

## **Qatar and Japan's LNG Relationship: Foundations, Evolution, and Strategic Outlook**

Noriko Suzuki  
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*Photo Source: [Energy News](#) (2024)*





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## **Introduction**

In an era of shifting global energy dynamics, the bilateral relationship between Qatar and Japan stands as a compelling example of how energy trade can evolve into a strategic international partnership. Since the late 20th century, liquefied natural gas (LNG) has served as the primary medium through which these two geographically distant yet economically interdependent nations have built a long-term, multifaceted alliance. What began as a straightforward buyer-seller relationship has matured into a resilient, multidimensional cooperation encompassing energy security, technological collaboration, infrastructure investment, and clean energy transition.

Japan, a resource-scarce island nation and the world's third-largest economy, relies heavily on energy imports to support its industrial activities and domestic consumption. In the aftermath of the 2011 Fukushima nuclear disaster, LNG became Japan's dominant source of thermal power, overtaking coal and oil in strategic importance. For Japan, securing stable and diversified LNG supply chains is not just an energy policy priority but a matter of national resilience.

Qatar, by contrast, holds one of the world's largest reserves of natural gas and has established itself as a leading global LNG exporter. It has leveraged its resource endowment, geographic location, and a state-led development model to become a critical node in the global energy supply chain. With its LNG industry underpinned by long-term planning and strategic partnerships, Qatar has positioned itself as a dependable supplier to global markets, particularly to Asia.

At the intersection of these national imperatives lies a mutually reinforcing relationship. Japan's need for a reliable, long-term LNG supply aligns closely with Qatar's goals of ensuring steady export revenues, diversifying its customer base, and attracting investment and advanced technology. Long-term supply contracts, high-level diplomatic engagement, and joint ventures in energy infrastructure have all contributed to a relationship that has weathered geopolitical crises and market volatility, from the 2011 Great East Japan Earthquake to the disruption of global energy markets following the 2022 Ukraine conflict.



This report explores the evolution and future trajectory of the Qatar-Japan LNG partnership. It delves into the historical roots of their cooperation, the strategic and economic forces that sustain it, the impact of recent global events, and the shared pursuit of decarbonization and energy transition. As global energy markets continue to transform, the Qatar-Japan partnership provides a compelling model for how energy diplomacy can underpin durable international cooperation.

## **1. Historical Context and the Genesis of the LNG Partnership**

Qatar and Japan officially established diplomatic relations in 1972, shortly after Qatar's independence in 1971. In the early years, bilateral ties were modest, largely focused on trade and diplomatic exchanges. However, the relationship entered a new phase in the 1990s with the emergence of Qatar's LNG industry—an era that would come to define the strategic energy partnership between the two nations.

Japan played a pioneering role in Qatar's LNG development. In 1997, Japan became the first country to import Qatari LNG, receiving an inaugural shipment that marked a historic milestone in bilateral relations. This transaction was more than a commercial deal; it was a turning point that laid the groundwork for a long-term strategic partnership. Japanese companies—including major utilities and trading houses—entered into long-term purchase agreements and participated in project financing, offering Qatar both market access and financial stability.

The roots of this engagement can be traced to Japan's energy security strategy that took shape following the oil crises of the 1970s. These shocks revealed the dangers of overdependence on Middle Eastern crude oil and prompted Japanese policymakers to diversify the country's energy mix. LNG—relatively cleaner and more flexible than oil—emerged as a key alternative. Japan sought stable, long-term supply sources, and Qatar, with its vast reserves and investment ambition, emerged as an ideal partner.

From Qatar's perspective, Japan's early commitment was critical to unlocking the economic potential of the North Field—the world's largest non-associated gas field. Japanese demand provided the certainty needed to develop the extensive infrastructure required for LNG production and export, including liquefaction trains, storage facilities, and shipping terminals. Moreover, Japanese technological expertise and financing played an essential role in building Qatar's early LNG projects, especially through collaboration with Japanese engineering and construction firms.

