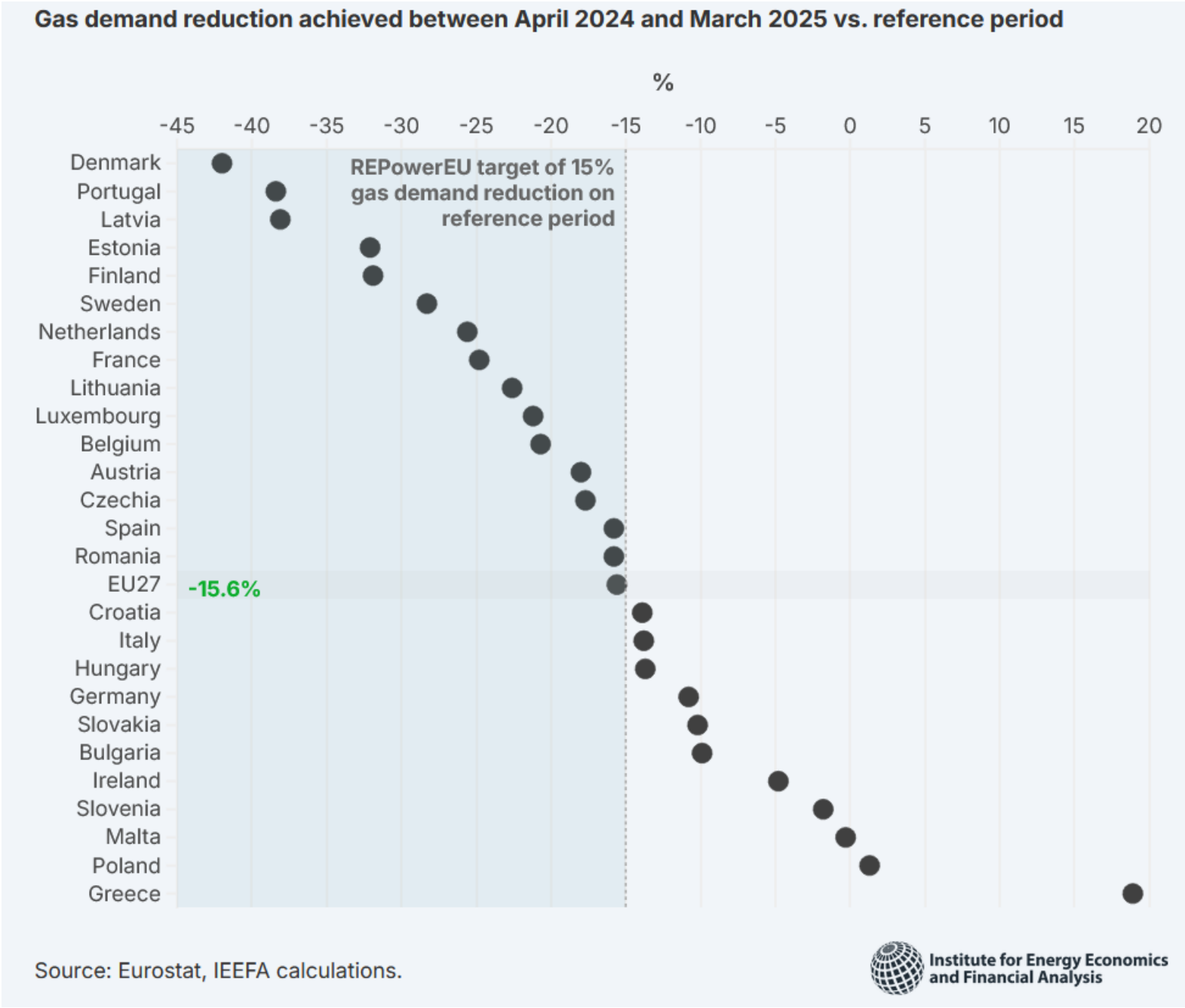
SSDC 25TH OF SEPTEMBRE 2025

REPOWER EU REACHED ITS TARGET REGARDING GAS, THE ROADMAP PUBLISHED IN MAY SETS NEW REDUCTIONS

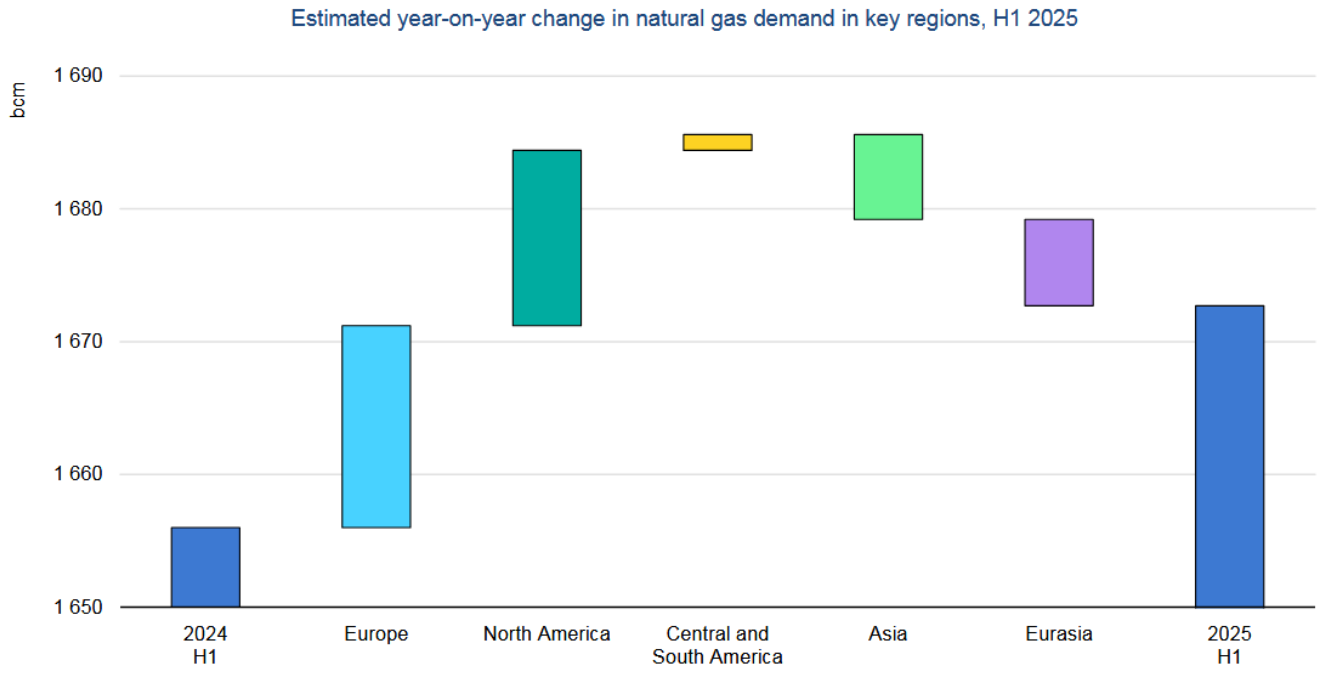
- EU member states cut their gas consumption from April 2024 to March 2025 **by 15.6%** compared to their average annual consumption between April 2017 and March 2022.
  - The EU demand was around 320 bcm in 2024, compared to 400 bcm in 2017-2022, that's 80 bcm less than in the reference period
- The European Commission's communication on the REPowerEU Roadmap said: "*The full implementation of the energy transition and the recent Action Plan for Affordable Energy are expected to* ***replace up to 100 bcm [billion cubic metres] of natural gas by 2030.*** *This corresponds to saving the EU more than 15 bcm of gas per year, or a further reduction in gas demand by 40-50 bcm by 2027, which will also facilitate the phase out of Russian gas imports*."



LAST SEMESTER SAW AN INCREASE IN EUROPEAN GAS DEMAND

- **Natural gas consumption in OECD Europe rose by an estimated 6.5% (13-15 bcm) y-o-y in H1 2025.**
- The power sector was the most important driver behind higher gas use and alone accounted for almost 60 % of the incremental gas demand in H1 2025 amid lower renewable power output in Q1.

