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Emergence of North American West Coast for LNG
- Advantages, Challenges, and Recent Developments -

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Introduction

With the start of full-scale LNG exports from the West Coast of Canada in July 2025, the West Coast of North America may emerge as an important source of LNG supply for the Asia-Pacific region.

The LNG Canada project has a capacity to deliver 14 million tonnes of LNG per year from the facilities of its first phase that has started operation. The project shipped out estimated 2 million tonnes of LNG in 28 cargoes to the four markets in Northeast Asia during the six months through December 2025. Steady ramping up to the capacity of the project is expected in 2026 and thereafter.

This paper discusses the reasons LNG exports from the West Coast of North America warrant attention, and examines their advantages and challenges. The paper then presents current status of project development in Canada and Mexico.

1 Advantages and challenges of LNG from the West Coast of North America
- 1.1 Geographical advantage
  - 1.1.1 To export LNG to the Asia-Pacific market, the distance will be shorter compared to the supply from the Gulf region of the United States. During the second half of 2025, LNG shipments from British Columbia, Canada, reached in the shortest case to Japan in 11 days and the shortest case to Korea in 12 days. It takes 30 days to transport LNG from the Gulf region of the United States to Northeast Asia through the Panama Canal and 40 days via the Southern Tip of South Africa.
  - 1.1.2 LNG shipments from the West Coast of North America do not require passing through the Panama Canal.
- 1.2 Diversification of supply sources of LNG
  - 1.2.1 Supply from Canada and Mexico enables diversification of supply sources, in addition to Oceania, including Australia, Southeast Asia, the Middle East and the East Coast of North America. With LNG supply from Russia's Sakhalin surrounded by uncertainty, diversification of supply sources is essential.
- 1.3 Collaboration between Asian countries
  - 1.3.1 Energy-security conscious Asian governments and companies can collaborate with each other in LNG project development on the West Coast of North America. As a matter of fact, companies of Japan, Korea, China and Malaysia participate in the LNG Canada project to contribute to enhanced LNG supply security to the respective countries.
- 1.4 Effective utilisation of North America's additional natural gas supply potential, notably in Western gas producing states in the United States and its contribution to economic development
  - 1.4.1 Supplying gas to LNG export facilities in the Gulf region of the United States enables Texas and Louisiana, hosts of large-scale LNG export facilities, as well as surrounding gas producing states, to expand the economic benefits of gas production by leveraging relatively high international gas prices. Texas and Louisiana together represented 35% of total gas production in the United States as of 2024.

1.4.2 Although Wyoming, Utah, Colorado, and New Mexico - surrounding the Rocky Mountain region - accounted for 15% of total gas production in the United States in 2024, they have not benefited from access to international markets. The realization of LNG export facilities in Mexico's northern Pacific Coast is likely to expand access to international markets for natural gas produced in the United States, which will bring economic benefits to gas-producing states and further boost production and development activities.

1.4.3 Likewise, gas resources in Western Canada will also benefit from access to international markets.

1.5 Challenges to promote LNG projects

1.5.1 It is important to ensure demand in the midst of market cycle fluctuations. In 2025, although a steady increase is expected in LNG volumes in the global LNG market, Asian LNG imports are expected to decline. Imports of LNG during the first eleven months of 2025 are estimated to be down 5% year-on-year in Asia, compared to an estimated 4% year-on-year increase globally. Securing stable and reliable buyers through the promotion of dialogue with LNG consuming markets is the key to promoting LNG project development.

1.5.2 It is important to secure permits and authorizations, secure regional agreements, and avoid environmental risks for infrastructure development, including feed gas transportation pipelines in addition to LNG facilities. It will be important to ensure labour, engineering and construction productivity, and ensure timely completion and avoid delays in construction after investment decisions.

2 Current status of LNG projects on Canada's West Coast

2.1 LNG Canada: Following the first LNG cargo in July, operations at the export facility have steadily ramped up. Work is underway on Phase 2 development.

2.2 Cedar LNG: After an investment decision in June 2024, construction activities are underway and LNG offtake commitments have been secured in 2025. Commercial operations are targeted by the end of 2028.

2.3 Woodfibre LNG: In 2025, construction activities have progressed to half of the total, and the project is scheduled to start operation in 2027.

2.4 Ksi Lisims LNG: Following progress in environmental procedures, governmental support, and marketing activities during 2025, the project approaching the start of construction.

3 Current status of LNG projects on Mexico's West Coast

3.1 ECA LNG (Energía Costa Azul): The project is expected to start commercial operation in early 2026. The project has LNG sale deals with TotalEnergies and Mitsui and Co. for 20 years, respectively. The same developer considers ECA LNG Phase 2, as well as Vista Pacifico LNG at a separate location.

3.2 Saguaro Energía: As the project prepares for an investment decision underpinned with multiple reliable offtake commitments, it has requested an extension of the export commencement deadline from the U.S. Department of Energy.

3.3 Amigo LNG: As the project pursues an investment decision in the first quarter of 2026, it has also requested an extension of the export commencement deadline from the U.S. Department of Energy.

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Appendix

1 LNG Canada's export - number of LNG cargoes by importing country

	Japan	Korea	China	Chinese Taipei	Total
2025/07	1	1			2
2025/08		1	1		2
2025/09		4	1	1	6
2025/10	2	1	1	2	6
2025/11	4	1	1	1	7
2025/12	1	2	2		5

2 Canadian LNG - landed price by importing country (USD / million Btu)

	Japan	Korea	China	Chinese-Taipei
2025/07	9.31	11.22		
2025/08		10.64	13.12	
2025/09		10.95	11.91	9.97
2025/10	9.59	12.49	11.38	11.68
2025/11	n/a	9.12	10.86	10.92

(Source) Calculation based on official customs statistics

(Note) Numbers in the green columns indicate those prices which were lower than the overall average LNG prices in the relevant month.