

Chart of the Week #2023-37

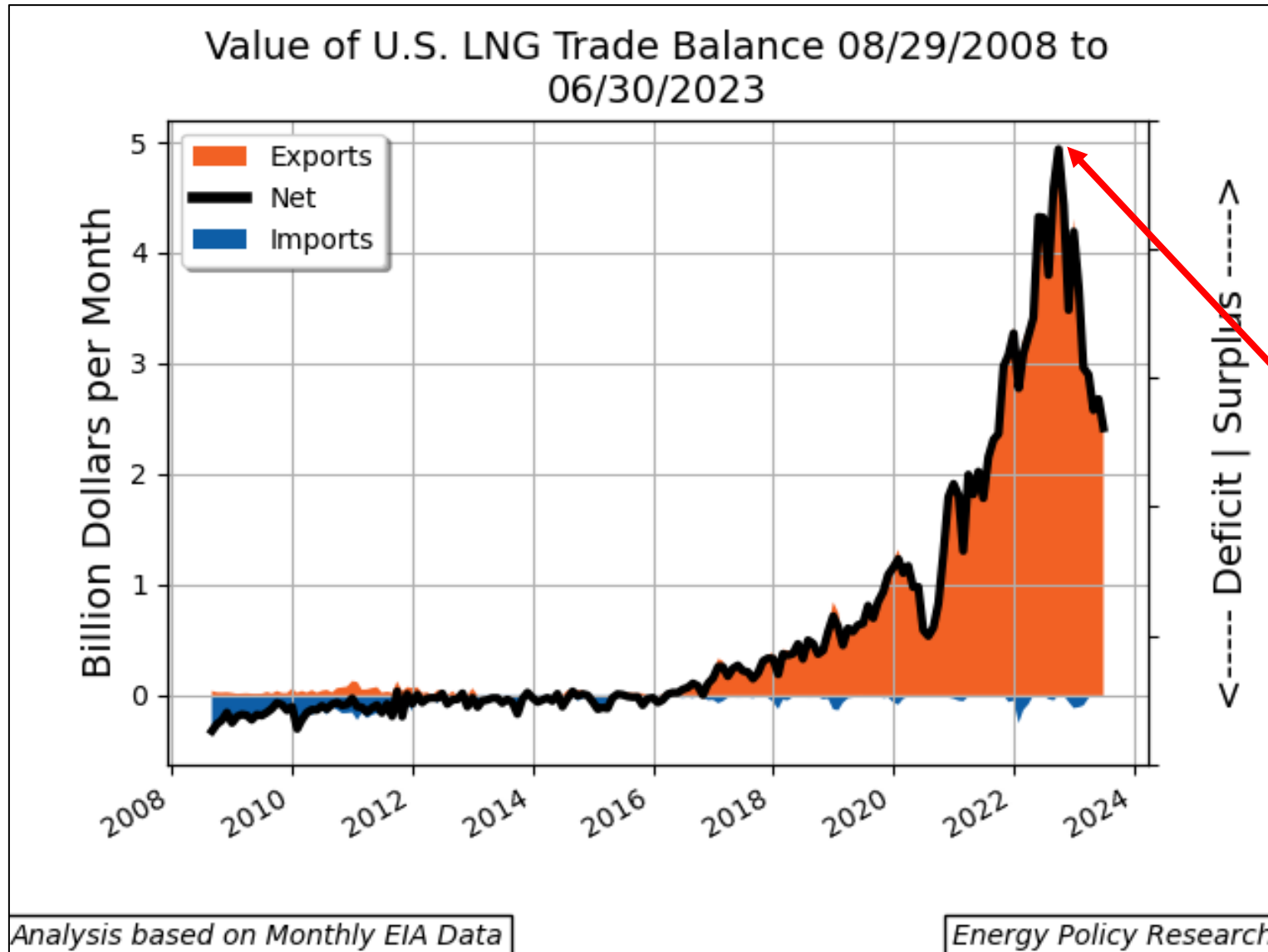
LNG (Liquefied Natural Gas) Trade Lowers U.S. Trade Deficit



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LNG Trade Lowers U.S. Trade Deficit



At this peak, the August 2022 trade deficit was \$67B (\$261B exports, \$328B imports). U.S. LNG exports in that month was \$4.95B.

Without LNG trade, the August 2022 deficit would have been \$72B, or 7.5% higher.

LNG Trade Lowers U.S. Trade Deficit



- With the record amounts of natural gas production surplus achieved in the 2000s due to improvements in hydrofracturing and lateral drilling technologies, the U.S. began development of U.S. LNG (liquefied natural gas) facilities at large scale in the Gulf Coast.
- In 2016, the first LNG cargos were shipped and growth in U.S.LNG exports has been considerable.
- This has made material contributions to narrowing the U.S. trade deficit. According to the EIA, natural gas trade accounted for 5% of U.S. energy import value and 22% of energy export value in 2020; this resulted in an annual surplus of \$26 billion.
- In August 2022, the monthly U.S. LNG trade surplus peaked at \$4.95B. That month the trade deficit was \$67B (\$261B exports, \$328B imports). Without LNG trade, the August 2022 deficit would have been \$72B, or 7.5% higher.
- Recently, the U.S. House considered H.R. 1130, the "Unlocking our Domestic LNG Potential Act." seeking to expedite the permitting required for natural gas liquefaction plant construction and exporting of LNG. After clearing the Energy & Congress Committee on a vote of 27-21, it failed a full House Vote September 21, 2023 by a vote of 212-215.
- This slide deck is available at: <https://eprinc.org/chart-of-the-week/>
- For more information on this chart, please contact Max Pyziur (maxp@eprinc.org).