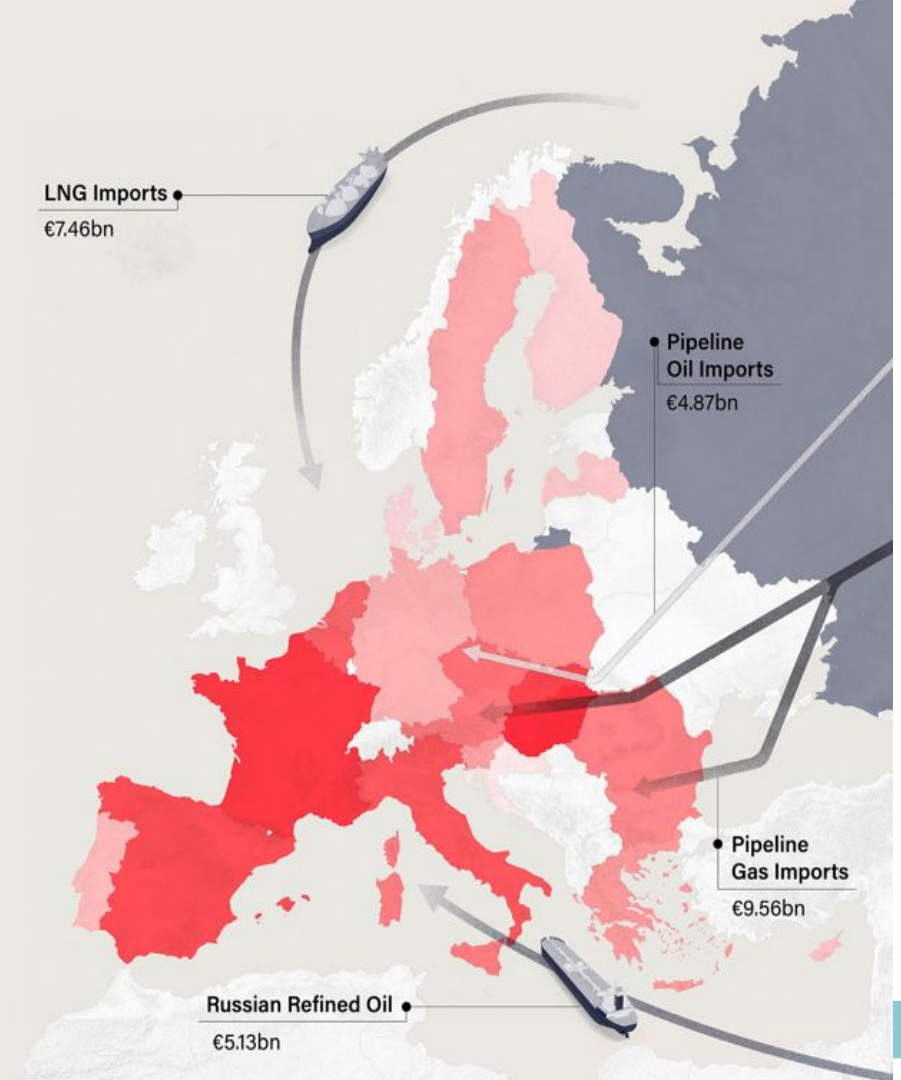

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Centre for Research on Energy and Clean Air

