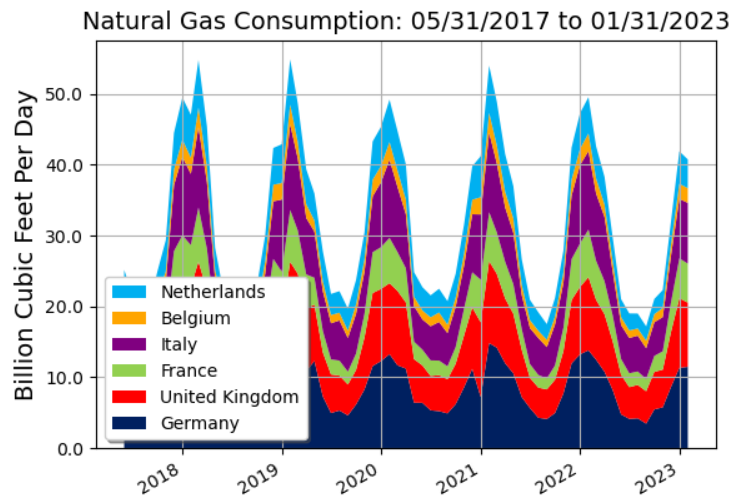


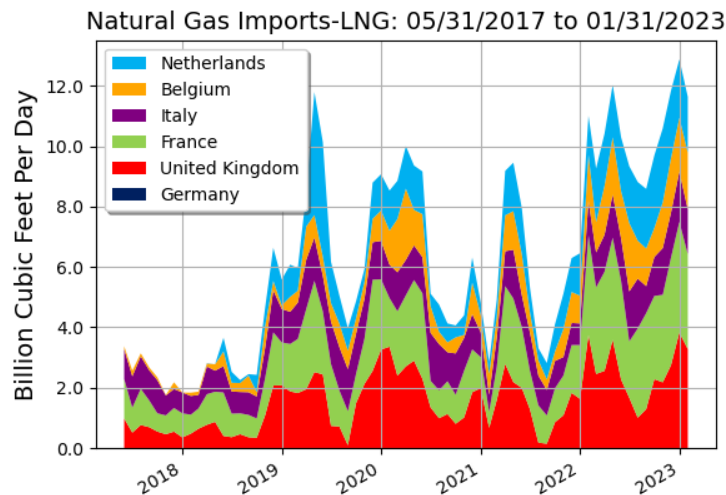


In the Western European countries, aggregate natural gas consumption generally peaks in January at close to 55 billion cubic feet per day (BCF/d).

In January 2023, thanks to mild winter weather along with aggressive efficiency measures, natural gas consumption in these countries peaked at just over 40 BCF/d, or 15 BCF/d less than recent highs.

Natural gas production in this same group of countries has been declining from over 10 BCF/d in 2018 to 6 BCF/d during 2022.

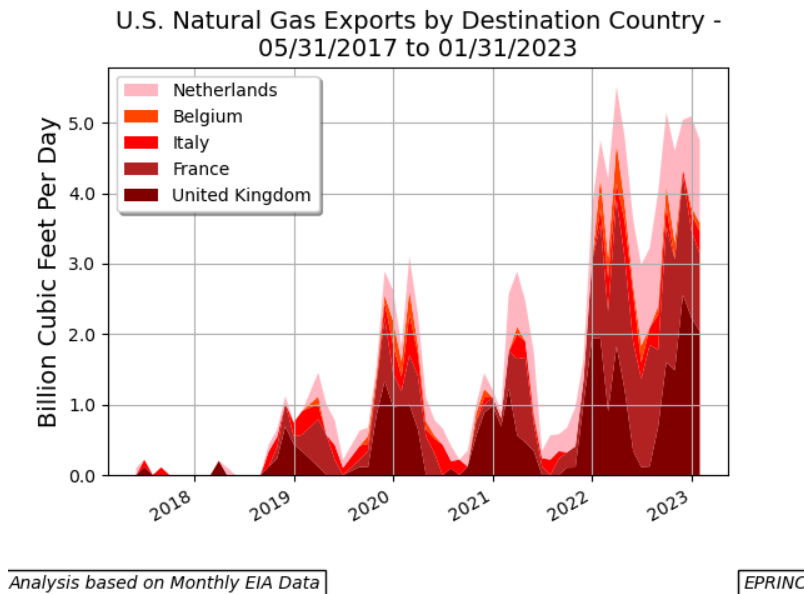
Consequently, both increasing pipelined natural gas and LNG imports are required in order to balance.



Aggressive actions on the part of European countries, not just Western ones, against Russia have caused the import of any Russian pipelined natural gas to decline from 15 BCF/d in 2018 to under 1 BCF/d

currently.

Consequently, European countries have accelerated their imports of LNG. Specifically, Western European countries have increased their reliance on LNG imports from approximately 2 BCF/d in 2018 to almost 12 BCF/d during 2022.



In particular, U.S. LNG exports to Western European countries during 2022 have reached 5 BCF/d, or over 40% of the total LNG imports.

However, given potential demand requirements that can peak as high as 55 BCF/d in winter, there is a chance for shortfalls.

In the last month, three G7 members – the United Kingdom, Germany, and France – have issued plans for new LNG receiving capacity as well as expansions to existing LNG terminals.

From the supply side, without concerted capital and policy-driven efforts to complete and build additional global LNG liquefaction plants, along with the necessary natural gas production and logistics, there are potentials for substantial imbalances and the attendant economic and political stresses.

The expanded version of 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