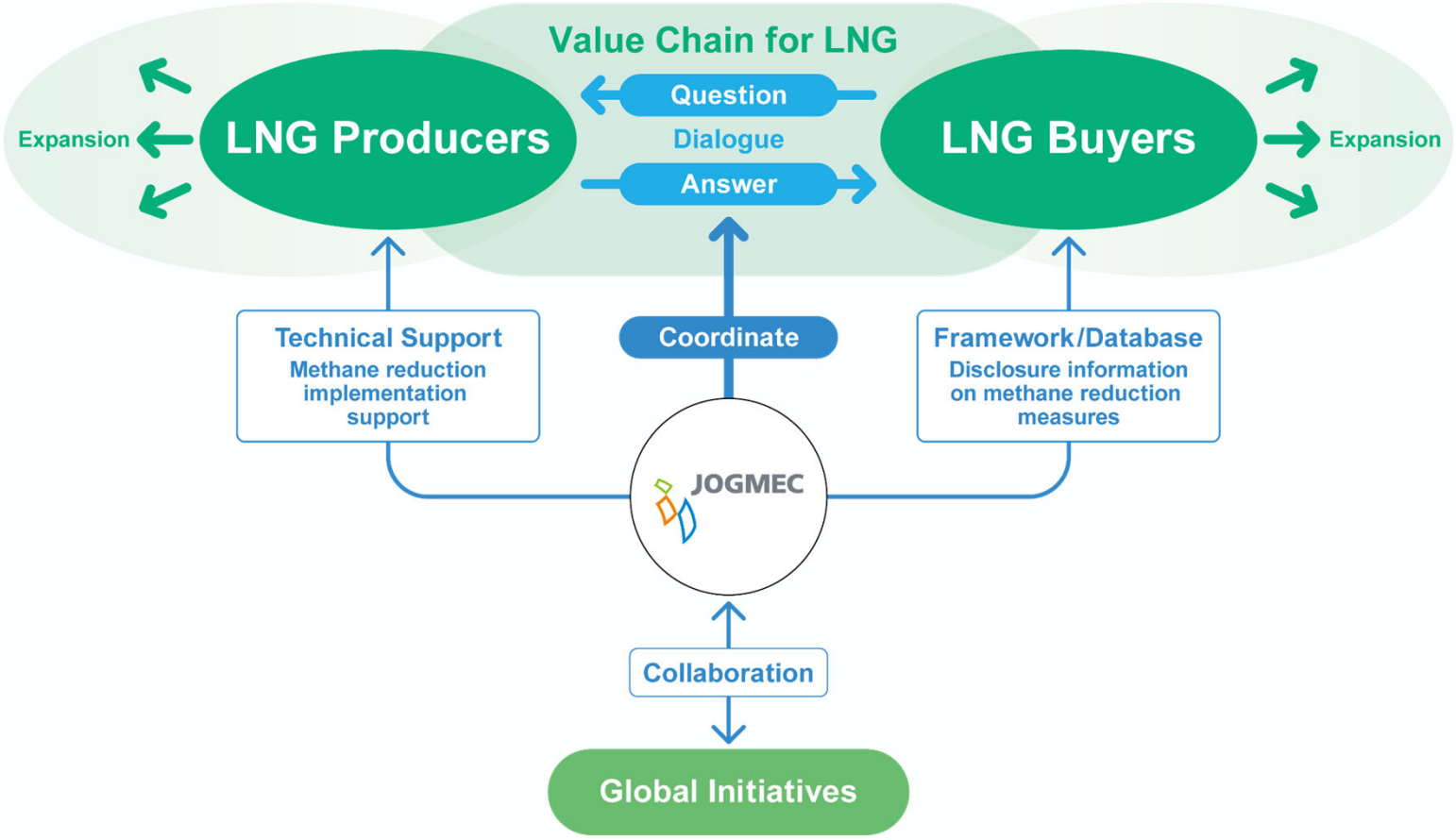
- In Japan, approximately 80% of the LNG imported has been purchased through long-term contracts, which has allowed for the procurement of a stable quantity at a fixed price compared to spot contracts.



