

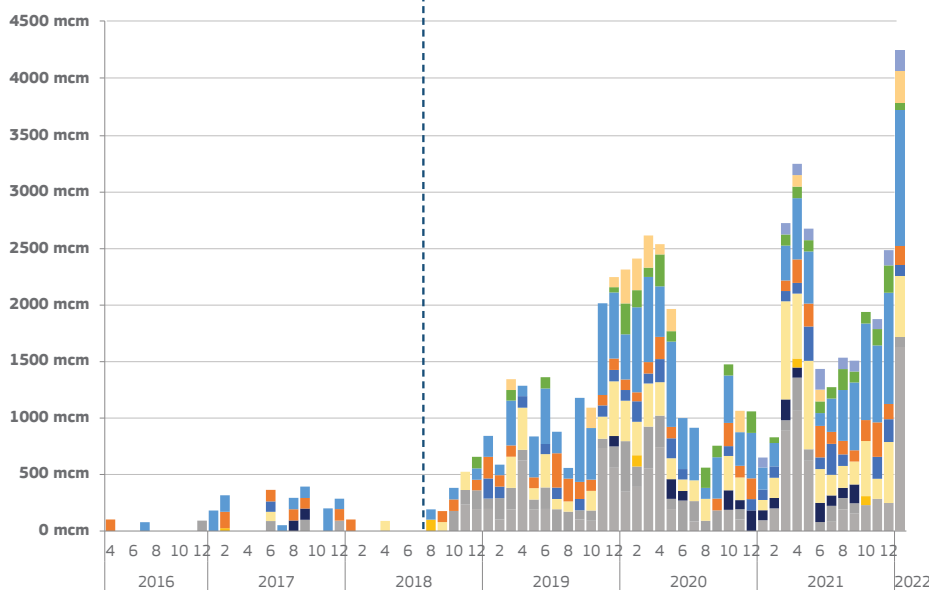
EU-U.S. LNG TRADE

U.S. liquefied natural gas (LNG) has the potential to help match EU gas needs

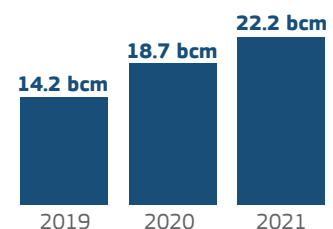
The European Union imports more and more liquefied natural gas (LNG) from the United States to diversify and render its energy supply more secure. LNG imports from the U.S. have increased substantially since the first shipment in April 2016. Data show that in 2021 LNG exports to the EU recorded the highest volume, reaching more than 22 billion cubic meters, with an estimated value of €12 billion. In January 2022 imports reached the highest monthly, amounting to 4.4 billion cubic meters. By January 2022, the EU imported more than 64 billion cubic meter LNG from the U.S. since April 2016.

Steep increase of U.S. LNG imports after the EU-US agreement in July 2018, mainly in France, Italy, Lithuania, Malta, Netherlands, Poland, Portugal, Spain, Greece, Belgium and Croatia.

Meeting between the Presidents of the European Commission and the United States



23% of U.S. LNG exports went to the EU in 2021



U.S. LNG exports to the EU could increase even further in the forthcoming years

* Data until 2 February 2022
Source: European Commission.

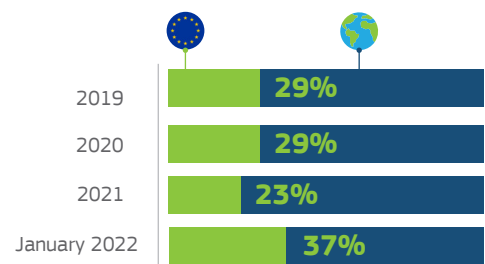
U.S.-EU LNG vessels per year



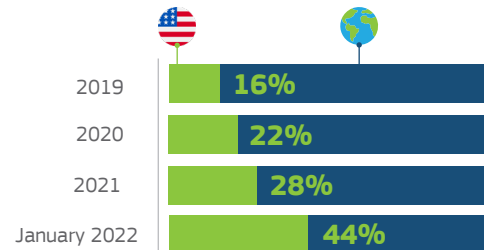
* Data until 2 February 2022. - Source: European Commission.

Surge in U.S.-EU LNG trade

U.S. exports to the EU



EU imports from the U.S.



* Data until 2 February 2022.
Source: European Commission.

EU and U.S. in the global liquefied natural gas market

The global liquefied natural gas market is becoming increasingly fluid and competitive. Between 2017 and 2023, global liquefied natural gas trade is expected to grow by more than 100 billion cubic meters, from 391 to 505. The International Energy Agency expects liquefied natural gas imports to Europe to increase by almost 20% by 2040 compared to 2016 levels.



U.S.

- Biggest gas producer in the world
- Growing gas production
- Increasing gas exports
- U.S. is significantly increasing its LNG export infrastructure



EU

- 2nd biggest gas consumer after the U.S.
- Rapidly declining domestic gas production
- Increasing gas imports (today 90% of demand); need to diversify imports to improve security of supply
- EU has strongly developed LNG import infrastructure with massively available capacity (utilisation rate was 74% in January 2022)
- Additional LNG terminals in development, some with EU support. Since January 2021 the Krk LNG terminal is operational in Croatia

The increasing gas production in the U.S. and the start of U.S. LNG exports to the EU in 2016 have improved the security of gas supply in Europe and globally. Europe is currently importing around 90% of the gas it needs, and this share is expected to increase in the coming years. LNG is also an important part of the EU's diversification strategy; and as the second biggest single gas market in the world after the U.S., the EU is therefore an attractive option for the U.S.