Russian LNG exports to the EU: Implications for the US LNG market

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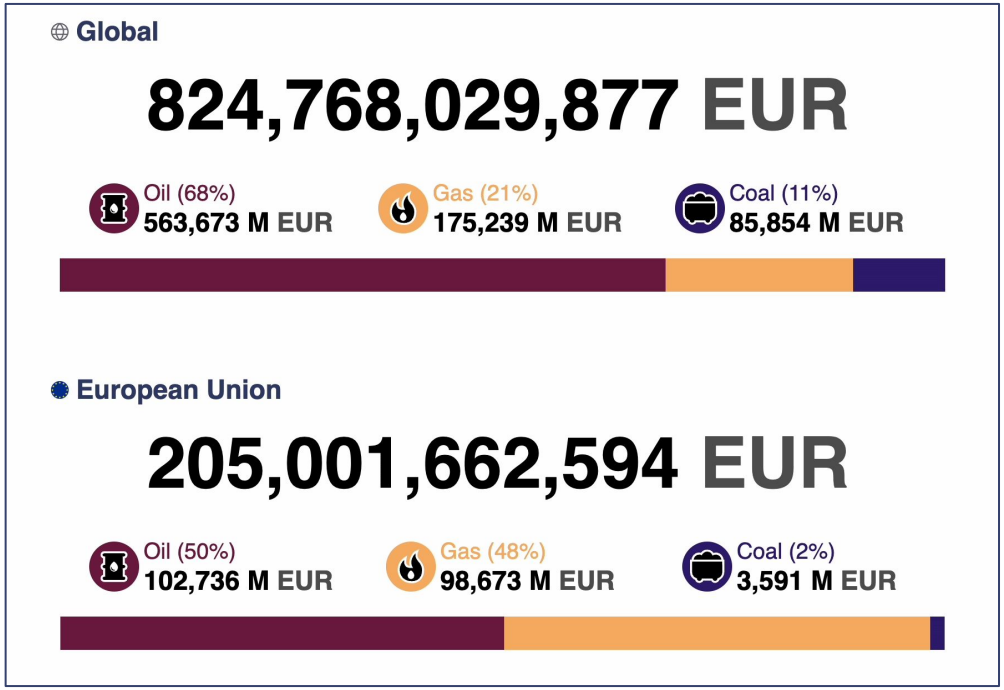
About CREA

- CREA provides **data-led analysis, research, investigations** & **policy insights** on fossil fuel revenues that **enable Russia's invasion of Ukraine**.
- Our research & analysis is focussed on **sanctions enforcement & improving their impact.**
- We are a dynamic team that aim to **provide analysis ahead of the curve** — e.g. refined oil loophole, revenue tracker.

russiafossiltracker.com



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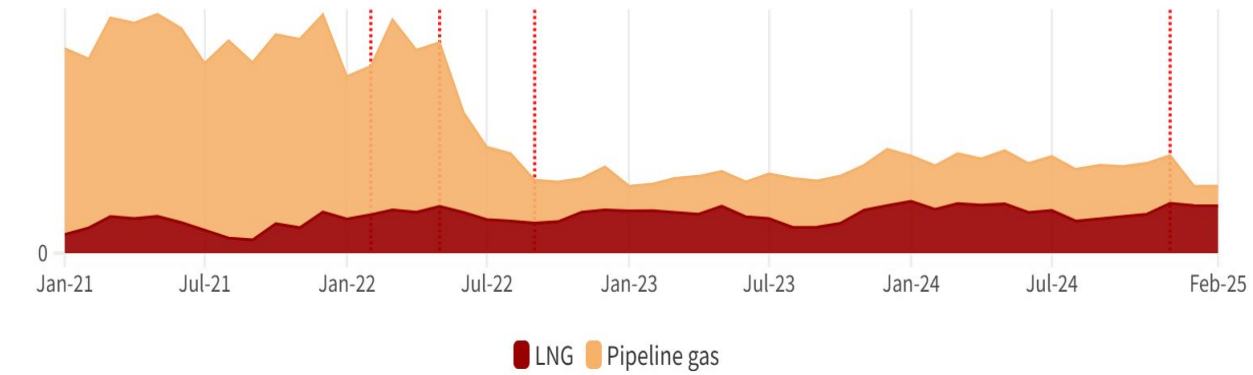
EU imports of Russian gas have fallen but without sanctions

- **EU imports of Russian gas are down 70% in Q1 2025 compared to pre-invasion levels** (Q1 2021) – **LNG imports up +67%** but **pipeline gas down -90%**.

- The drop in EU pipeline flows were **not due to EU sanctions on Russian gas** but due to **payment issues**, **sabotage** of energy infrastructure & the **expired transit agreement**.



