

This abstract will be presented during LNG2023 conference on 10-13 July in Vancouver, Canada among many other innovative projects, ideas and outlooks. LNG2023 will provide a unique platform for the global LNG industry and key stakeholders to discuss, debate, and showcase the latest industry developments and opportunities.



## LEAD AUTHOR

**Patrick Breen**  
CEO, Gas Strategies

## CO-AUTHORS

None

## THE IMPACT OF THE EUROPEAN GAS EMERGENCY ON GLOBAL LNG

LNG's role in Europe transformed overnight as industry and governments rushed to address supply-side removal of 150 Bcm pa of Russian pipeline gas. EU policy ambitions announced in May 2022 for LNG to meet 50 Bcm of this gap have led to chaos 6 months later. Spot LNG pricing has soared to unprecedented levels, balance sheets of buyers are heavily weighed down by margin calls, and an estimated 35 cargo laden LNG carriers sit off-shore Europe waiting for scarce unloading and storage capacity to become available. The global LNG supply chain, with reported shipping charter rates reaching \$440,000 /day, and failure of LNG growth markets like Pakistan to economically sustain its role in coal to gas switching, indicates in early Q4 an inability to digest this European phenomenon. Latest actions in October 2022 by the EU as emergency measures for gas markets now threaten long term structural upheaval for the global gas and LNG industry. These include:

- Joint gas purchasing for Europe, removing market competition amongst the EU27
- Establishing an EU LNG price index run by the EU Agency for the Cooperation of Energy Regulators
- Cap and floor to the TTF benchmark that will affect global contracts
- Long Term UIOLI – contracted parties losing transmission rights after 1 month of low usage

This paper will present Gas Strategies' assessment, at mid-2023, of the impact on the global LNG industry from these measures, how they have materialised, and longer term prospects.

To view the full conference agenda, visit <https://www.lng2023.org/lng-programme-overview>