

## South China Sea Oil Shipping Lanes

More than half of the world's annual merchant fleet tonnage passes through the Straits of Malacca, Sunda, and Lombok, with the majority continuing on into the South China Sea. Tanker traffic through the Strait of Malacca leading into the South China Sea is more than three times greater than Suez Canal traffic, and well over five times more than the Panama Canal. Virtually all shipping that passes through the Malacca and Sunda Straits must pass near the Spratly Islands. The large volume of shipping in the South China Sea/Strait of Malacca littoral has created opportunities for attacks on merchant shipping; in 1995, almost half of the world's reported cases of piracy occurred in this area.

Shipping (by tonnage) in the South China Sea is dominated by raw materials en route to East Asian countries. Tonnage via Malacca and the Spratly Islands is dominated by liquid bulk such as crude oil and liquefied natural gas (LNG), with dry bulk (mostly coal and iron ore) in second place. Nearly two-thirds of the tonnage passing through the Strait of Malacca, and half of the volume passing the Spratly Islands, is crude oil from the Persian Gulf. Oil flows through the Strait of Malacca rose to 8.2 million barrels/day in 1996, and rising Asian oil demand could result in a doubling of these flows over the next two decades.

LNG shipments through the South China Sea constitute two-thirds of the world's overall LNG trade. Japan is the recipient of the bulk of these shipments; in 1996 Japan was dependent upon LNG for over 11% of its total energy supplies. South Korea (over 7% of energy consumption) and Taiwan (over 4% of energy consumption) also import large amounts of LNG via the South China Sea.

The other major shipping lane in the region uses the Lombok and Makassar Straits, and continues into the Philippine Sea. Except for north-south traffic from Australia, it is not used as extensively as the Strait of Malacca and the South China Sea, since for most voyages it represents a longer voyage by several hundred miles.

## Supertanker Movements



*Source: Center for Naval Analyses  
and the  
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