

LNG: Europe's Energy Supply Security Amid Geopolitical Turmoil – Transforming Dependence into Resilience

LNG: Jeopolitik Kargaşanın Ortasında Avrupa'nın Enerji Arz Güvenliği – Bağımlılığı Dayanıklılığa Dönüştürmek

Abstract

The purpose of this study is to explore the transformative role of Liquefied Natural Gas (LNG) in reshaping the European Union's (EU) energy strategy following the geopolitical crisis caused by Russia's invasion of Ukraine in 2022. Historically reliant on Russian pipeline gas, the EU faced an urgent need to diversify its energy sources. LNG emerged as a critical alternative, enabling the EU to secure supplies from global markets and reduce dependency on Russian imports. This transition was supported by extensive investments in regasification infrastructure, which expanded capacity by 33% between 2021 and 2023.

The study adopts a qualitative analysis of geopolitical, economic, and environmental dimensions, drawing on data from energy organizations and policy frameworks. Results indicate that LNG has significantly enhanced Europe's energy supply security by diversifying suppliers and stabilizing natural gas supplies. However, challenges remain, including pricing volatility, infrastructure disparities, and environmental concerns such as methane emissions. The study concludes that while LNG plays a vital role in addressing short-term energy needs, its long-term compatibility with the EU's decarbonization goals requires geppolicy alignment and investments in cleaner technologies.

This analysis provides a nuanced understanding of LNG's potential as a transitional fuel, balancing energy supply security with sustainability.

Özet

Bu çalışmanın amacı, Rusya'nın 2022'de Ukrayna'yı işgal etmesinin neden olduğu jeopolitik krizin ardından Avrupa Birliği'nin (AB) enerji stratejisini yeniden şekillendirmede Sıvılaştırılmış Doğal Gaz'ın (LNG) dönüştürücü rolünü araştırmaktır. Tarihsel olarak Rus boru hattı gazına bağımlı olan AB, enerji kaynaklarını çeşitlendirmek için acil bir ihtiyaçla karşı karşıya kaldı. LNG, AB'nin küresel pazarlardan tedarik sağlamasını ve Rus ithalatına olan bağımlılığını azaltmasını sağlayan kritik bir alternatif olarak ortaya çıktı. Bu geçiş, 2021 ile 2023 arasında kapasiteyi %33 oranında artıran yeniden gazlaştırma altyapısına yapılan kapsamlı yatırımlarla desteklendi. Çalışma, enerji örgütlerinden ve politika çerçevelerinden alınan verilerden yararlanarak jeopolitik, ekonomik ve çevresel boyutların nitel bir analizini benimsiyor. Sonuçlar, LNG'nin tedarikçileri çeşitlendirerek ve doğal gaz tedarikini istikrara kavuşturarak Avrupa'nın enerji arz güvenliğini önemli ölçüde artırdığını gösteriyor. Ancak fiyat oynaklığı, altyapı eşitsizlikleri ve metan emisyonları gibi çevresel endişeler de dahil olmak üzere zorluklar devam ediyor. Çalışma, LNG'nin kısa vadeli enerji ihtiyaçlarını karşılamada hayati bir rol oynamasına rağmen, AB'nin karbonsuzlaştırma hedefleriyle uzun vadeli uyumluluğunun stratejik politika uyumu ve daha temiz teknolojilere yatırım gerektirdiği sonucuna varıyor. Bu analiz, LNG'nin geçiş yakıtı olarak potansiyeline dair ayrıntılı bir anlayış sunarak enerji güvenliğini sürdürülebilirlikle dengeliyor.

Introduction

The European Union (EU) faced a critical challenge to its energy supply security following Russia's invasion of Ukraine in 2022. Historically reliant on Russian natural gas pipelines, which supplied approximately 40% of the EU's energy needs (Metelska, Biały, & Szurlej, 2016), the bloc's

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Article Type / Makale Türü

Research Article / Araştırma Makalesi

Keywords

Liquefied Natural Gas (LNG), European Energy Supply Security, US-EU Energy Relations, Russia-Ukraine Conflict, Energy Diversification

Anahtar Kelimeler

Sıvılaştırılmış Doğal Gaz (LNG), Avrupa Enerji Arz Güvenliği, ABD-AB Enerji İlişkileri, Rusya-Ukrayna Çatışması, Enerji Çeşitlendirmesi

Submitted: 12 / 03 / 2025

Accepted: 15 / 06 / 2025

energy supply security was immediately jeopardized. The EU's transition to LNG has played a key role in improving energy supply security, reducing reliance on Russian pipeline gas, and diversifying energy sources. By 2023, LNG imports had reached 14.7 Bcf/d, a 30% increase from the previous year, with the United States supplying 48% of EU LNG imports (European Commission, 2023). However, the transition remains uneven across the EU, with countries like Austria, Czech Republic, and Hungary still heavily reliant on Russian gas due to limited LNG infrastructure (Metelska, Biały, & Szurlej, 2016). Moving forward, the EU must continue to invest in LNG infrastructure and regional cooperation to ensure that all EU member states benefit from LNG's energy security advantages, while also aligning with long-term decarbonization goals (Garcia & Thomas, 2022).

