The European Union would import 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 ever since. March 2019 recorded the highest volume ever of EU-U.S. trade in LNG (more than 1.4 billion cubic meters estimated at almost €0.3 billion). Partial data show that US LNG exports to the EU were even higher in November 2019. By 19th of November the imports reached almost 2.6 billion cubic meters and their value was estimated at €0.4 billion. The High-level Business to Business energy Forum on 2 May 2019 was a clear signal of the strengthened cooperation between the U.S. and the EU in this field.

* Data until 19 November 2019
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.-EU LNG vessels per year

<table>
<thead>
<tr>
<th>Year</th>
<th>LNG vessels arriving BEFORE the EU / U.S. joint statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019*</td>
<td></td>
</tr>
</tbody>
</table>

* Data until 19 November 2019.
Source: European Commission.

### Surge in U.S.-EU LNG trade

#### U.S. exports to the EU

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>10%</td>
</tr>
<tr>
<td>2018</td>
<td>11%</td>
</tr>
<tr>
<td>Jan-Nov 2019*</td>
<td>33%</td>
</tr>
</tbody>
</table>

#### EU imports from the U.S.

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4%</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
</tr>
<tr>
<td>Jan-Nov 2019*</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

* Data until 19 November 2019.
Source: European Commission.

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

- **2nd biggest gas consumer after the U.S.**
- **Rapidly declining domestic gas production**
- **Increasing gas imports (today 70% 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 close to 50% in 2019 so far)**
- **Additional LNG terminals in development, some with EU support**

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 70% 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

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 (SOx) and nitrogen (NOx) 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
© iStock
Next Steps

The EU and the U.S. have much to gain from the LNG trade as there is real potential for further increase LNG trade in the coming years. Since the meeting of President Trump with President Juncker, U.S. LNG exports into Europe increased by 593%. A total of 19.4 billion cubic meters (assessed at EUR 3.4 billion) of U.S. LNG has arrived in the EU since April 2016. The transatlantic trade of LNG could increase even further over the next four years: more than 8 billion cubic meters per year were contracted by US and European companies since 2018. 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 and increasing 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

Steep increase of U.S. LNG imports by EU Member States since the Trump-Juncker agreement in July 2018. Namely France, Italy, Lithuania, Malta, Netherlands, Poland, Portugal, Spain, UK, Greece and Belgium purchased increasingly U.S. LNG.

Meeting between President Jean-Claude Juncker and President Donald Trump.

*B Data until 19 November 2019
Source: European Commission.