

Briefing · January 2025

The EU does not need new US LNG to replace Russian gas

Key points:

- European Commission President Ursula von der Leyen has suggested that the EU could replace imports of LNG from Russia with additional supplies from the US.
- Under the EU's current climate targets, gas supply from currently producing projects and existing contracts is set to exceed demand by 2035. Any contracts agreed now that run beyond 2035 would exacerbate the EU's forecast gas supply glut.
- US LNG capacity already under construction is over four times greater than the amount the EU imported from Russia in 2024. No additional LNG capacity would be needed for the EU to replace Russian LNG.
- New US capacity that began operating in December 2024 alone is 58% more than the EU imported from Russia in 2024.
- The EU's gas demand is set to decline by 29% from 2024 levels by 2030, and 67% by 2040.

EU considers replacing Russian LNG with US LNG

Following the re-election of Donald Trump as US President, European Commission President Ursula von der Leyen has suggested that the EU could [replace imports of liquefied natural gas \(LNG\) from Russia with additional purchases from the US](#). This statement has been widely interpreted as a [bargaining chip ahead of likely trade talks between the EU and the new US administration](#), with the additional purchases potentially used to address the trade deficit and reduce or prevent US tariffs on EU exports. The EU's new Energy Commissioner has also pledged to [develop a plan to end imports of Russian energy, primarily LNG](#), within his first 100 days in office.

Trump has pledged that he would [reverse President Joe Biden's pause on approvals of new LNG terminals](#). This would open the door to [12 LNG terminals, with a total capacity of more than 133 bcm](#),¹ which are awaiting US government approval. This is equivalent to the whole of the [EU's LNG imports in 2023](#) and would more than double US capacity from [118 bcm](#) currently.

¹ All gas volume units in this briefing have been converted into billion cubic metres (bcm) for consistency, using conversion factors from the [BP Statistical Review of Energy](#).

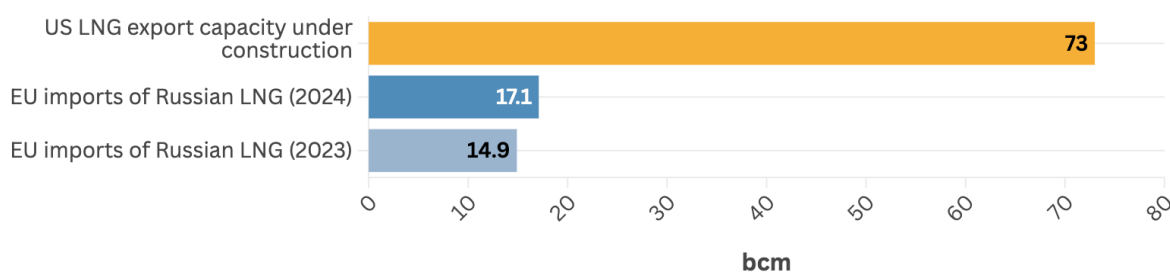
US LNG under construction exceeds EU imports of Russian LNG

The Biden administration's pause on approvals for new LNG terminals only affected those that had not yet received permission from the government – it did not affect terminals and LNG expansion projects that had already been approved.

Data from the US Energy Information Administration (EIA) released in January 2025 reveals that at least [73 bcm of LNG capacity is under construction](#). This is over four times more than the estimated [17.1 bcm of Russian LNG the EU imported in 2024](#) and nearly five times the 14.9 bcm imported in 2023, according to data from Rystad Energy.

This analysis clearly shows that the US does not need to approve or build any further LNG terminals for the EU to fully replace its imports of Russian gas.