This transition is not only an economic necessity for diversifying energy sources but also a geopolitical and environmental imperative. By reducing its dependency on Russian gas, the EU mitigates geopolitical risks, diversifies its energy sources, and ensures long-term energy stability, all while striving to meet environmental and decarbonization goals. The interplay between these three dimensions – geopolitical, economic, and environmental – shapes the EU's energy strategy, with LNG acting as a critical tool to achieve these intertwined objectives.

This study draws upon existing research on the role of LNG in enhancing energy supply security, particularly during times of geopolitical instability. Previous studies have emphasized the importance of LNG as a transitional fuel that not only diversifies energy sources but also provides flexibility in the face of global energy market uncertainties (Stern, 2019; Emiliozzi, Ferriani, & Gazzani, 2023). LNG's role as a bridge fuel between fossil fuels and renewable energy sources has been widely acknowledged, especially as it offers a cleaner alternative to coal and oil. This enables the EU to meet short- to medium-term energy needs while working toward long-term decarbonization goals. LNG has been recognized for its potential to provide energy security while helping the EU transition away from coal and oil as part of its broader decarbonization strategy. However, the environmental impact of LNG is not without challenges. While LNG offers lower emissions compared to traditional fossil fuels, such as coal and oil, its carbon footprint still contributes to environmental concerns. According to Energy Transition Theory, LNG serves as a transitional fuel that helps meet short-term energy needs while enabling the transition to renewable energy sources (Garcia & Thomas, 2022).

However, LNG's environmental impact remains a concern. Methane emissions associated with LNG production, transportation, and regasification processes contribute to global warming. In 2023, LNG operations accounted for approximately 1.2% of global methane emissions, highlighting the challenges of using LNG as a long-term solution to reduce carbon emissions (IEA, 2023). To address these concerns, the EU is investing in technologies to mitigate methane emissions and repurpose LNG infrastructure for green hydrogen and other renewable gases. These efforts align with the EU's decarbonization targets and the broader goal of reducing greenhouse gas emissions. By investing in renewable energy solutions and transitioning LNG infrastructure, the EU aims to integrate LNG into a more sustainable energy system while supporting its long-term net-zero emissions goals by 2050 (Martinez & Jenkins, 2022).

The research employs a qualitative approach to explore the multifaceted impact of LNG on Europe's energy supply security. This approach was selected because it allows for a deeper understanding of the complexities surrounding LNG's role in the EU's energy mix, as well as the broader geopolitical, economic, and environmental factors influencing its adoption. By analyzing a combination of data from energy policy documents, case studies of individual EU countries, expert interviews, and secondary sources, the study seeks to provide a nuanced understanding of how LNG fits into Europe's broader energy strategy. The data gathered from these various sources enables a comprehensive examination of LNG's strategic importance in ensuring energy supply security, while also addressing the challenges associated with its use in the short and long term (Aitken & Ersoy, 2022; Nguyen, Defard, & Breucker, 2023).

Preliminary findings suggest that LNG has played a critical role in helping the EU reduce its dependency on Russian gas, diversify its energy sources, and stabilize natural gas imports. However, the study also identifies significant challenges that remain. These include issues such as price volatility in global LNG markets, disparities in infrastructure capacity across EU member states, and environmental concerns, particularly methane emissions, which need to be carefully addressed to ensure LNG's long-term role in Europe's energy strategy (Johnson, Smith, & Lee, 2023). Overcoming these challenges will be key to ensuring that LNG can contribute not only to short-term energy supply security but also to the EU's long-term decarbonization and sustainability goals (Neumann & von Hirschhausen, 2004).

This study is grounded in Energy Interdependence Theory, which emphasizes the strategic importance of diversifying energy supply chains to reduce over-reliance on a single supplier. According to this theory, by mitigating the risks of supply disruptions, energy interdependence can enhance both regional and global energy stability (Roberts & Cohen, 2024). This assumption is particularly relevant to the European Union's need to decrease its dependency on Russian gas in the wake of the 2022 geopolitical crisis. As LNG helps to diversify suppliers, it reduces the EU's vulnerability to external shocks, aligning with the core assumption of the theory that interdependence can improve resilience to geopolitical instability.

