

The case for unrestricted US LNG exports to Europe

Brussels, 20 December, 2024 - The International Association of Oil & Gas Producers Europe (IOGP Europe) releases a set of clarifications regarding the assumptions used by the US Department of Energy in its study “[Energy, Economic, and Environmental Assessment of U.S. LNG Exports](#)”, with a particular focus on the long-term EU demand for natural gas.

Additional supply-side constraints will slow down the speed at which Europe’s gas supply rebalances. US LNG has helped mitigate the supply shock caused by higher energy costs and the significant drop in Russian gas deliveries¹. While demand reduction and fuel switching have bridged the rest of the gap, a prolonged pause in US LNG export project development would prolong market tightness, further aggravating industrial demand destruction in Europe.

US LNG will play a key role in the EU’s supply mix well beyond 2030. Europe has only secured 70% of its expected long-term gas needs for 2030-2040, while Asian buyers secure larger volumes for the long term. For the EU to successfully substitute Russian gas imports by 2027 and beyond, it will need to rely on long-term contracts with reliable suppliers such as the US, underpinned by long-term demand certainty².

Restrictions on LNG supply make coal-to-gas switching more difficult. Coal, the most polluting energy source, still retained a 12%³ share in the EU power generation mix in 2023. The abundant availability of affordable natural gas is a proven way to further substitute coal and reduce power generation emissions, as shown in the US.

Depressed gas demand outlooks create broader uncertainty and risks. The importance of large-scale, affordable and flexible power generation increases together with the share of intermittent renewables. The most recent ‘Dunkelflaute’ episode once again proved the crucial and unique role of gas to avoid black-outs by helping deal with significant seasonal demand variations which cannot only be met by interregional interconnections and small-scale/short-term electricity storage solutions.

IOGP Europe remains committed to working with the European institutions and the US Administration to reinforce the transatlantic partnership, in particular in the energy field. European security of supply is essential to restore the competitiveness of the European industry, while progressing towards climate neutrality by 2050.

¹ [Rebalancing Europe’s gas supply, 2nd edition](#). Rystad, 2023.

² Europe still needs to contract the remaining 433 Bcm. Source: Rystad Energy data, 2024.

³ [Ember](#), 2024.

Relevant Resources

[Press Release](#) (January 2024): US decision to pause LNG export approvals could put European security of supply at risk

[Joint Letter](#) (January 2024): LNG Coalition letter to US President Joe Biden

About IOGP Europe

The International Association of Oil & Gas Producers (IOGP) Europe is the Brussels-based advocacy arm of IOGP.

Its 90+ Members account for 90% of Europe's oil and gas production and over 40% globally.

IOGP Europe supports the EU's objective to reach climate neutrality in Europe and calls for an inclusive policy framework to help reach it.

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