Source: CREA analysis •
Dotted lines indicate: Russian invasion of Ukraine on 24 Feb 2022, end of flows through the Yamal pipeline, NordStream pipeline and Ukrainian transit pipeline respectively.

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- The **EU paid Russia USD 105.6 billion** for their **gas** imports since the start of the invasion of Ukraine – (**75% of the entire 2024 Russian military budget**).

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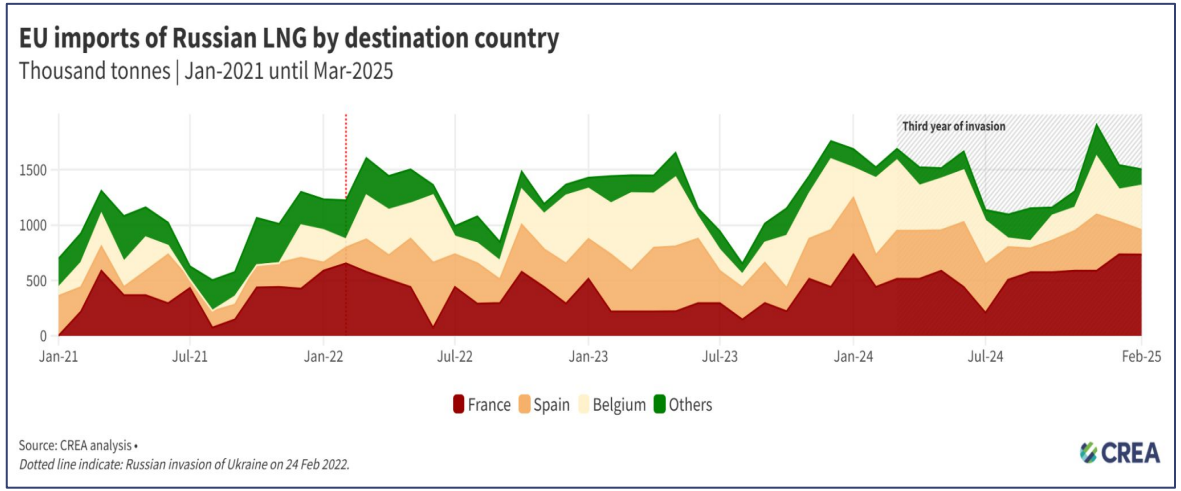
EU imports of Russian LNG are on the rise

- **Which Member States are importing Russian LNG?**
  87% of all EU imports of Russian LNG **arrived in Spain, France or Belgium** – but LNG arriving at these terminals does not necessarily stay in these countries.

- **France**: Increased imports by 46% to 7.7 bcm.
- **Spain**: Saw a 12% decline to 5.7 bcm.
- **Belgium**: Imports dropped by 21% to 5.1 bcm.
- **Netherlands**: Recorded an 81% surge, reaching 1.7 bcm.



- **EU imports of Russian LNG rose 9% year-on-year**, while imports from other sources including the US declined.
- Russia is **hugely reliant on the EU market for its gas exports**, providing **52% of its LNG export revenue**.
- **EU paid USD 8.5 bn for Russian LNG** during the third year of invasion.