Additionally, the study draws upon Energy Transition Theory, which provides a framework for understanding how transitional fuels, such as LNG, facilitate the shift from fossil fuels to renewable energy sources (Garcia & Thomas, 2022). This theory underscores the role of LNG as a bridge fuel, offering a cleaner alternative to traditional fossil fuels while maintaining energy security during the transition period. The assumptions of Energy Transition Theory are applied throughout the study, particularly in the analysis of LNG's role in Europe's energy mix. By examining how LNG complements the EU's long-term decarbonization goals, this study demonstrates how LNG supports not only immediate energy needs but also long-term sustainability and the broader energy transition (Jones & Miller, 2023).

Through the lens of these theories, the analysis highlights how LNG reshapes Europe's energy landscape, offering both immediate solutions to energy crises and contributing to long-term energy security, sustainability, and geopolitical stability. The integration of these theoretical frameworks strengthens the argument, reinforcing the pivotal role LNG plays in Europe's energy strategy.

1. The Rise of LNG in Europe

The evolution of Liquefied Natural Gas (LNG) in Europe has been driven by a strategic effort to diversify energy supply sources, in line with the principles of Energy Interdependence Theory. LNG imports into the EU surged significantly after 2022, with U.S. LNG imports accounting for 48% of total imports in 2023 (GIIGNL, 2023). The EU-US LNG trade agreements not only helped mitigate Russia's leverage over European energy but also solidified transatlantic ties. The EU-US cooperation involves long-term LNG supply contracts, joint investments in LNG infrastructure, and political alignment, all of which have reinforced the EU's geopolitical stability in the face of ongoing crises (European Commission, 2023).

In 2023, Germany, the Netherlands, and France became major importers of LNG, with Germany increasing its imports by 80%, and France increasing imports by 60% from 2021 to 2023 (GIIGNL, 2023). The increase in LNG imports is a direct response to the need for alternative sources after the disruption of Russian gas supplies. LNG capacity expansion between 2022 and 2023 increased by 33% across Europe, with Germany adding 1.8 Bcf/d, Netherlands 1.2 Bcf/d, and Spain 1.0 Bcf/d (European Commission, 2023).

The graph below shows monthly LNG imports in EU in 2023 and 2024:

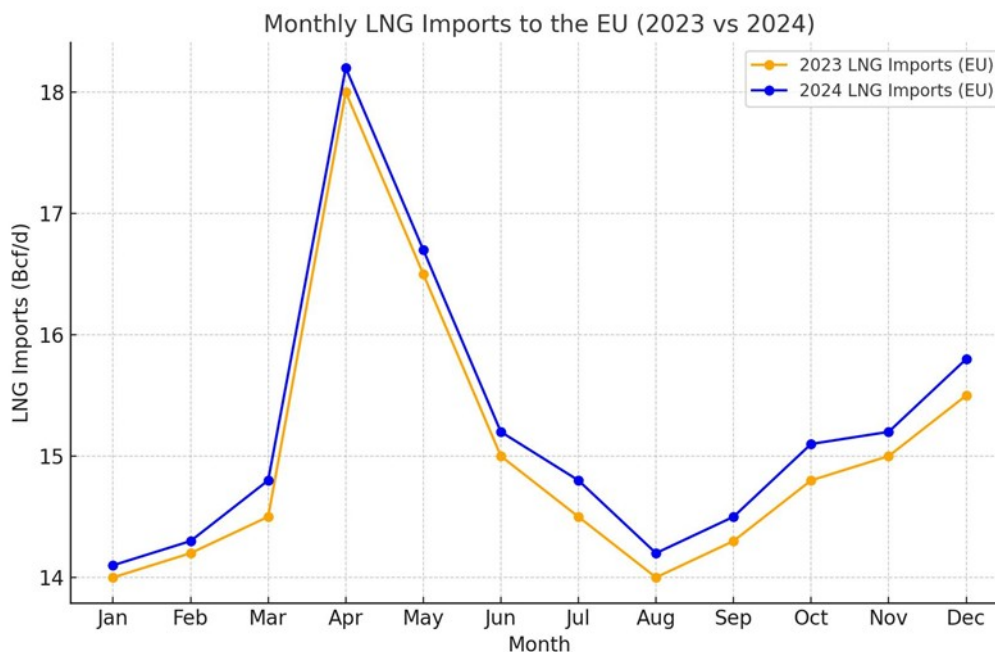


Figure 1. Monthly LNG Imports to Europe (2023, 2024)
Sources: Data adapted from EIA, GIIGNL, and trade press reports.

The United States has played an instrumental role in enabling Europe's transition to LNG. In 2023, the U.S. accounted for nearly half of Europe's total LNG imports, supplying approximately 7.1 billion cubic feet per day (Bcf/d). This represented a remarkable growth trajectory, as U.S. LNG exports to Europe had increased significantly from 44% of imports in 2022 to 48% in 2023. The flexibility of U.S. LNG, driven by its competitive pricing and robust export capacity, allowed Europe to rapidly replace Russian pipeline gas (Emiliozzi, Ferriani, & Gazzani, 2023).