Natural gas plays a central role in the EU energy system - including in the context of the clean energy transition - accounting for 23% of energy demand.

The European LNG infrastructure



1



2



3

Further opportunities

In addition to being an insurance policy against threats to the security of gas supply, LNG can contribute to the fight against climate change. LNG is a good solution for air pollution in the maritime sector, as it allows meeting the standards of the International Maritime Organization on maritime emissions, especially for sulfur (SO_x) and nitrogen (NO_x) oxides and the global sulphur cap (0.50% in 2020).

LNG-powered ships could be part of the answer as LNG produces up to 80 % less emissions than fuel oil. In the EU €135 million have been already invested in Motorways of the Sea (MoS) on LNG maritime projects.

1. Liquefied natural gas tanker
2. Offshore liquid natural gas terminal, Świnoujście, Poland
3. Liquefied natural gas transport, Spain

Next Steps

There is real potential for further increase EU-U.S. LNG trade in the coming years. Since the meeting of US and EU Commission Presidents in 2018, U.S. LNG exports into Europe increased by 2418%*. A total of 64 billion cubic meters (assessed at EUR 21 billion) of U.S. LNG has arrived in the EU since April 2016. In January 2022 alone, 4.4 billion cubic meters of U.S. LNG has arrived (assessed at EUR 4.1 billion), which represented a significant market share, 37% of the total U.S. LNG exports and 44% of the total EU LNG imports in this month. In addition, by strengthening their cooperation on energy matters, the E.U. and the U.S. will send a **signal for all Europe**, as well as to the rest of the world, of the advantages of U.S. LNG. **The fact is that U.S. LNG, if priced competitively, can play an important role in EU gas supply**, enhancing diversification and EU energy security.

Further transatlantic cooperation will include actions aimed at:



Removing unnecessary U.S. LNG licencing barriers to accelerate U.S. exports



Working on reciprocal solutions to provide equivalence for the purposes of access to markets

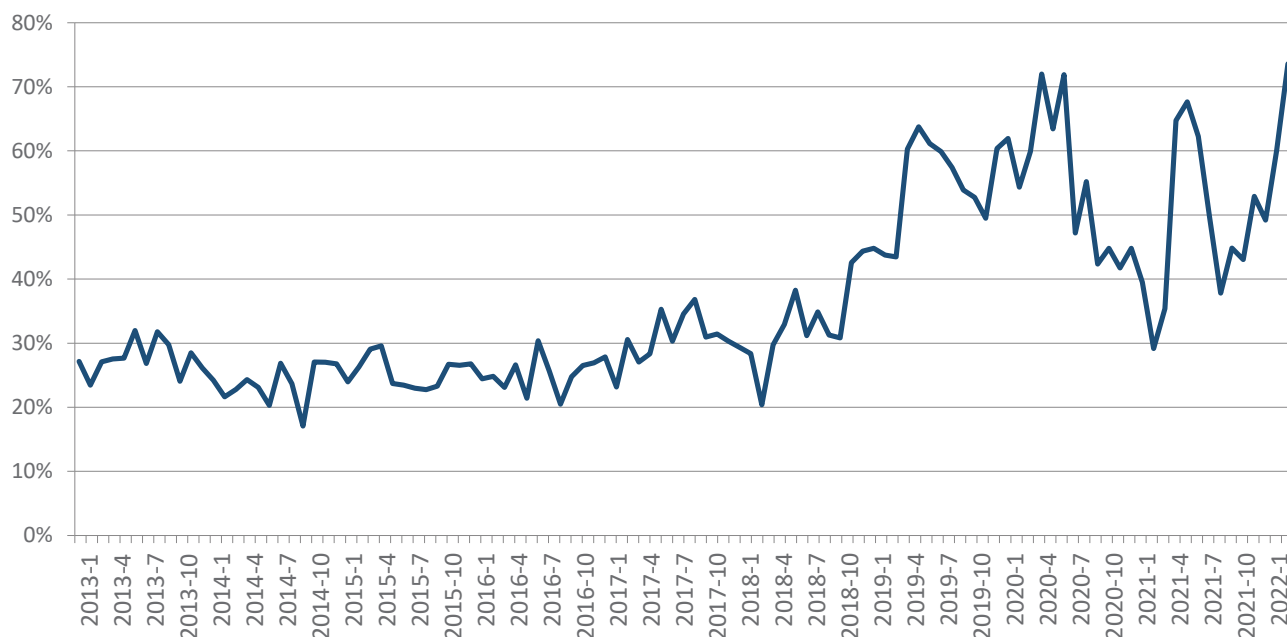


Developing joint efforts to complete key missing infrastructures and investments in Europe to improve access to LNG



Establish regular consultations and promotion activities with market operators to make U.S. the major gas supplier to Europe

Average EU utilisation rate of LNG re-gasification capacities*



* Data until 2 February 2022
Source: European Commission.