

Cold Winter Ahead: EU's Self Imposed Energy Crisis is "Taking a Turn for the Worse". Desperate Scramble to Import U.S. LNG

LNG Storage Space Runs Out as Brussels Braces for Winter Without Russian Gas

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[The European Union's self-imposed energy crisis](#) is taking a turn for the worse. The political elites in Brussels and their suicidal subservience to Washington DC is breaking records day by day. The latest energy hurdle the bloc is facing is a chronic lack of transport ships carrying liquefied natural gas (LNG) from the United States to EU countries. [According to Bloomberg](#), as the bloc is trying to prepare for a winter without Russian natural gas and other crucial commodities, LNG shipping rates are surging, but this will not be enough to meet the EU's energy needs this season. The report states that European countries are now paying to keep the LNG transport ships loaded with natural gas in ports as onshore LNG storage facilities are full.

As companies are racing to charter entire fleets of LNG transport ships, there is a growing fear that there will not be enough vessels capable of transporting natural gas from the US. This problem is further exacerbated by those ready to pay for the already-loaded ships to stay in ports. [Gas Market Report by the International Energy Agency \(IEA\)](#), released on October 3, states that the demand for LNG in EU member states surged by 65% for the first three quarters of 2022 when compared to the same period last year.

In the aftermath of anti-Russian sanctions, the EU was forced to import less from Russia. [According to OilPrice.com](#), in June, the bloc imported more natural gas from the US than from Russia for the first time in its history. [A Reuters report claims](#) that up to 70% of US LNG exports were sent to the EU in September, which was a 7% increase in comparison to August. In the meantime, countries in East Asia and South America are also trying to acquire more natural gas in preparation for the winter season, which is adding even more pressure on shipping companies. Worse yet, US states in New England, which are dependent on LNG

imports, are now forced to compete with EU buyers, which further drives up prices, [according to Seeking Alpha](#).

The October 11 report published by Bloomberg states that the cost to charter a transport ship loaded with LNG and set to sail across the Atlantic Ocean rose to \$397,500 per day. This new record for Atlantic LNG shipping rates represents an increase of over 6% in less than a week, as the previous record of \$374,000 per day was set on October 3. However, to better understand just how mind-boggling the shipping prices are now, it's better to compare on a yearly basis. In 2021, the Atlantic LNG freight rate was \$91,000 per day. With the newest record, which has very likely already been topped, this is an increase of over \$306,500 per day, or 337%, and an approximately 500% increase since January 2022, [according to Spark Commodities](#).

The LNG shipping price assessor reports that this broke the 2021 all-time record high for the Pacific Ocean freight rates which happened at the height of the supply chain crisis. The price is expected to surge further as traders are hoarding even more natural gas. The scramble to buy more LNG and charter additional transport ships to carry it is very likely to create the next big shortage in the energy market, experts and traders agree.

The shortage has become so severe as it is that LNG exporters in Asia are now selling natural gas directly from their ports instead of offering to ship it to buyers. However, many buyers lack LNG shipping vessels of their own and are forced to pay exorbitant prices to get natural gas to their own ports, while in some cases they can't even find a way to transport the LNG they already paid for. According to LNG traders, there are very few transport ships left to charter for the rest of 2022 and they are charging astronomical rates.

The shipping issues for the LNG are a clear indicator that [pipelines have no viable alternatives](#). However, with NATO countries and satellite states being involved in sabotage operations against Russia-EU pipelines, be it through sanctions or terrorist acts such as the Nord Stream 1 and 2 explosions, Brussels is now forced to contend with both US LNG producers and freight companies and their exorbitant prices.

There's growing frustration in the EU as it is painfully obvious that [the US is making astronomical profits thanks to the escalation of tensions between Brussels and Moscow](#). Global demand for LNG transport vessels is driving freight rates even higher, which will make pipelines even more important. The EU will have a clear choice - either come to an agreement with Russia and stop acts of sabotage or continue paying several times more for LNG and brace for certain shortages as storage space runs out.

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