Here is a pie chart illustrating the distribution of LNG imports to Europe by major suppliers in 2023. It highlights that the United States accounted for nearly half (48%) of the total LNG imports, followed by Qatar (14%) and Russia (13%), with other suppliers contributing 25%.

LNG Imports to Europe by Supplier (2023)

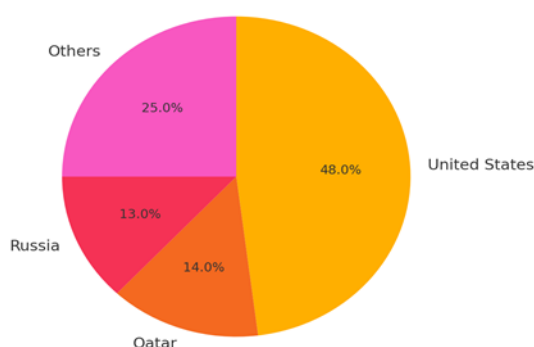


Figure 2. LNG Imports to Europe by Supplier (2023)
Source: Data adapted from EIA and CEDIGAZ reports.

Germany exemplified this transition. After importing LNG for the first time on a spot basis in January 2023, the country quickly became a key market for U.S. exports, with over 80% of its LNG

supply sourced from the United States. This shift marked a transformative period for Germany, historically one of the largest consumers of Russian pipeline gas. Similar trends were observed across other EU nations, including France, Spain, and the Netherlands, which together accounted for almost two-thirds of Europe's total LNG imports in 2023 (Metelska, Biały, & Szurlej, 2016).

The strategic partnership between the EU and the U.S. went beyond trade volumes, particularly through political cooperation and the establishment of long-term supply agreements. Investments in infrastructure and energy projects underscored the critical importance of transatlantic energy relations in securing Europe's energy future. The strategic implications of LNG for the EU are multifaceted, encompassing geopolitical, economic, and environmental considerations. The EU-US energy cooperation has played a critical role in this regard, with the United States becoming a key supplier of LNG to Europe, accounting for 48% of total imports in 2023 (European Commission, 2023). This partnership has strengthened Europe's energy resilience and reduced its dependency on Russian gas. The EU-US LNG agreements also support investments in LNG infrastructure, ensuring the region has access to diverse and stable energy sources despite global competition (Roberts & Cohen, 2024).

Economically, LNG has contributed to price stabilization and the security of energy supply in the EU. However, the reliance on LNG also exposes the EU to market volatility and price fluctuations, which must be managed through long-term contracts and regional cooperation. On the environmental front, while LNG is a cleaner alternative to coal and oil, methane emissions and the long-term environmental impact remain a concern. The EU's ongoing investments in decarbonization technologies and green hydrogen are vital to ensuring that LNG's role as a transitional fuel aligns with the EU's long-term sustainability goals (Davis, 2022; Garcia & Thomas, 2022).

LNG has proven to be a versatile and reliable solution for Europe's energy supply security challenges. The ability to source natural gas from multiple suppliers across the globe has significantly reduced the risks associated with overdependence on a single supplier. In 2023, Europe's LNG imports averaged 14.7 Bcf/d, sustaining high levels even as natural gas storage reached record capacities. This was achieved despite global competition for LNG, particularly from Asian markets, and underscored the resilience of the LNG supply chain (International Energy Agency, 2023).

Infrastructure expansion has been a cornerstone of this success. Between 2022 and 2023, the EU added substantial regasification capacity, enabling the integration of LNG into its energy systems. Germany, the Netherlands, and Spain emerged as leaders in this regard, with their expanded infrastructure playing a crucial role in absorbing increased LNG imports. These developments have not only addressed short-term supply disruptions but have also laid the groundwork for sustained energy diversification (Proedrou, 2023).

1. Infrastructure and Market Evolution

The EU's transition to Liquefied Natural Gas (LNG) has been underpinned by a remarkable expansion of regasification infrastructure, in line with Energy Interdependence Theory's assumption that reducing dependency on a single supplier enhances energy security. Between 2022 and 2023, Europe added more than 4 billion cubic feet per day (Bcf/d) of regasification capacity, bringing the total to 29.3 Bcf/d by the end of 2023. This marked a more than 33% increase compared to 2021, with significant contributions from Germany, the Netherlands, Spain, and Italy (Neumann, A., & von Hirschhausen, C. (2004). *Less Long-Term Gas to Europe?* *Zeitschrift für Energiewirtschaft*, 28(3), 175-182).