Throughout the 2000s, the partnership continued to deepen. Japan remained one of Qatar's most important LNG customers, importing millions of tons annually under long-term contracts. Qatar, in turn, became a vital component of Japan's energy strategy, especially during periods of supply disruption or crisis. For instance, after the 2011 Fukushima disaster, Japan dramatically increased its LNG imports to

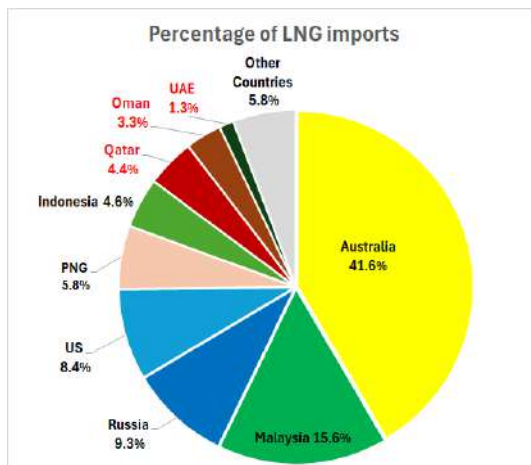


compensate for the loss of nuclear power, and Qatari LNG helped fill that gap.

Beyond energy, this period also witnessed the institutionalization of bilateral ties through high-level visits, the establishment of joint economic committees, and broader cooperation in infrastructure, investment, and education. The LNG trade served not just as an economic link, but as the foundation of broader trust and interdependence.

As Qatar expanded its global LNG footprint in the 2010s and Japan refined its energy policy in response to climate commitments and technological shifts, their partnership adapted accordingly. Today, this relationship is not only a testament to pragmatic energy diplomacy but also a model of how long-term cooperation can evolve to meet changing national and global priorities.

## 2. Anchored in LNG: The Strategic Energy Partnership Between Qatar and Japan



## 2023 Trade data for Japan's Ministry of Finance

The LNG trade between Qatar and Japan is far more than a transactional exchange of commodities—it reflects a deeply rooted economic interdependence shaped by long-term contractual frameworks, mutual investment interests, and complementary energy strategies.

As of 2022, Japan imported approximately 2.93 million metric tons of LNG from Qatar, accounting for around 10 percent of its total LNG imports—a share that declined to 4.8 percent in 2023. Qatar's share has declined in recent years due to Japan's diversification of supply sources and increased use of spot market purchases. Qatari LNG continues to play a critical role in Japan's base-load supply, primarily due to the reliability and stability offered by long-term contracts.

This interdependence is underpinned by long-term supply agreements (LTSAs), which typically span 15 to 25 years. These contracts are central to Qatar's export strategy and equally vital for Japanese energy companies seeking supply security and price predictability over multi-decade periods. Major Japanese utilities—including JERA, Tokyo Gas, Kansai Electric, and Osaka Gas—have signed multi-year contracts with Qatargas (now fully integrated into QatarEnergy), ensuring a stable flow of LNG to Japanese terminals.

From Japan's perspective, these long-term agreements provide three key advantages. First, they offer protection against the volatility of the spot market, particularly





during times of geopolitical tension or global supply disruptions. Second, they ensure supply security, enabling Japanese utilities to plan grid operations and pricing with greater confidence. Third, they strengthen Japan's broader energy diplomacy by deepening strategic ties with a key energy partner in the Gulf.

For Qatar, long-term contracts with Japan offer predictable revenue streams, enabling stable fiscal planning and long-term investment in energy infrastructure. These contracts also support Qatar's efforts to diversify its customer base and reduce reliance on any single region. Importantly, Japan's strong creditworthiness and political stability make it a preferred partner, aligning with Qatar's risk-averse approach to energy exports. Japan's involvement in financing and developing Qatar's LNG infrastructure—including LNG carriers and storage facilities—further highlights the reciprocal nature of the relationship.

Beyond LNG, the bilateral economic relationship has expanded into broader industrial cooperation. Japanese firms have played a central role in the development of Qatari infrastructure, particularly through engineering, procurement, and construction (EPC) projects in the energy, transportation, and water sectors. Meanwhile, Qatari investments in Japan—though relatively modest—are growing, particularly in real estate, finance, and renewable energy, reflecting a shared interest in economic diversification under Qatar's Vision 2030 and Japan's green growth strategy.