（Sorce）Platts、IMF、ICE、etc

Methane Abatement Collaboration among Producers and Buyers of LNG

CLEAN
Coalition for LNG Emission Abatement toward Net-zero



Producer-Consumer win-win partnership

Covering world's 25% LNG consumers and 40% producers

World's only methane data disclosure by project

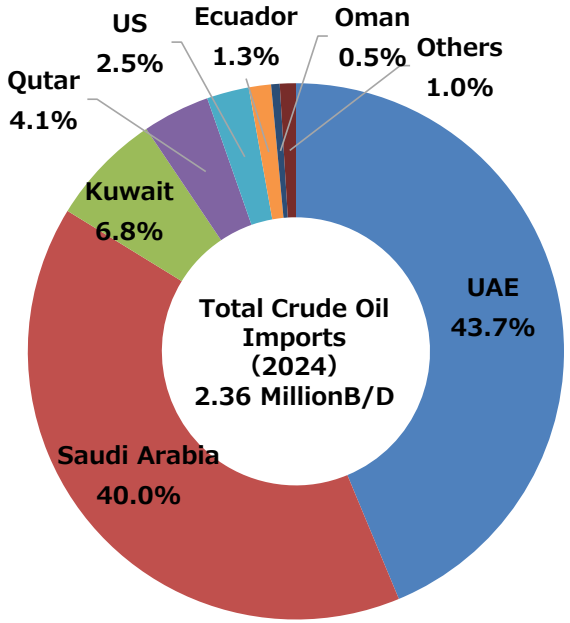
JOGMEC: Japan Organization for Metals and Energy Security, wholly owned by the government of Japan

METI

Oil Stockpiling in Japan

Import dependency

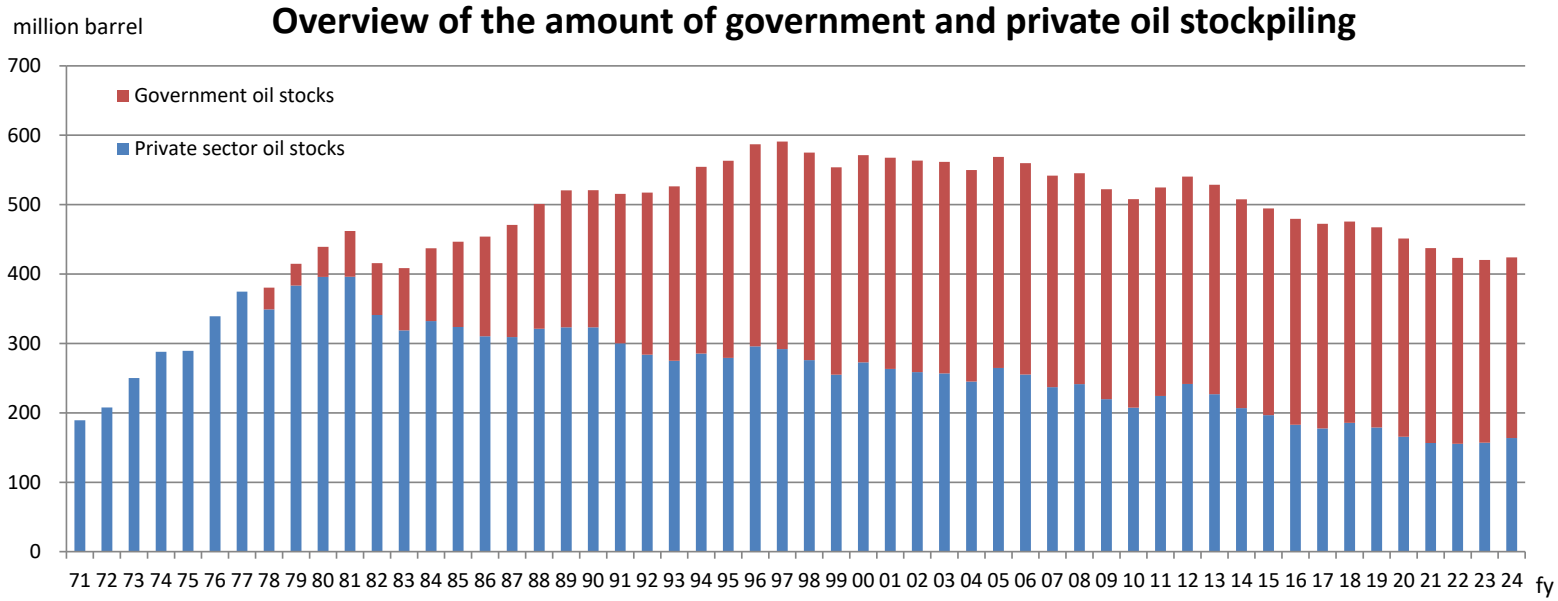
- About 95% of crude oil is imported from the Middle East where political instability persists.
- Keeping in mind the prolonged supply disruption from the Middle East, it is necessary to maintain the current stockpiling amount and establish a system in which the public and private sectors work together to enable effective stock release.