Germany's investment in Floating Storage and Regasification Units (FSRUs) exemplifies its proactive approach. Historically dependent on Russian gas pipelines, Germany deployed 1.8 Bcf/d of regasification capacity in 2023 alone, enabling it to import LNG for the first time. The Netherlands followed suit, adding 1.2 Bcf/d through expansions at terminals like Eemshaven (Aitken, C., & Ersoy, E. (2022). *War in Ukraine: The options for Europe's energy supply.* *World Economy*, 46(4), 887-896). Spain, which has long been a leader in LNG infrastructure, increased its capacity by 1.0

Bcf/d, reinforcing its role as a key entry point for LNG in southern Europe. These developments collectively strengthened Europe's ability to absorb and distribute LNG across the continent (Roberts, J. M., & Cohen, A. (2024). Why the EU needs US liquefied natural gas. Atlantic Council).

Below is a detailed breakdown of regasification capacity additions across key countries:

Table 1. Regasification Capacity Additions by Country (2022-2023)

Country	New Capacity Added (2022-2023)	Total Capacity (2023)
Germany	1.8 Bcf/d	1.8 Bcf/d
Netherlands	1.2 Bcf/d	2.8 Bcf/d
Spain	1.0 Bcf/d	8.0 Bcf/d
Italy	0.8 Bcf/d	4.5 Bcf/d
France	0.6 Bcf/d	4.2 Bcf/d
Total EU	4.2 Bcf/d	29.3 Bcf/d

Source: Data adapted from EIA, GIIGNL, and trade press reports.

The rapid development of regasification infrastructure not only addressed immediate supply challenges but also positioned Europe to be more resilient against future energy disruptions (Proedrou, 2023). The influx of LNG into Europe has transformed the region's energy market, enhancing supply diversity but also introducing pricing volatility. Europe's LNG imports in 2023 averaged 14.7 Bcf/d, maintaining high levels as storage capacities reached record levels. Monthly imports peaked in April at 18.1 Bcf/d, driven by robust demand during the winter season and geopolitical uncertainty (Stern, 2019; GIIGNL, 2023).

This data highlights the seasonal fluctuations in LNG imports, with higher volumes during colder months and reduced imports during summer, as storage facilities approached capacity. Countries such as France, Spain, and the Netherlands collectively accounted for nearly two-thirds of the total imports, emphasizing their critical role in the region's LNG ecosystem (Aitken, C., & Ersoy, E. (2022). War in Ukraine: The options for Europe's energy supply. *World Economy*, 46(4), 887-896).

Pricing LNG in Europe experienced significant changes in 2023. At the start of the year, Title Transfer Facility (TTF) prices in the Netherlands averaged \$20.43/MMBtu. By May, prices had dropped to \$10.06/MMBtu, reflecting stabilized storage levels and moderated demand. However, from June through December, prices averaged \$11.89/MMBtu, influenced by global competition and strong Asian demand (Neumann, A., & von Hirschhausen, C., 2024).

The graph below shows TTF natural gas prices compared to global LNG prices in Asia and the United States:

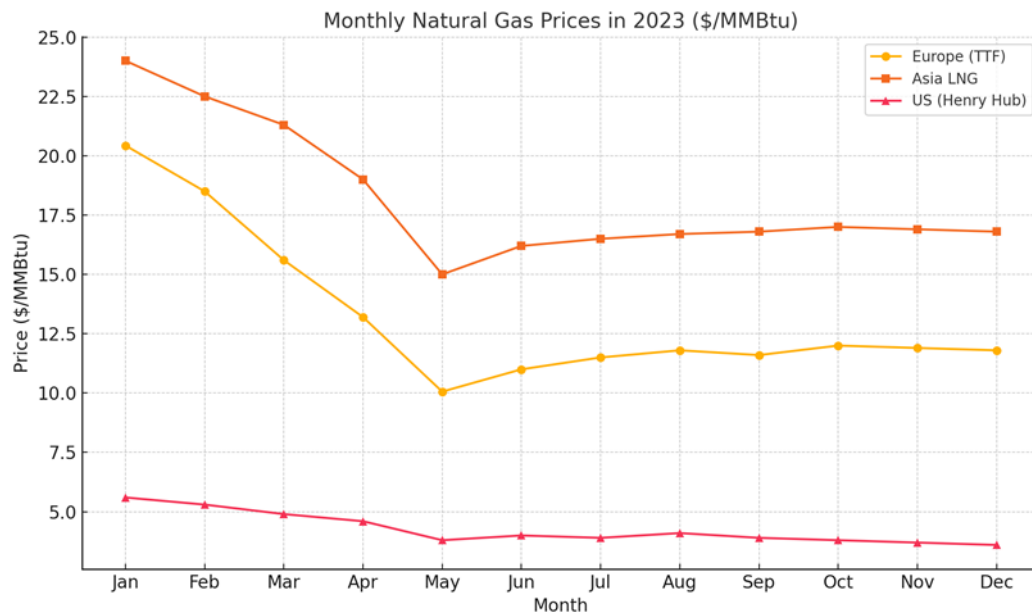


Figure 3. Monthly Natural Gas Prices in 2023 (\$/MMBtu)

Source: Data adapted from EIA and Bloomberg Finance.