A particularly distinctive feature of the Qatar-Japan LNG relationship is its embedded infrastructure collaboration. Japanese shipbuilders have constructed a significant portion of Qatar's LNG shipping fleet, while Japanese engineering firms have long supported the development of Qatari LNG terminals and processing plants. These industrial linkages create multiple layers of interdependence, enhancing the resilience of the relationship against commodity price fluctuations or shifts in geopolitical dynamics.

### **3. From LNG to Low Carbon: The Strategic Transformation of Qatar–Japan Energy Cooperation**

In recent years, Qatar and Japan have progressively adapted their energy partnership to reflect evolving global energy dynamics and the accelerating imperative for sustainability. At the center of this transformation is Qatar's North Field Expansion Project, a landmark initiative aimed at increasing the country's LNG production capacity from 77 million tons per annum (MTPA) to 126 MTPA by 2027. This ambitious expansion reflects Qatar's determination to solidify its position as the world's leading LNG exporter while responding to the rising global demand for natural gas, now widely recognized as a key transitional fuel in the shift toward lower-carbon energy systems.



Japanese stakeholders have assumed a pivotal role in this strategic initiative. In 2024, JERA—Japan’s largest power generation company—signed a long-term agreement with QatarEnergy to procure over one million tons of LNG annually for 15 years. In parallel, Japanese companies have remained deeply engaged in the engineering, construction, and logistical components of the LNG supply chain. Notably, firms such as Mitsui O.S.K. Lines and NYK Line have collaborated with Qatari partners to expand LNG shipping capacity, reinforcing the infrastructure backbone that supports this enduring bilateral trade.

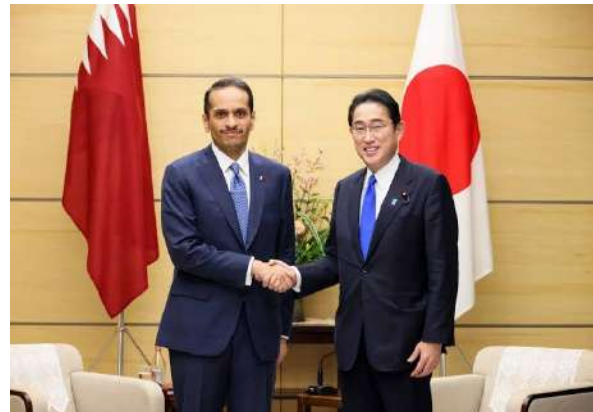
While LNG continues to be the foundation of Qatar-Japan energy relations, both countries are increasingly aligning their energy strategies with climate goals and economic diversification priorities. Qatar’s National Vision 2030 places strong emphasis on reducing hydrocarbon dependency by fostering innovation, expanding renewable energy, and diversifying the economy. Meanwhile, Japan’s pledge to achieve carbon neutrality by 2050 is accelerating the adoption of low-emission technologies, including carbon-neutral LNG and hydrogen-based energy solutions.

These converging priorities are creating new pathways for bilateral cooperation in clean energy and climate-related technologies. Joint initiatives are under exploration in areas such as hydrogen production, carbon capture and storage (CCS), and ammonia-fueled power generation. Both sides are also working toward the establishment of carbon-neutral

LNG supply chains by integrating carbon offset mechanisms and carbon sequestration technologies. Japanese financial institutions and technology providers are expected to play a critical role in supporting Qatar’s energy transition, while Qatari investment in Japan’s clean energy innovation ecosystem is also under active consideration.

This evolving collaboration signals not only a shared commitment to maintaining LNG as a core element of their energy partnership but also a joint vision for advancing a more sustainable, diversified, and climate-aligned energy future.

#### **4. Recent Development of Qatar-Japan Relations: Strategic Continuity in a Changing Global Landscape**



The energy relationship between Qatar and Japan remains a cornerstone of their bilateral ties, underpinned by shared commitments to stability, strategic continuity, and mutual economic interests. Despite evolving global energy dynamics and increasing competition from other suppliers, both nations continue to engage in high-level dialogues to reinforce their partnership.



In May 2025, QatarEnergy entered negotiations with a consortium of Japanese companies, including JERA and Mitsui & Co., for a long-term liquefied natural gas (LNG) supply agreement. The proposed deal aims to deliver at least 3 million metric tons per annum of LNG, linked to Qatar's ambitious North Field expansion project. This initiative underscores Qatar's commitment to maintaining its role as a reliable energy supplier to Japan, even as Japanese buyers seek more flexible contract terms amid a diversifying energy landscape.

