

Expected Growth of U.S. LNG Exports to Support Nearly 500,000 Jobs Annually and Add \$1.3 Trillion to United States Gross Domestic Product Through 2040, New S&P Global Study Finds

Impact on U.S. domestic natural gas prices—among the lowest in the world—would remain negligible

WASHINGTON, Dec. 17, 2024 /PRNewswire/ -- On their current trajectory, growing exports of U.S. liquefied natural gas (LNG) would support nearly half a million domestic jobs annually and contribute \$1.3 trillion to U.S. gross domestic product through 2040 while having a negligible impact on domestic gas prices, according to a new comprehensive study by S&P Global.

S&P Global

The study projects U.S. LNG export capacity to double over the next five years under a Base Case that takes into account current conditions, including impacts from the 2024 pause of pending decisions on exports of LNG to non-free trade agreement countries. In addition to the projected sizeable jobs and GDP gains, future export activity is anticipated to generate more than \$2.5 trillion in total revenues for U.S. businesses, \$166 billion in federal and state tax revenues and more than \$500 billion in labor income.

"The emergence of the U.S. LNG industry has placed the United States in the pole position with global demand for gas expected to grow through 2040 alongside the rapid growth of renewables," said Daniel Yergin, Vice Chairman, S&P Global. "Continued growth in U.S. LNG capacity would have outsized impact in terms of jobs, GDP and labor income. In addition to domestic economic benefits, being the world's leading LNG supplier adds a new dimension to U.S. influence abroad. It was U.S. LNG that replaced nearly half of Russia gas supply to Europe after the outbreak of war in Ukraine."

The study, [Major New U.S. Industry at a Crossroads: A U.S. LNG Impact Study](#) leverages the combined expertise of the S&P Global Commodity Insights and S&P Global Market Intelligence divisions to provide a comprehensive and forward-looking assessment of the projected impacts of LNG exports on the U.S. economy. It compares Base Case findings—utilizing S&P Global's proprietary "Inflections" scenario—to those under an Extended Halt Scenario where no new or currently paused U.S. LNG capacity comes online.

The study is the first in a two-part series. A future companion study will conduct a global greenhouse gas emissions impact analysis (including methane) to quantify expected emissions under the two study scenarios and will expand the economic analysis to include regional and supply chain impacts.

LNG has emerged as a major U.S. industry in less than a decade and made the United States the world's leading supplier. Exports of LNG already support more than 270,000 U.S. jobs annually and have generated more than \$400 Billion in GDP and more than \$800 billion in total revenues for domestic businesses since exports began in 2016. Export revenues from U.S. LNG already exceed those of U.S. soybeans, are twice that of the nation's movie and television exports and half those of U.S. semiconductors.

At the same time, most of the U.S. gas supply—nearly 90%—remains available for domestic consumption and natural gas

prices for U.S. households continue to be among the lowest in the world.

"U.S. gas production has more than tripled compared to the amount of LNG that the country exports," said Eric Eyberg, Vice President, Gas and Power Consulting, S&P Global Commodity Insights. "That abundant supply has allowed LNG exports to support more than 270,000 jobs annually and contribute more than \$400 Billion to GDP to date with no major impact to domestic prices."

However, if new or currently halted LNG capacity does not come online, the repercussions would be substantial, the study finds.

Under the study's Extended Halt Scenario:

- An annual average of 100,000+ jobs would be at risk
- \$250+ billion contributions to GDP would go unrealized
- \$491 billion in lost revenues for U.S. businesses
- \$110 billion in lost labor income
- \$34 billion forgone federal and state tax revenues

Restricting future LNG capacity would have little to no benefit in terms of U.S. natural gas prices either, the study finds. The difference between the two study scenarios in terms of average annual gas costs for U.S. households (2025-2040) would be less than 1%.

If future U.S. capacity were not to materialize, other countries would seek to fill the gap, the study says. Qatar, Canada and Mozambique would be expected to accelerate their own projects to claim market share. Other countries, including Russia, would likely add capacity as well.

In total, the study estimates that 85% of the supply deficit under the Extended Halt Scenario would be made up by fossil fuels from non-U.S. sources.

"The economic consequences to ceding the U.S. position in LNG would be stark, but it goes far beyond that," said Carlos Pascual, Senior Vice President for Global Energy and International Affairs, S&P Global Commodity Insights. "Such a move would diminish U.S. geopolitical influence as a reliable and affordable energy supplier to allies and trading partners, as a key source for expanding energy access in developing countries and—by providing a replacement for coal in baseload power generation—an important catalyst to global decarbonization efforts."

About the Study:

Major New U.S. Industry at a Crossroads: A U.S. LNG Impact Study is available at: <https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-1>

This study offers an independent and objective assessment of the economic, market and global impact of the U.S. LNG Industry built from a detailed bottom-up approach, at the asset and market level, technology by technology. It represents the collaboration of S&P Global Commodity Insights and the Global Intelligence and Analytics unit within S&P Global Market Intelligence supported by the world's largest expert team of more than 1,400 energy research analysts and consultants continuously monitoring, modelling and evaluating markets and assets. The analysis and metrics developed during the course of this research represent the independent analysis and views of S&P Global. The study makes no policy recommendations. This research was supported by the US Chamber of Commerce.

S&P Global is exclusively responsible for all of the analysis, content and conclusions of the study.

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