



# Europe-US LNG Roundtable I

Brussels, 28<sup>th</sup> of May 2015

## The transatlantic LNG trade — greater fuel diversity and energy security in Europe

**While Europe is aiming to hedge itself against potential undersupplies of natural gas, the United States can already produce more of this resource than it needs domestically. Both sides could greatly benefit from facilitating the transatlantic LNG trade. This is one of the main conclusions of the first Europe–US LNG Roundtable, which took place on May 27–28 in Brussels.**

The US has moved from a position of energy scarcity to one of energy abundance. This made the debate at the Europe–US LNG Roundtable timely and important, not least because of the ongoing negotiations of the TTIP agreement. It is believed that the transatlantic trade agreement may work as a stimulus towards lifting the export ban on the US crude oil and natural gas. As impediments to commercial agreements need to be addressed through legislative and administrative actions, the roundtable served as a high-level summit for decision-makers and industry representatives from both sides of the Atlantic to discuss potential benefits of free trade and more open energy market.

*“The Europe-US LNG Roundtable takes place at a unique moment in history. Many European nations look to diversify energy sources and enhance their energy security, while US producers seek new markets for expanded US oil and gas resources. LNG terminals for export and import have been built, and additional facilities are under construction. In short, buyers and sellers are ready to make a deal, creating a classic win-win situation with economic and geostrategic benefits on both sides of the Atlantic,”* explained **Fred H. Hutchison, Executive Director of LNG Allies.**

The Energy Union strategy, introduced by the European Commission on February 25th, includes actions “to explore the full potential of LNG” storage and supply, focusing on the development of the internal market and increasing interconnectivity. This proves that LNG is seen in the EU as a key alternative for securing stable and competitively priced supplies of gas. However, there is no common framework in place for an EU-wide LNG strategy at the moment. None of the existing LNG import terminals is in a position to fully serve the vulnerable flanks of Europe, which, in particular, need energy supply diversification. Therefore, speakers at the Roundtable underlined the need to develop the EU’s LNG receiving and gas pipeline infrastructure.

*“Energy security is a world-wide challenge, as we are all dependent on each other in the global markets. That is why we need to steadily enhance the infrastructure necessary to provide greater energy diversification and security. At Central Europe Energy Partners, we strongly advocate a holistic approach to that issue. We believe the key to the EU’s energy security is the North–South Corridor of pipelines and interconnectors bringing together, among others, the new and existing LNG terminals. This would integrate the still largely separate economies between the Baltic, Adriatic and Black Seas, allowing gas*



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*and other resources to flow freely wherever needed,” emphasised **Paweł Olechnowicz, Chairman of the Board of Directors of Central Europe Energy Partners.***

Natural gas is widely recognised as the world’s cleanest burning fossil fuel. It is transformed to liquid in minus 160 degrees of Celsius. In this form it is 600 times more compressed, in terms of volume, than originally, which makes it more economical to store or ship at long distances. The portion of the world's gas supply provided by LNG is still considerably lower than the one transported by pipelines. It accounts for approx. 10% of all natural gas consumed worldwide. Yet, this share is growing fast, as new projects start to add volume to supply, together with new markets opening up. In 2014, LNG deliveries were estimated at 243 million tonnes, an increase of 3.5 million tonnes or 1.5% over 2013.

*“At A.T. Kearney, we aim to engage in projects that create lasting benefits for the societies in which we live. We perceive that taking part in initiatives enabling an expanded transatlantic trade in LNG, definitely fits into that pattern. The shale gas revolution increased the accessibility of affordable fuel, and LNG technology allows the shipment of this fuel over long distances. Although American and European gas markets are very much different, we see it as an opportunity that we should try to pursue on both sides on the Atlantic, and strongly believe that it could be beneficial for Europe and America. We speak about energy security being shared by the entire Northern hemisphere,” outlined **Tomasz Troniewski, Executive Director of A.T. Kearney.***

The transatlantic roundtable on LNG was organised by LNG Allies, Central Europe Energy Partners (CEEP) and A.T. Kearney. It aimed at providing a forum for US exporters and upstream natural gas producers to meet potential customers from Europe. Speakers included key members of the US Congress, US government officials, EU Commissioners, members of the European Parliament and representatives of energy companies from the US and the EU. The first part of the event was held at the European Parliament, and was co-hosted by Jerzy Buzek, Chairman of the Committee on Industry, Research, and Energy; and Bernd Lange, Chairman of the Committee on International Trade. The second day focused on commercial interests from both the United States and Europe.

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