Japan's energy strategy has been influenced by various factors, including the restart of nuclear reactors, the integration of renewable energy sources, and a focus on energy security. These developments have led to a decline in Japan's LNG imports, with Qatar's share decreasing from 13% to 4% between 2018 and 2023. Nevertheless, Japan continues to value its energy partnership with Qatar, recognizing the importance of supply diversification and long-term stability.

Diplomatic relations between the two countries have also seen significant engagement. In July 2023, Japanese Prime Minister Fumio Kishida visited Qatar, where he and Emir Sheikh Tamim bin Hamad Al Thani agreed to elevate bilateral relations to a strategic partnership. This partnership encompasses cooperation in energy, economy, defense, security, and academic exchange, reflecting a comprehensive approach to mutual interests.

## 5. Challenges and Future Outlook

The Qatar–Japan LNG partnership remains a strategic pillar of bilateral cooperation, but it is evolving amid a rapidly shifting global energy landscape shaped by new opportunities, intensifying competition, and escalating geopolitical tensions. A foremost challenge is the increasing dynamism of the LNG market. The United States overtook Qatar as the world's largest LNG exporter in early 2024, while Australia remains a key player. Meanwhile, new suppliers such as Mozambique and Nigeria are offering competitively priced cargoes to Asian markets, broadening supply options and enhancing flexibility for major importers like Japan.

In response, Japan has adapted its LNG procurement strategy. Long-term contracts are being restructured to include shorter durations, flexible delivery terms, and decarbonization provisions. While Qatar remains a preferred supplier due to its geopolitical stability, pricing competitiveness, and proven reliability, it must continue to adjust to this buyer-driven market by offering more innovative contract structures and enhanced environmental transparency.

Japan's evolving domestic energy landscape adds further complexity. Tokyo is firmly committed to achieving carbon neutrality by 2050. This commitment has spurred the restart of nuclear power plants, rapid expansion of renewable energy, and the integration of hydrogen and ammonia



co-firing in thermal power stations. As a result, Japan's LNG demand declined for the third consecutive year in 2024. At the same time, carbon pricing and emissions disclosure regulations are tightening across Asia and Europe, placing mounting pressure on LNG suppliers to decarbonize their value chains. For Qatar, this requires ongoing efforts to reduce methane emissions, deploy carbon capture technologies, and expand carbon-neutral LNG offerings—all of which are reflected in QatarEnergy's sustainability roadmap and the North Field Expansion initiative.

Adding to these structural challenges are emerging geopolitical risks. The U.S. airstrike on Iranian nuclear facilities in June 2025 and Iran's retaliatory attack on Qatari-linked energy infrastructure have drawn renewed attention to the fragility of the Gulf's energy corridors. The broader escalation of tensions between Iran and Israel has only intensified concerns about the security of LNG flows through the Strait of Hormuz and the resilience of energy infrastructure across the region. For Japan, which remains deeply dependent on Gulf LNG, these events have reinforced the strategic importance of maintaining strong, diversified, and stable partnerships with producers like Qatar that demonstrate both reliability and diplomatic maturity under pressure.

Despite these headwinds, the energy transition presents meaningful opportunities for deeper strategic alignment. Low-carbon technologies—including carbon capture, utilization, and storage (CCUS), blue hydrogen, and carbon-neutral LNG—could become pillars of a redefined partnership. Japan's technological capabilities and regulatory experience complement Qatar's financial resources and infrastructure scale, creating strong synergies for co-developing next-generation energy solutions.

Digital transformation adds a further dimension to potential collaboration. Joint investments in AI-based energy trading platforms, blockchain-enabled LNG tracking systems, and real-time supply optimization tools could significantly enhance transparency, resilience, and sustainability across the LNG supply chain. As energy systems become increasingly integrated and data-dependent, these digital innovations will be essential for managing volatile global markets and intermittent renewable generation.