Fig. 1: Capacity of new US LNG projects is over four times greater than EU imports of Russian LNG



Source: US EIA, Rystad Energy
Unit conversion by Zero Carbon Analytics

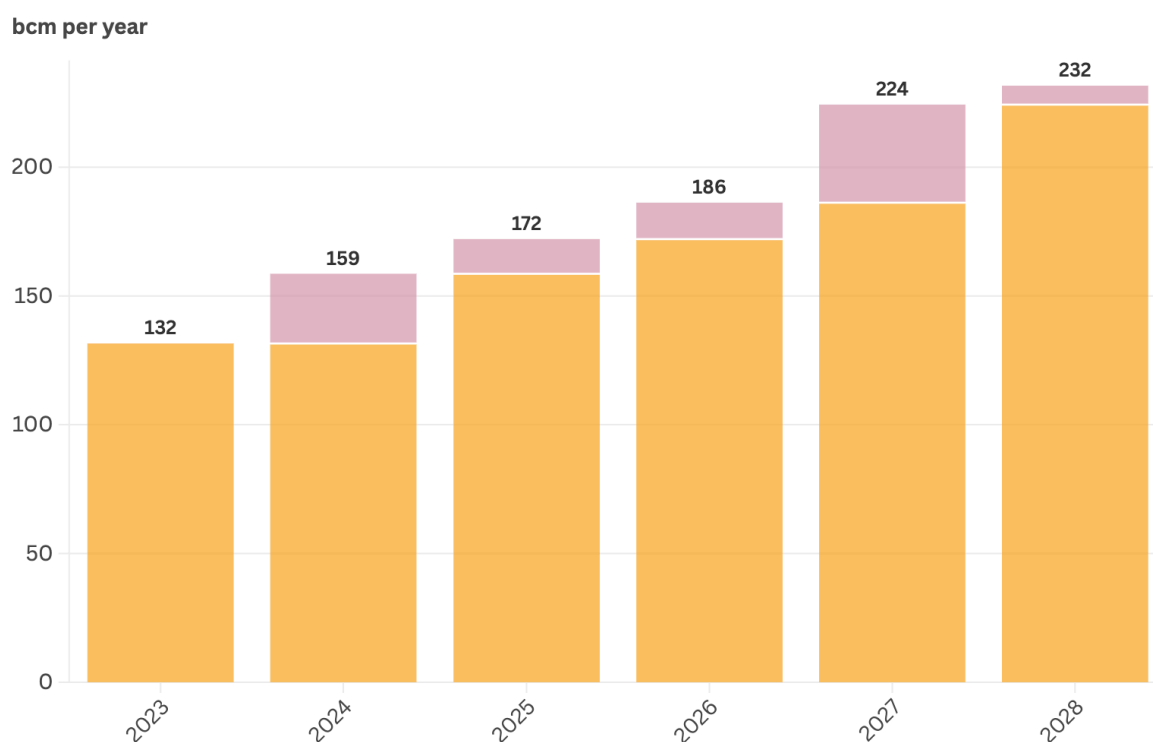


New US capacity started in 2024

Two new US LNG projects, [Plaquemines LNG](#) and an expansion of the [Corpus Christi LNG terminal](#), have a combined capacity of 27.1 bcm and [began operating in December 2024](#). These two projects alone would deliver 58% more LNG than the EU imported from Russia in 2024.

Some of the LNG production from these terminals will already have been sold under contract to buyers around the world as part of their pre-construction financing. As a result, not all of the LNG would be available for purchase by the EU.

Fig. 2: Forecast US LNG capacity and new additions



Source: US EIA
Total LNG capacity, annual additions highlighted.