(Source) Trade Statistics published by the Ministry of Finance

Overview of Japan's stockpiling history

- Japan launched private stockpiling first in 1972, then enacted the Oil Stockpiling Act in 1975.
- Government stockpiling was started in 1978.
- The government has obliged private companies to maintain their stocks of more than 70 day-equivalent consumption.

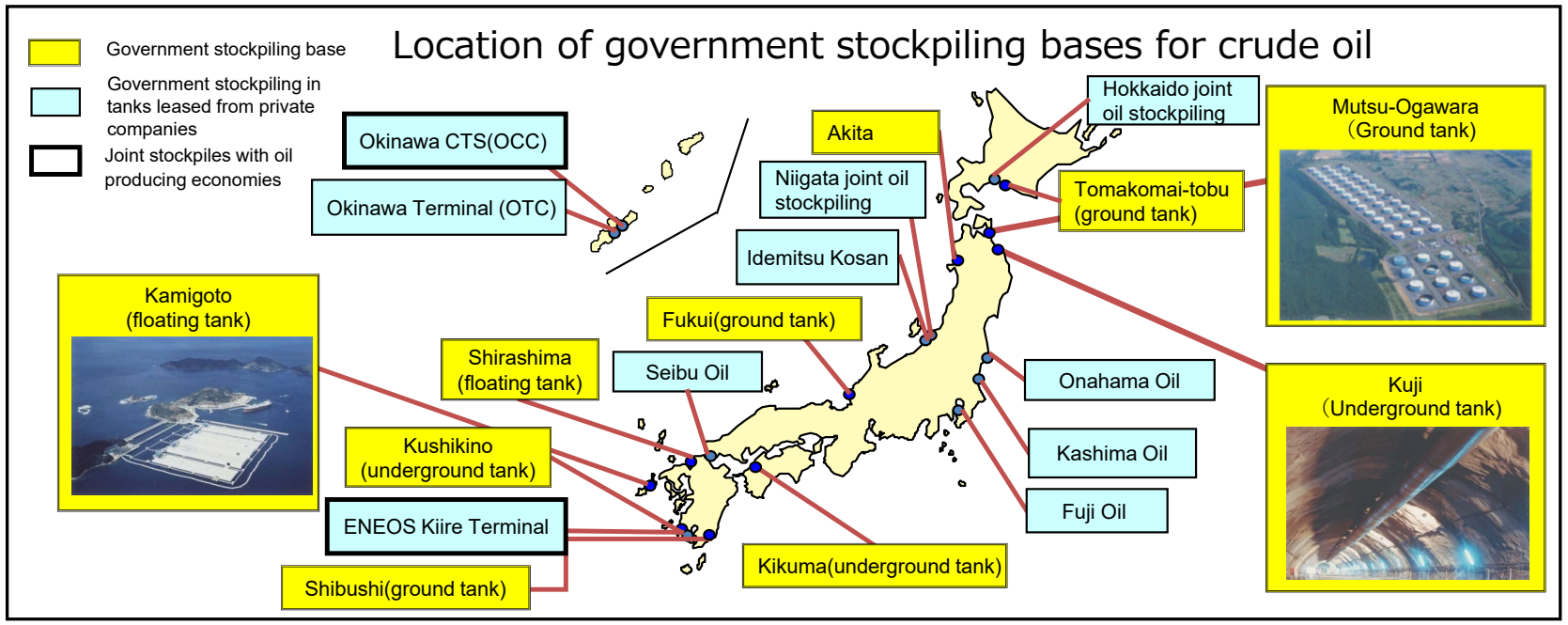


Current Status of Stockpiling

As of Mar 2026, the amount of stocks and locations are as follows:

- Government oil stockpiling: 146 days (about 260 million Barrels)
- Private sector oil stockpiling: 81 days (about 140 million Barrels)
- Joint oil storage: 6 days (about 11 million Barrels)
- Total : 233 days (about 411 million Barrels)

Days are calculated based on the Oil Stockpiling Act in Japan.