In addition, there is untapped potential for Qatari investment in Japan's energy infrastructure. With Japan prioritizing energy security and system flexibility, areas such as floating storage regasification units (FSRUs), large-scale battery storage, smart grids, and decentralized energy systems offer strong opportunities for cooperation. Qatar's sovereign wealth funds and energy companies can play a catalytic role in financing and co-developing these technologies alongside Japanese partners.





## Conclusion

Crucially, the longstanding economic interdependence between Qatar and Japan—anchored in LNG trade and underpinned by durable contracts—provides a stable foundation to navigate these multifaceted challenges. This strategic alignment is reinforced by broader diplomatic convergence. Qatar has emerged

as a key mediator in international crises, including its humanitarian role during the Gaza conflict, while Japan continues to uphold the rules-based international order, as seen in its support for Ukraine and its advocacy for diplomatic solutions in the Middle East. Both countries have called for restraint and de-escalation in response to the recent Iran–Israel tensions, highlighting a shared commitment to stability and principled diplomacy.

By jointly advancing decarbonization, digital innovation, and infrastructure investment—while reinforcing their roles as responsible global actors—Qatar and Japan are well-positioned to turn shared challenges into long-term opportunities, shaping the future of global energy cooperation.

The Qatar–Japan LNG partnership illustrates how a long-standing energy alliance can remain resilient and forward-looking amid intensifying global challenges. Anchored in mutual strategic interests—Japan’s need for secure, flexible, and lower-carbon energy supplies, and Qatar’s objective to maintain leadership in a competitive LNG market—this bilateral relationship continues to serve as a cornerstone of both nations’ energy security and diplomatic engagement.

As highlighted by recent events—particularly the U.S. military strike on Iranian nuclear sites, Iran’s retaliatory attacks affecting Qatari energy infrastructure, and broader Iran–Israel tensions—the Gulf region’s energy

corridors are increasingly exposed to geopolitical risk. For Japan, these developments underscore the critical importance of maintaining stable and trusted partnerships with reliable producers like Qatar. For Qatar, they reaffirm the value of long-term relationships with energy-importing nations that share a commitment to strategic dialogue and regional stability.



At the same time, both countries face the mounting urgency of aligning energy cooperation with climate goals. Japan's declining LNG demand, driven by its push toward carbon neutrality, and Qatar's parallel efforts to decarbonize its LNG supply chain—including investments in CCS, methane reduction, and carbon-neutral cargoes—reflect an evolving partnership that is no longer based solely on volume, but increasingly on sustainability and innovation.

Looking forward, the next phase of the Qatar–Japan energy relationship must integrate three core pillars: climate resilience, digital transformation, and regional energy security. Co-investments in clean technologies, smart LNG logistics, and supply chain digitalization will be vital to strengthen flexibility and transparency. In parallel, both countries should continue leveraging their diplomatic platforms to advocate for stability, multilateral cooperation, and a rules-based international order.

In this broader context, the Qatar–Japan LNG partnership is well positioned to evolve from a traditional supplier–consumer relationship into a multidimensional strategic alliance—one that advances shared goals in energy, climate, and global governance for decades to come.

*Noriko Suzuki (MA & MSc) is a Senior Advisor at Gulf Research Center (GRC)*

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**Gulf Research Center  
Jeddah  
(Main office)**

19 Rayat Alitihad Street  
P.O. Box 2134  
Jeddah 21451  
Saudi Arabia  
Tel: +966 12 6511999  
Fax: +966 12 6531375  
Email: info@grc.net



**Gulf Research Center  
Riyadh**

Unit FN11A  
King Faisal Foundation  
North Tower  
King Fahd Branch Rd  
Al Olaya Riyadh 12212  
Saudi Arabia  
Tel: +966 112112567  
Email: info@grc.net



**Gulf Research Center  
Foundation Geneva**

Avenue de France 23  
1202 Geneva  
Switzerland  
Tel: +41227162730  
Email: info@grc.net



**Gulf Research Centre  
Cambridge**

University of Cambridge  
Sidgwick Avenue,  
Cambridge CB3 9DA  
United Kingdom  
Tel: +44-1223-760758  
Fax: +44-1223-335110



**Gulf Research Center  
Foundation Brussels**

Avenue de  
Cortenbergh 89  
4<sup>th</sup> floor, 1000  
Brussels  
Belgium

