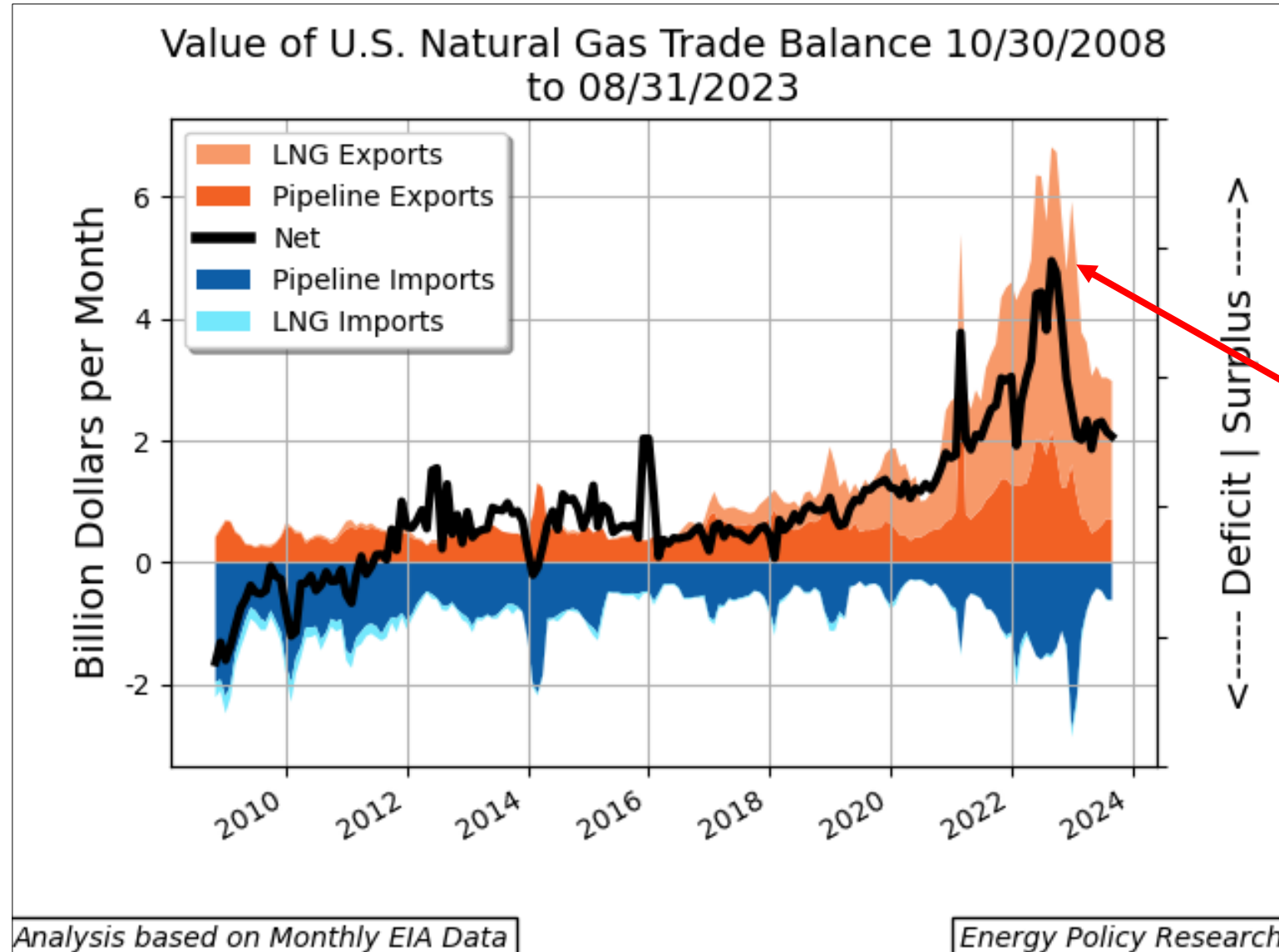


Chart of the Week #2023-45

Natural Gas Trade Lowers U.S. Trade Deficit - Revised

Max Pyziur
November 22, 2023
Washington, DC

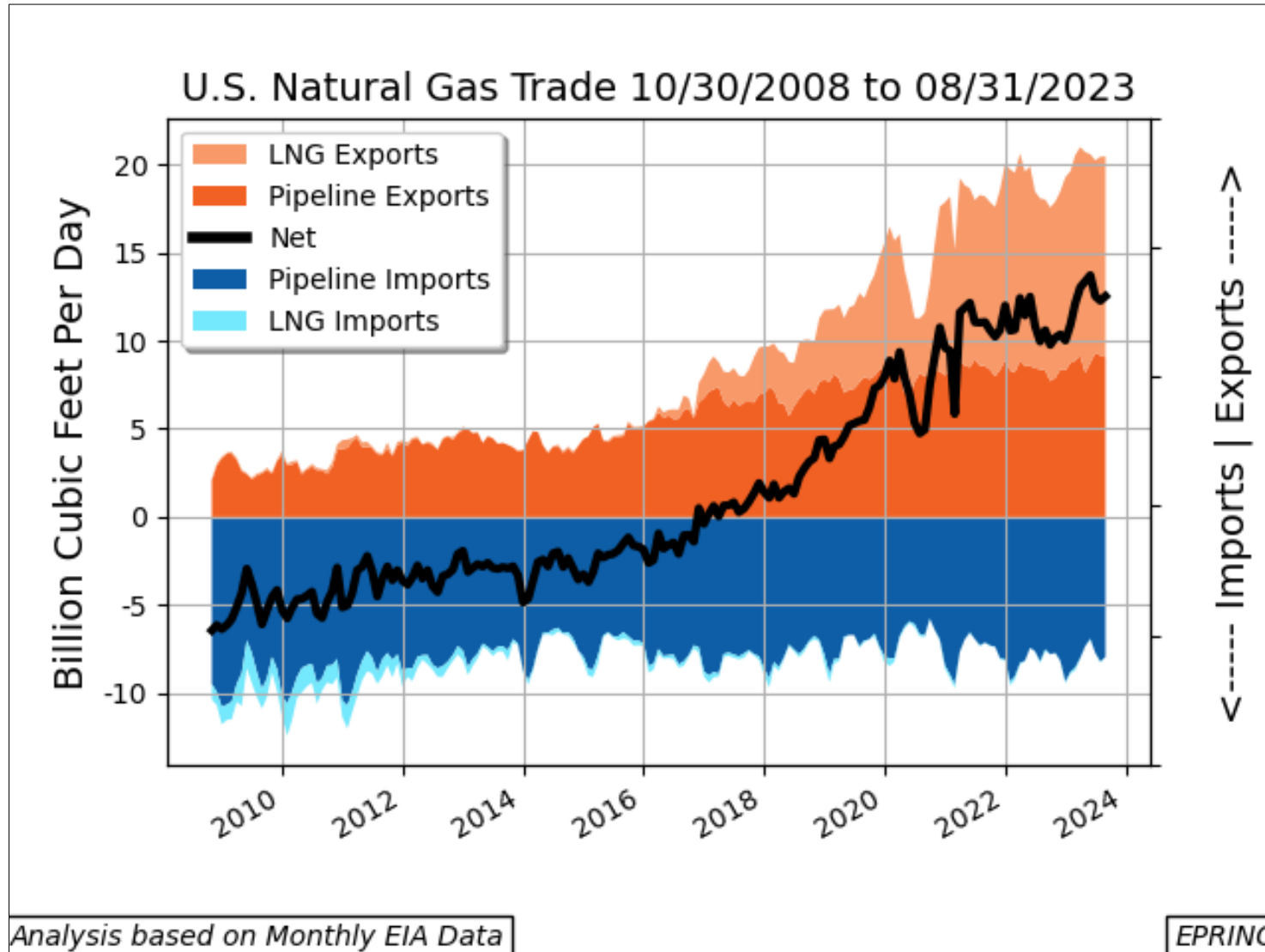
Natural Gas Trade Lowers U.S. Trade Deficit



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.

Natural Gas Trade Lowers U.S. Trade Deficit



Starting in 2016, completion and commissioning of large new U.S. LNG (liquefied natural gas) plants began at the Gulf Coast. More plants have been added and U.S. export LNG volumes have grown from less than 1 BCF/d in 2015 to 11 BCF/d in 2023.

Natural Gas Trade Lowers U.S. Trade Deficit



- Beginning in the 2000s, new technologies were applied to U.S. natural gas production. These technologies have enabled the U.S. to shift from being a natural gas net importer to a net exporter beginning in 2017. Total net exports of natural gas have gone from -6 BCF/d in 2009 to 12.5 BCF/d in August 2023. This has led to several key results.
- U.S. pipelined natural gas imports, all from Canada, have declined modestly from 10 BCF/d to 7.5 BCF/d. U.S. pipelined natural gas exports, primarily to Mexico, have risen from 2.5 BCF/d in 2009 to 9 BCF/d in 2023. Combined, the U.S. is now a net exporter of pipelined natural gas of about 1.5 BCF/d.
- Starting in 2016, completion and commissioning of large new U.S. LNG (liquefied natural gas) plants began at the Gulf Coast. More plants have been added and U.S. export LNG volumes have grown from less than 1 BCF/d in 2015 to 11 BCF/d in 2023.
- Natural gas net exports have positively impacted the U.S. trade deficit. Beginning in mid-2011, the value of monthly U.S. natural gas trade moved from being negative to positive and has continued to rise.
- In August 2022, the monthly U.S. natural gas trade surplus peaked at \$4.95B. That month the U.S. trade deficit in goods and services was \$67B (\$261B exports, \$328B imports). Without natural gas trade, the August 2022 deficit would have been \$72B, or 7.5% higher.
- Although modest, this has made material contributions to narrowing the U.S. trade deficit. While there are negative imbalances elsewhere, the positive trajectory for U.S. natural gas trade is clearly structural and should continue mitigating the trade deficit in the long-term.
- 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).