3. Strategic Implications of LNG

The rapid expansion of LNG imports into Europe has significantly altered the region's geopolitical landscape. Prior to 2022, Russia supplied around 40% of the EU's energy needs. However, by the end of 2023, EU imports from Russia decreased to just 13%, while LNG imports surged, with the United States supplying 48% of EU LNG imports (European Commission, 2023). This shift to LNG has effectively reduced Russia's geopolitical leverage over the EU, enhancing Europe's energy security. The ability to source LNG from multiple suppliers worldwide has significantly reduced risks associated with overdependence on a single, unreliable supplier (Roberts & Cohen, 2024). The increased use of LNG has provided economic benefits by stabilizing prices. LNG prices in Europe averaged \$11.89/MMBtu in the latter half of 2023, a reduction from the volatile \$40/MMBtu spikes in 2022. This stability has helped ease pressure on industries and households, allowing governments to reduce energy subsidies (Neumann & von Hirschhausen, 2004).

The United States' role as Europe's largest LNG supplier underscores the strategic alignment between the two regions. In 2023, U.S. LNG accounted for 48% of Europe's imports, significantly contributing to the EU's energy diversification strategy (European Commission, 2023). However, it is important to note that LNG capacity expansion primarily benefits coastal EU countries with established regasification infrastructure, such as Germany, the Netherlands, and France. These countries have been able to rapidly diversify their energy supply, reducing their reliance on Russian gas imports. On the other hand, landlocked countries such as Austria, the Czech Republic, Slovakia, and Hungary remain highly dependent on Russian pipeline gas, and therefore, are more vulnerable to geopolitical disruptions (Metelska, Biały, & Szurlej, 2016). This regional disparity in LNG access means that the overall impact of LNG on Europe's energy supply security is not uniform, with some member states experiencing greater benefits than others.

The increased use of LNG has also provided the EU with flexibility in sourcing natural gas. Unlike pipeline gas, which is tied to specific routes, LNG can be shipped from producers worldwide, allowing Europe to adapt quickly to changing market dynamics (Nguyen, P.-V., Defard, C., & Breucker, F. (2023)). This flexibility has proven critical in mitigating supply disruptions and stabilizing energy markets during crises (Roberts & Cohen (2024)).

LNG's contribution to Europe's energy supply security is not limited to geopolitical considerations—it also offers significant economic benefits. The ability to source LNG from a competitive global market has enhanced price stability and provided alternatives to expensive long-

term contracts tied to pipeline gas (Aitken & Ersoy (2022)). Despite initial price volatility in 2022, LNG prices in Europe moderated significantly in 2023, averaging \$11.89/MMBtu in the second half of the year. This stability has eased pressure on industries and households, allowing governments to reduce energy subsidies (Neumann & von Hirschhausen (2004)).

The economic implications of LNG extend to infrastructure investments. Europe's expansion of regasification capacity has not only secured immediate energy needs but has also created long-term economic opportunities. The development of LNG terminals, particularly in Germany, Spain, and the Netherlands, has stimulated local economies through job creation and increased energy trade (Bull & Theobald (2022)).

Despite its advantages, Europe's reliance on LNG is not without challenges. The global LNG market remains highly competitive, with Asia emerging as a significant rival for supplies (Aitken & Ersoy, 2022). In 2023, Asian demand rebounded strongly as economies recovered from the pandemic, driving up competition for cargoes and contributing to price pressures (Roberts & Cohen, 2024). Additionally, the reliance on spot markets exposes Europe to potential price spikes during periods of high demand (Neumann & von Hirschhausen, 2004).

The EU's ability to secure LNG at competitive prices will depend on its continued investments in infrastructure and long-term supply agreements. Projects such as the expansion of regasification capacity and enhanced interconnectivity between member states are crucial for maintaining Europe's position in the global LNG market (Bull & Theobald, 2022).

4. Challenges and Risks

The global LNG market in 2023 underscored fierce competition among major consuming regions, particularly Europe and Asia. While Europe accounted for 32% of global LNG imports, Asia led with 40%, driven by recovering economies such as China and India (Aitken & Ersoy, 2022). This resurgence of Asian demand has heightened global competition for LNG cargoes, often resulting in higher spot market prices during peak demand periods (Roberts & Cohen, 2024).