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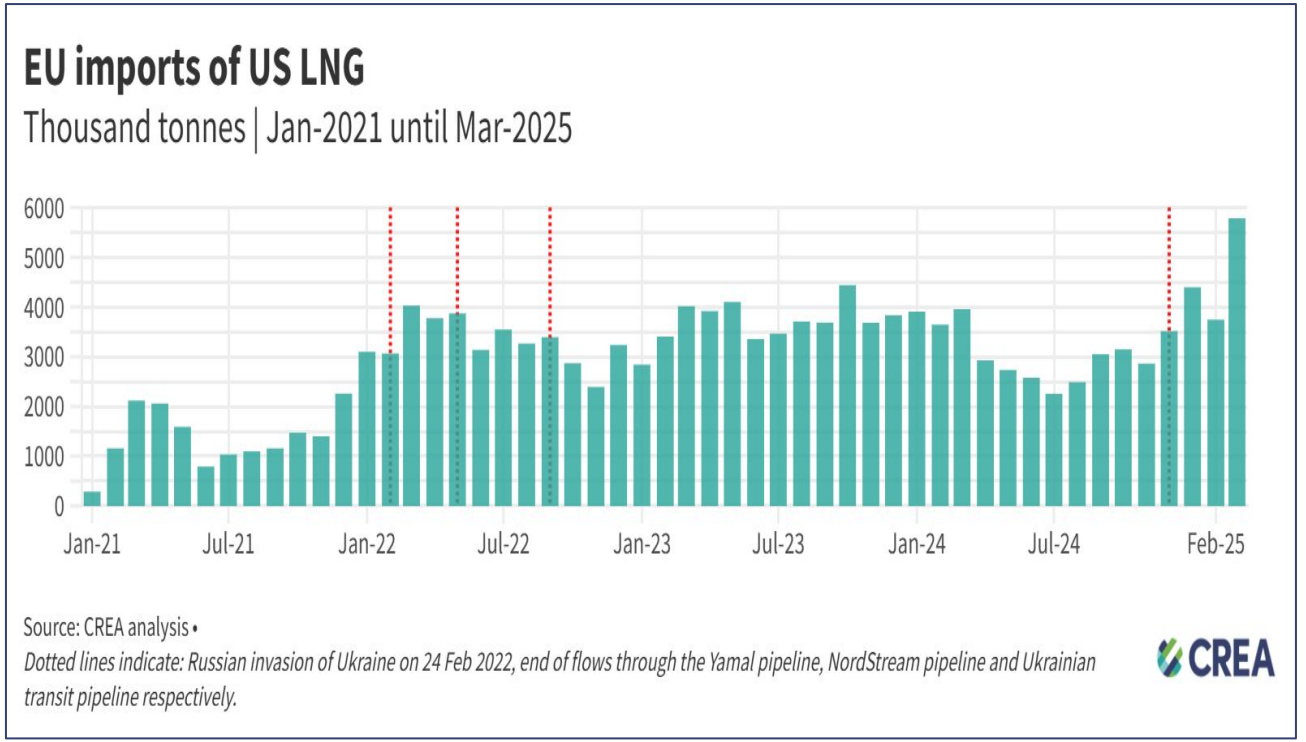
EU imports of US LNG hit record levels in March 2025

- **EU imports of US LNG have risen** since the start of Russia's full-scale invasion of Ukraine – reaching an **all time high in March 2025**.

- **In the most recent 12 months** however (Apr-24 to Mar-25), **EU imports from the US were 14% lower than the prior 12 months.**



