

Q & A

In this section, we answer a question frequently posed by shareholders.



I often hear MC use the term “value chain,” but what does it mean?



Value chain refers to a series of processes whereby value is added to products and services from development to procurement, production, sales and services. It’s a chain of added value if you will.

When we engage in a business, we first identify latent customer needs, and then set about delivering products and services offering even higher added value to customers in the most efficient manner. To achieve this goal, we cast our eyes over the entire process, looking closely to see where we can take advantage of our functions and expertise to add value. The LNG business is a good example of this approach—value is added from production through supply to users. We help develop gas fields, produce (liquefy) gas, transport LNG, and receive LNG at special terminals where it is gasified for final supply to users. MC provides functions at every stage throughout this chain and at the same time it raises the efficiency of the whole process as best it can.

If one focuses only on individual functions or specific businesses or fields, there is a tendency to optimize only the parts. MC endeavors to optimize the parts while also looking to optimize the whole value chain. And we display leadership by acting as an organizer to augment areas where we would be weak as a standalone company by forging alliances or cooperating with other companies.

In the past, our business model centered on providing trading functions, namely procurement and sales. Today, however, we manage value chains to optimize the entire value chain from raw materials upstream to the retail field downstream by refining our functions or providing multiple functions by linking trade with business investment.

LNG Business Value Chain

