

Changing Restrictions on Russian Gas to Europe Would Disproportionately Impact US LNG Exports, New S&P Global Commodity Insights Study Finds

Future course of sanctions and flow of Russian gas to Europe could impact up to \$120 billion of investment and 29 MMtpa for future U.S. LNG projects

WASHINGTON, May 8, 2025 /PRNewswire/ -- The United States, which currently supplies half of Europe's liquefied natural gas (LNG) imports and roughly 15% of the continent's total gas supply, would be disproportionately impacted if current restrictions on Russian gas and LNG were to change, a new S&P Global Commodity Insights study finds.

The report, [U.S. LNG Exports at Risk: Potential Unwinding of Sanctions on Russian Natural Gas](#) found that, under an "Opening the Taps" scenario where U.S. sanctions on Russian natural gas pipeline and LNG exports are withdrawn and new volumes of Russian gas flow to Europe, more than 17 million metric tons per annum (MMtpa) in new U.S. LNG projects—representing \$70 billion in related investment—would be curtailed compared to a "Current Trend" scenario.

Conversely, a scenario with Europe increasingly "Phasing Down" Russian LNG and most piped gas, largely consistent with the EU Commission's REPowerEU Roadmap published on May 6 would result in an additional 12 MMtpa in U.S. LNG projects reaching final investment decision—representing an additional \$48 billion in related investment.

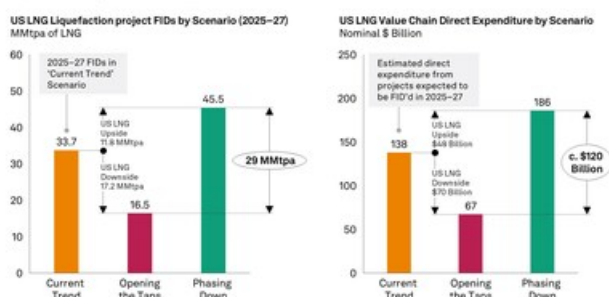
The outcomes between the "Opening the Taps" and "Phasing Down" scenarios represent 29 MMtpa in U.S. LNG project final investment decisions and nearly \$120 billion in related investment impact.

"Any changes to restrictions on Russian gas flows to Europe would dramatically impact U.S. LNG in market share and investment," said Carlos Pascual, Senior Vice President, Global Energy, S&P Global Commodity Insights. "On the downside, unwinding Russia sanctions would reduce the market for U.S. LNG, curtailing investment in future U.S. projects and simultaneously undermining European efforts to diversify gas imports."

U.S. LNG is disproportionately impacted across the scenarios given its nature as the balancing supply for global LNG markets. Its contractual structures and U.S. market liquidity mean that it reacts more quickly to price signals.

Given the volatility seen in policy on gas exports and imports, European policy decisions could evolve over time depending on wider political circumstances in Europe and globally thus validating all three potential scenario outcomes.

US Natural Gas Liquefaction Project FIDs by Scenario (2025–27) and US LNG Value Chain Direct Expenditure by Scenario (2025–40)



Source: S&P Global Commodity Insights, © 2025 S&P Global. Notes: FIDs include FIDs that have already been taken including Woodside Louisiana (16.5 MMtpa). Incremental US LNG Value Chain Direct expenditure estimation based on S&P Global Report "Major New US Industry at a Crossroads: A US LNG Impact Study Phase 1", covering direct expenditure for LNG Pipeline & Storage and Upstream (Drilling, Completion, Facilities and Gathering & Processing costs).

Scenario 1: "Current Trend":

U.S. LNG Liquefaction project FIDs (2025-2027): 33.7 MMtpa

U.S. LNG Value Chain Direct Expenditure (2025-2040):\$138 billion

S&P Global Commodity Insights expects new contracts for LNG to be critical to closing a growing European gas supply gap that is driven by demand recovery, declining domestic production and piped imports and LNG contract expiry. Addressing the supply gap, along with the need for energy security and preferences to reduce exposure to volatile spot markets provides space for additional LNG contract signings and thus potential for additional financing for liquefaction projects in the United States and elsewhere.

