COVID-19 IMPACT ON THE LPG BUSINESS IN JAPAN

8 April 2020

- The Coronavirus outbreak threat in Japan is not so severe compared with US and European countries. The number of worldwide infected patients is about 1.35 millions (about 75,000 deaths) and those of Japan is about 3.900 (92 deaths), ranking 30th among infected countries according to Johns Hopkins University, 7th April. However, the spread of the virus is recently rapid in metropolitan area including Tokyo. Japanese government declared “the state of emergency” yesterday, effective till May 6, 2020. People should avoid going out from home except for purchasing food or necessary goods for living, and workers are to utilize telework system at home, shops and sport/showbiz events are refrained. It is not enforceable or order but strong request basis:


- Even after the declaration of a state of emergency, LPG supply, critically necessary for people’s life nationwide, is to be maintained continuously. Also yesterday, Japanese government dispatched notices to LPG companies to maintain LPG supply as an important infrastructure energy source (same notices were sent to electric, city gas and oil companies).

- As of today, LPG is steadily imported, distributed, supplied to consumers without problem. The main LPG companies established emergency headquarters internally to ensure safe and steady supply by their employees in offices, terminal, and distribution networks. Many of them utilize telecommunication systems to work from home. The Japanese LPG Association (JLPGA) also started remote communication from 8 April.
• To protect Japanese citizens’ daily life, the Japanese government requested LPG companies to take a flexible stance for LPG residential consumers in terms of postponing bill payments. The Japanese government has established the special law to provide virus treatments preferentially to LPG industry workers. These treatments are also being provided to electricity, city-gas, oil, and transportation industries workers. This is being done to ensure Japanese energy infrastructure continues to function.

• About 44% of consumption is residential use and about 42% is industrial/petrochemical feedstock use in Japan’s LPG demand. The demand for the latter is forecasted to be decreased to some extent due to Coronavirus’ effect.