（※） The Joint Oil Storage is the oil socks oil producing economies are storing in Japan. In case of emergency, the said oil stocks will be supplied to the Japanese oil companies on a priority basis.

JPN/IEA Oil Stockpile Release

(*Oil Stockpile Releases*)

- On March 11**, ahead of the IEA announcement, Japan declared the release of oil stockpiles equivalent to 45 days' worth of domestic oil demand**.
- Later that same day, the **IEA announced that its member economies had agreed to undertake a coordinated release of 400 million barrels of oil stockpiles**.
- The total volume amounted to **412 million barrels, marking the largest release in IEA history** and surpassing the 180 million barrels released in response to Russia-Ukraine issue.
- METI, based on Article 31 of the Oil Stockpiling Act, decided to release government crude oil stockpiles equivalent to one month's supply on March 24, with the release beginning on March 26.
- Furthermore, on April 15, METI decided to **release an additional amount equivalent to 20 days of supply as a second phase of releases starting in early May**.

(*Procurement of crude oil and other resources*)

- In light of the situation in the Strait of Hormuz, **measures are being taken to increase imports of U.S. crude oil** and **secure alternative procurement routes to the Middle East**.
- If diversification of supply sources does not progress, **it will become impossible to refill crude oil stocks** after the release of reserves.

Overview of POWERR Asia (Partnership on Wide Energy and Resources Resilience Asia)

Financial support etc., totaling approx. ¥1.5 trillion (US$10 billion) .

→ Potentially resulting in imports of up to 1.2 billion barrels (yearly) of crude oil (Equivalent to about one year's worth of ASEAN crude oil imports)

- **In response to fuel supply shortages and supply-chain disruptions in Asia, Japan will provide financial cooperation to Asian region, including:**

① Cooperation on emergency responses such as loans to procure crude oil and petroleum products and to maintain supply chains

② Cooperation on increasing crude oil stockpiling capacity in Asia, including establishing stockpiling and release schemes, and supporting the construction and use of storage tanks.

【Emergency Response】Supply procurement and supply-chain maintenance

● Financial support for local companies

【JBIC loans, JICA Private Sector Investment and Finance, NEXI insurance *also leverage Global South demonstration subsidies】

- Credit provision and credit enhancement to procure alternative crude oil and petroleum products such as U.S. crude oil
- Financing for companies in Asia that are part of Japan's supply-chain.

● Fiscal support for Asian governments

【JICA Emergency Support Loans】

- Loans for response measures by the governments of partner economies that are part of Japan's supply-chain.

● Strengthening collaboration with international organizations

- Coordination with ADB financial support (support for supply-chain companies, etc.)
- IEA market analysis and recommendations (visualizing oil flows after coordinated releases)

【Structural Response】 Asia Economic and Energy Resilience Initiative

● Strengthening energy supply systems

【JOGMEC, JBIC loans, ODA, NEXI insurance, in coordination with IEA and ERIA】

- Support for building crude oil stockpiling and release systems
- Support for the construction and use of infrastructure such as storage tanks
- Support for restoring production capacity (oil facilities, etc.) in Middle Eastern oil-producing economies
- Securing the safety of sea lanes

● Diversifying energy sources

【JBIC loans, ODA, NEXI insurance, Global South demonstration subsidies, in coordination with ADB】

- LNG
- Biofuels
- Next-generation solar power
- Nuclear power (SMRs: Small Modular Reactors)
- Critical minerals

● Upgrading industry

【JBIC loans, ODA, NEXI insurance, Global South demonstration subsidies, in coordination with ADB】

- Energy-efficiency investment and cooperation
- Improving manufacturing efficiency through the introduction of new technologies