- Russian pipeline gas to Europe continues via TurkStream
- Russian LNG still purchased by some European countries
- Sanctions continue to limit new Russian LNG projects
- Russia's Power of Siberia-2 pipeline to China launches in the 2030s

Scenario 2: "Opening the Taps":

U.S. LNG Liquefaction project FIDs (2025-2027): 16.5 MMtpa

U.S. LNG Value Chain Direct Expenditure (2025-2040):\$67 billion

- Additional 2.7 bcf/d Russian pipeline gas to Europe via the remediation of an existing pipeline route from July 2025
- Sanctions on Russian LNG are lifted, adding 9 MMtpa Russian export capacity by 2035 versus the Base Case
- Development of existing and future Russian LNG projects accelerates

Alternate Scenario 3: "Phasing Down":

U.S. LNG Liquefaction project FIDs (2025-2027): 45.5 MMtpa

U.S. LNG Value Chain Direct Expenditure (2025-2040):\$186 billion

- Complete ban on Russian LNG to Europe from January 2026
- Arctic-2 LNG ramp-up delayed and Yamal LNG deliveries effected by shipping and trade-route logistical challenges
- Pipeline flows continue to Southeast Europe via Turkey, as per the Base Case

About the Study:

U.S. LNG Exports at Risk: Potential Unwinding of Sanctions on Russian Natural Gas available at:

<https://www.spglobal.com/en/research-insights/special-reports/us-lng-exports-at-risk-potential-unwinding-of-sanctions-on-russian-natural-gas>

The study offers an independent and objective assessment of the impact of alternative Russian natural gas and LNG scenarios on the global gas balance and the U.S. LNG industry. It is built from a detailed bottom-up approach, at the asset and market level, technology by technology.

U.S. LNG Exports at Risk: Potential Unwinding of Sanctions on Russian Natural Gas part of S&P Global's ongoing major research initiatives examining the economic impacts of U.S. LNG exports. Previous reports found that the growth of U.S. LNG export capacity 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, and that the continued development of U.S. LNG export capacity would result in [significantly lower global greenhouse gas emissions](#) compared to the alternative energy sources that would be required to meet demand in their place.

The analysis and metrics developed during the course of this research represent the independent analysis and views of S&P Global Commodity Insights. The study assesses the market impacts of different scenarios to provide others a basis for informed policy choices. The study was supported by the U.S. Chamber of Commerce.

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

Media Contacts:

Jeff Marn +1-202-463-8213, Jeff.marn@spglobal.com

About S&P Global Commodity Insights

At S&P Global Commodity Insights, our complete view of global energy and commodity markets enables our customers to make decisions with conviction and create long-term, sustainable value.

We're a trusted connector that brings together thought leaders, market participants, governments, and regulators and we create solutions that lead to progress. Vital to navigating commodity markets, our coverage includes oil and gas, power, chemicals, metals, agriculture, shipping and energy transition. Platts® products and services, including leading benchmark price assessments in the physical commodity markets, are offered through S&P Global Commodity Insights. S&P Global Commodity

Insights maintains clear structural and operational separation between its price assessment activities and the other activities carried out by S&P Global Commodity Insights and the other business divisions of S&P Global.

S&P Global Commodity Insights is a division of S&P Global (NYSE: SPGI). S&P Global is the world's foremost provider of credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help many of the world's leading organizations navigate the economic landscape so they can plan for tomorrow, today. For more information visit <https://www.spglobal.com/commodity-insights/en>.



SOURCE S&P Global Commodity Insights

<https://press.spglobal.com/2025-05-08-Changing-Restrictions-on-Russian-Gas-to-Europe-Would-Disproportionately-Impact-US-LNG-Exports.-New-S-P-Global-Commodity-Insights-Study-Finds>