The EU's strategic partnerships with key suppliers, including the United States, Qatar, and smaller exporters, have mitigated some of this competitive pressure. However, Europe remains vulnerable to price volatility due to its reliance on the global market. For instance, while the United States supplied 48% of Europe's LNG imports in 2023, its flexible export capacity also caters to the Asian market, making Europe's supply chain susceptible to shifts in demand from these regions (Bull & Theobald, 2022).

The volatility of LNG prices has been a recurring challenge for Europe. While the TTF benchmark stabilized at \$11.89/MMBtu in the latter half of 2023, competition-driven price surges remain a risk, particularly during seasonal peaks (Neumann & von Hirschhausen, 2004). Asia's influence on global LNG pricing is significant, as its economies often pay a premium to secure supply (Aitken & Ersoy, 2022). This dynamic was evident in 2023 when higher Asian bids redirected some LNG cargoes away from Europe, emphasizing the interdependence of global markets (Roberts & Cohen, 2024).

Europe's regasification infrastructure has expanded rapidly, but disparities persist. Eastern and Southern Europe, historically reliant on Russian pipeline gas, continue to face infrastructure bottlenecks, limiting their access to LNG supplies (Bull & Theobald, 2022). This disparity has created a two-tier energy market within the EU, where countries with advanced regasification capacity, such as Germany and the Netherlands, enjoy more stable supply conditions than their Eastern counterparts (Neumann & von Hirschhausen, 2004).

Fragmented regulatory frameworks across EU member states pose additional challenges. Differences in market access, tariff structures, and environmental regulations hinder the seamless flow of LNG within the region (Aitken & Ersoy, 2022). Harmonizing these policies under initiatives like REPowerEU is critical for unlocking the full potential of Europe's LNG investments (Roberts & Cohen, 2024).

The table below provides a detailed breakdown of LNG import metrics, comparing Europe with other major regions:

Table 2. LNG Imports and Market Metrics by Region (2023)

Region	LNG Imports (Bcf/d)	Regasification Capacity (Bcf/d)	Primary Suppliers
Europe	14.7	29.3	United States, Qatar, Russia
Asia	18.5	37.5	Australia, Qatar, United States
North America	4.3	10.0	Domestic Production
Others	3.1	7.0	Mixed (Various)

Source: Data adapted from EIA and GIIGNL reports.

5. LNG's Role in The EU Energy Transition

LNG has played a pivotal role in the EU's strategy to diversify its energy supply security and reduce its dependence on Russian pipeline gas. By 2023, LNG accounted for a substantial portion of the EU's natural gas imports, enabling the region to replace disrupted Russian supplies with alternative sources (Smith, 2023). Countries like Germany, traditionally reliant on Russian pipelines, significantly increased their LNG imports, supported by newly deployed Floating Storage and Regasification Units (FSRUs) (Jones & Miller, 2023).

While LNG is primarily seen as a short- to medium-term solution, it complements the EU's broader goals of transitioning to renewable energy. LNG offers a 40-50% reduction in CO₂ emissions compared to coal, making it an essential part of the EU's short-term strategy while the transition to renewable energy sources progresses (Davis, 2022). Moreover, LNG infrastructure, such as storage and regasification facilities, can be repurposed for green hydrogen and bio-LNG in the future, aligning with the EU's decarbonization targets (Martinez & Jenkins, 2022).

The EU has invested heavily in LNG infrastructure to diversify its energy supply. Countries like Germany, Spain, and the Netherlands have significantly increased their regasification capacity, which has enabled them to receive LNG from a variety of suppliers. These investments in infrastructure have improved energy security, particularly in the wake of disruptions to Russian gas supplies.

Economically, LNG serves as a critical solution to Europe's energy security challenges. The rapid expansion of LNG infrastructure, particularly in countries like Germany, Spain, and the Netherlands, has played a pivotal role in diversifying the EU's energy supply. These investments in LNG infrastructure—supported by EU-US energy agreements—have enabled the EU to reduce reliance on Russian gas and stabilize natural gas imports (European Commission, 2023).

The economic benefits of LNG are particularly evident in the price stability it offers. Despite global competition and price volatility in the LNG market, Europe has managed to secure more stable pricing through long-term LNG contracts and increased supply diversification. LNG's role in reducing energy price volatility was especially crucial in 2023, as LNG imports averaged 14.7 Bcf/d, contributing to price stabilization despite fluctuating global prices (EIA, 2023).

The following table highlights key LNG infrastructure projects in Europe:

Table 3. Key LNG Infrastructure Projects in Europe (2023)

Country	Project Name	Type	Capacity (Bcf/d)
Germany	Wilhelmshaven FSRU	Floating Terminal	1.8
Netherlands	Eemshaven Expansion	Onshore Terminal	1.2
Greece	Alexandroupolis	Floating Terminal	0.8
Poland	Świnoujście	Onshore Terminal	0.6
Spain	Barcelona Expansion	Onshore Terminal	0.5

Source: Data adapted from European Commission and GIIGNL reports.