EU demand for gas and LNG is declining

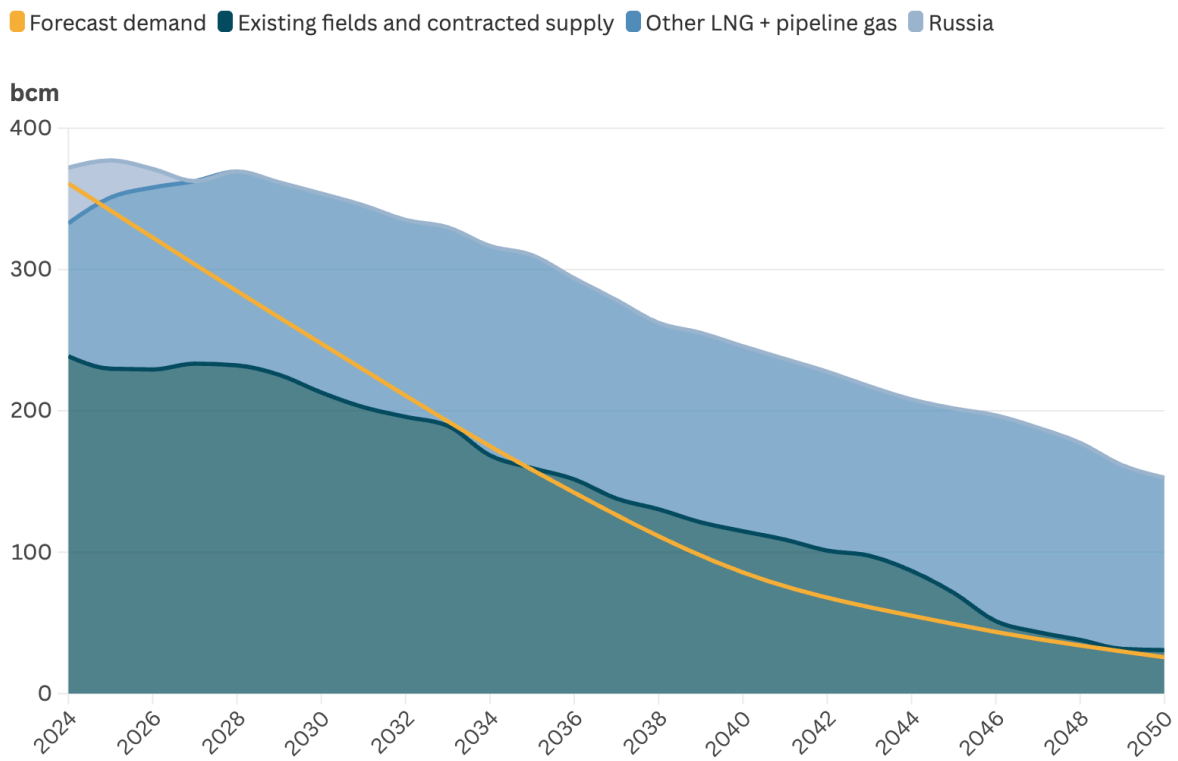
The EU's total gas demand has already peaked, declining by [13% in 2022 and 7% in 2023](#). Consumption has [continued to fall in 2024](#). European energy regulators have also forecast that the [EU is likely to reach peak demand for imports of LNG in 2024](#).

This decrease in demand is set to continue. The EU's demand for gas is set to [decline by 29% from 2024 levels by 2030, and 67% by 2040](#), according to the European Commission's impact assessment for the proposed target to reduce emissions by 90% by 2040. Similarly, [LNG demand would drop from over 120 bcm per year in 2024 to below 60 bcm per year before 2030](#), if the EU meets the targets under its REPowerEU strategy.

As a result of this declining demand, the EU could soon be facing a gas surplus. Under the EU's current climate targets, gas supply from currently producing projects in the EU, Norway and Algeria, and existing contracts from elsewhere, [is set to exceed demand by 2035](#).² After this point, the EU will need to manage its oversupply through the managed decline of existing production in producer countries and/or not taking gas under their agreed contracts. Any contracts agreed now that run beyond 2035 would be surplus to requirements and would exacerbate the EU's forecast gas supply glut.

² Based on the International Energy Agency's Announced Pledges Scenario (APS) from the World Energy Outlook 2023.

Fig. 3: Existing supplies set to exceed EU demand by 2035



Source: Zero Carbon Analytics analysis. Data from DNV, IEA & Rystad Energy
EU gas demand from IEA APS Scenario - World Energy Outlook 2023.