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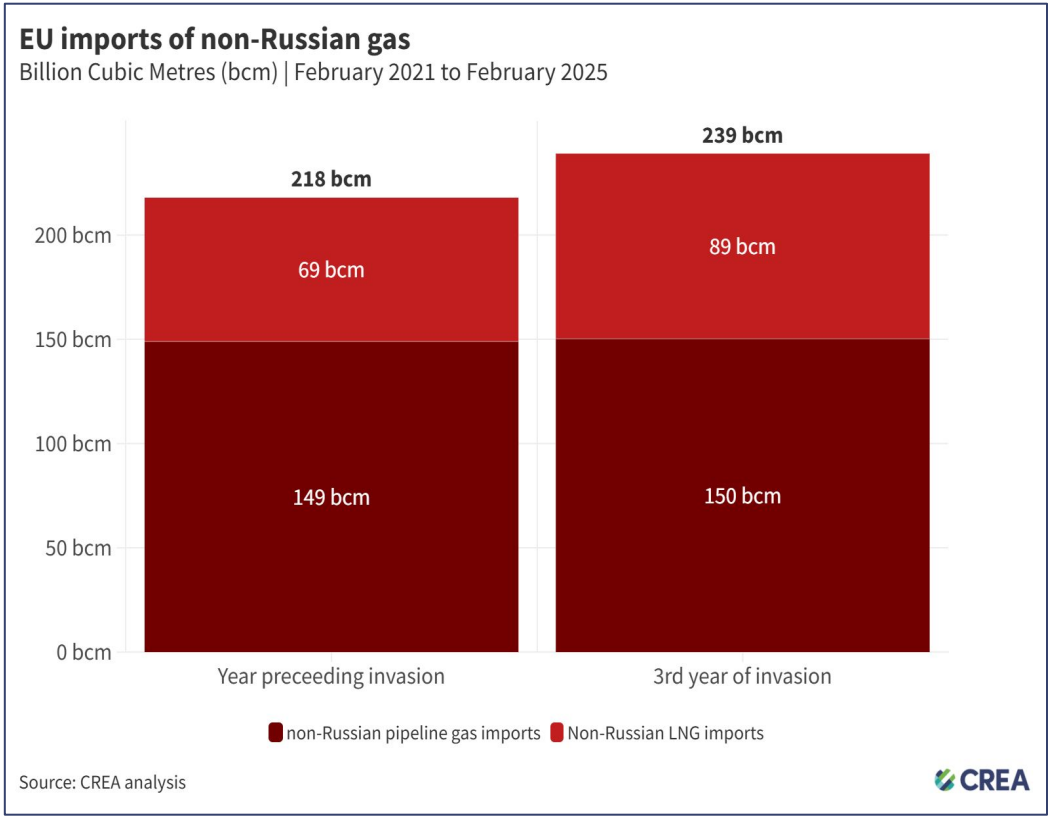
EU struggles to decouple from Russian gas supplies

- **RePower EU** plan states an **end to Russian fossil fuel imports by 2027 — not legally binding**.
- **Long-term contracts** that European buyers have for Russian LNG run until 2040 — **legal bans are required** to:
  1) **Stop a 'blame game' between MS's**.
  2) **Enable a force majeure** in contracts.
- **EU has struggled to attain sufficient non-Russian gas supply — 9.6% higher** in the third year of the invasion compared to the year before the invasion.



What next, will the US increase exports of LNG to Europe?

The EU must not go back to Russian gas!

1) **Reminder:** Any **reliance on Russian fossil fuels entails a huge risk of security of supply**.

2) The **2022 energy crisis**, **triggered by Russia**, forced the **EU to spend over EUR 800 bn** on consumer subsidies to ease the supply crunch.

2025 outlook on RU LNG:

1) **EU transshipment ban on Russian LNG** means that **imports** staying within the bloc **could rise**.

2) **US sanctions on Portovaya & Vysotsk small installations** – if maintained, could marginally **lower Russian exports to the EU**.

US-EU exports likely to rise?

1) The **US should avoid** encouraging or **participating in** the revival of **NordStream2 or Ukrainian gas transit,** which **could supply the EU with 70 bcm of gas**—equivalent to projected 2025 US LNG exports to the EU.

2) Some **European firms have recently secured deals with US LNG projects**, including SEFE with Delfin & TotalEnergies with NextDecade.

3) **Chinese imports of US LNG** could be **redirected to the EU** as they face high **tariffs**.

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Policy recommendations

Implement legally binding targets & a full Russian LNG ban that would break long-term contracts currently prohibiting the EU from achieving its RePower EU plan:

- Set binding targets to prevent backsliding on Russian energy: The EU must ensure long-term energy security, preventing any rollback under economic or political pressure.

EU transshipment ban:

- The EU must ban Russian LNG transshipments between Member States.

Greater transparency in EU gas markets:

- Require gas traders & importers to disclose the full supply chain, including the original extraction country & company.

Russian LNG price cap policy in the wind-down period to a full ban:

- Set a cap at €17/MWh, aligning with the breakeven cost for Russian LNG exports to Europe, limiting Russia's profit margin. The cap should limit the volume that can be imported to encourage a phase out of Russian LNG.

Thank you for your attention