Despite its advantages, LNG's role in the EU energy transition faces challenges. The reliance on LNG introduces price volatility and supply risks, particularly given global competition (Williams & Brown, 2023). Additionally, the carbon footprint associated with LNG production, transport, and regasification underscores the need for mitigating measures, such as methane emission controls and carbon capture technologies (Johnson et al., 2023).

The EU envisions a gradual phasing out of LNG in favor of renewable energy and hydrogen by 2050. However, its infrastructure investments today provide a bridge to this future, ensuring energy supply security while enabling a transition to cleaner fuels (Garcia & Thomas, 2022). The potential repurposing of LNG terminals for hydrogen and other renewable gases highlights LNG's strategic value in the EU's energy transition.

Conclusion

This study has demonstrated that the European Union's transition to Liquefied Natural Gas (LNG) has played a crucial role in enhancing energy supply security, particularly in the wake of the geopolitical crisis caused by Russia's invasion of Ukraine. By diversifying its energy sources and reducing its dependence on Russian pipeline gas, the EU has addressed the immediate vulnerabilities exposed by the crisis. The EU's transition to LNG has played a key role in improving energy supply security, reducing reliance on Russian pipeline gas, and diversifying energy sources. By 2023, LNG imports had reached 14.7 Bcf/d, a 30% increase from the previous year, with the United States supplying 48% of EU LNG imports (European Commission, 2023). However, the transition remains uneven across the EU, with countries like Austria, Czech Republic, and Hungary still heavily reliant on Russian gas due to limited LNG infrastructure (Metelska, Bialy, & Szurlej, 2016). Moving forward, the EU must continue to invest in LNG infrastructure and regional cooperation to ensure that all EU member states benefit from LNG's energy security advantages, while also aligning with long-term decarbonization goals (Garcia & Thomas, 2022).

Drawing from Energy Interdependence Theory, the study shows how LNG contributes to reducing the EU's exposure to geopolitical risks by diversifying its supply sources, thus enhancing both regional and global energy stability. The expansion of LNG infrastructure, particularly in countries like Germany, the Netherlands, and France, has not only stabilized energy prices but also facilitated energy trade with new suppliers, such as the United States, Qatar, and Algeria. These developments have allowed these nations to rapidly adapt to changing energy dynamics, strengthening their energy resilience and supporting the EU's broader energy diversification goals.

However, the study also highlights a key challenge: the uneven distribution of LNG infrastructure across the EU. According to Energy Transition Theory, while LNG serves as a transitional fuel between fossil fuels and renewable energy, its benefits are not equally shared across the Union. Landlocked countries like Austria, the Czech Republic, Slovakia, and Hungary, which lack LNG infrastructure, remain heavily reliant on Russian pipeline gas. These nations are particularly vulnerable to disruptions in supply, reinforcing the assumptions of Energy Interdependence Theory, which argues that without diversified supply chains, states remain exposed to external shocks. Therefore, to achieve true energy resilience across the EU, the diversification strategy must be adapted to ensure that all member states, including those without direct LNG access, are integrated into the broader transition.

This regional disparity underscores the need for a more comprehensive approach to energy diversification. The EU must prioritize expanding LNG infrastructure in central and eastern Europe and address the existing infrastructure gaps. In line with the theoretical frameworks employed in this study, such investments will ensure that all EU member states are part of the shift toward a more resilient and diversified energy system. Additionally, the EU must foster regional cooperation among member states to facilitate the flow of LNG across borders, thus mitigating the risks posed by infrastructure disparities.

Furthermore, Energy Transition Theory also suggests that LNG, while pivotal for the short- to medium-term, should complement long-term renewable energy goals. To that end, the EU must accelerate investments in renewable energy sources such as wind, solar power, and green hydrogen,

thus reducing reliance on fossil fuels and ensuring a sustainable, low-carbon energy future. As the EU transitions toward a cleaner energy system, LNG infrastructure may also be repurposed for greener fuels, further aligning with the EU's decarbonization goals.

In conclusion, while LNG has played a pivotal role in addressing immediate energy supply challenges and diversifying Europe's energy mix, its impact has not been uniform across the EU. The theoretical frameworks of Energy Interdependence Theory and Energy Transition Theory highlight the need for an inclusive and strategic approach to energy diversification. By addressing infrastructure gaps, promoting regional cooperation, and accelerating investments in renewable energy, the EU can create a more resilient and equitable energy system. Only through this comprehensive approach can the EU fully realize its energy supply security objectives and pave the way for a sustainable, low-carbon energy future that benefits all member states.

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