Europe and North America drove demand growth in H1 2025

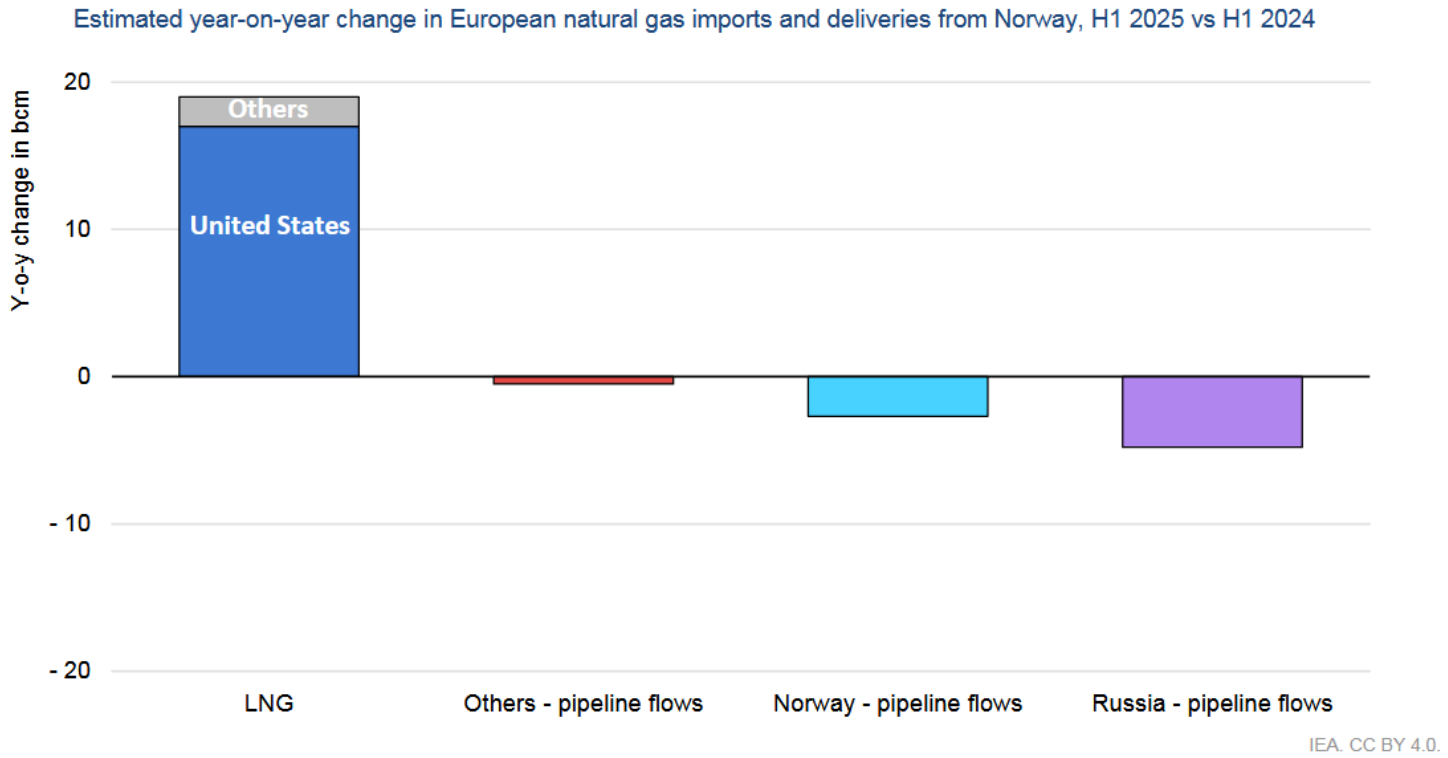


Notes: Asia comprises Bangladesh, China, India, Indonesia, Japan, Korea, Malaysia, Pakistan, the Philippines, Singapore and Thailand.

- **Overall, natural gas consumption is expected to grow by 3,2 % in 2025, but to decrease by 2 % in 2026**

THE HIGHER DEMAND IN THE FIRST SEMESTER OF 2025 WAS SATISFIED BY AMERICAN LNG

- A significant bump in LNG imports in 2025 (+25 % in H1), after a significant decline in 2024 (-18 %), following the expiry of the Ukrainian pipeline transit agreement for Russian gas (at the end of 2024) and lower pipeline flows from Norway (maintenance operations).

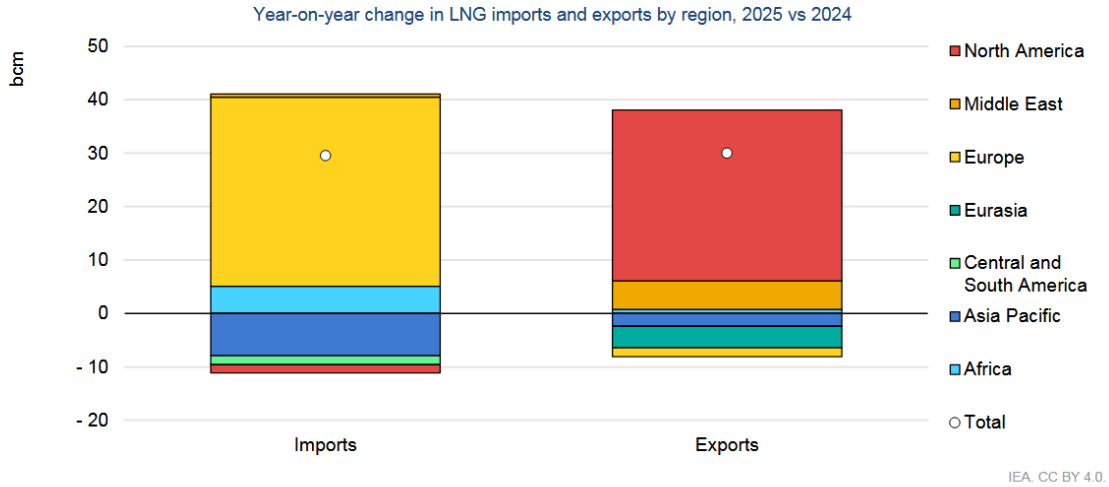


Sources: IEA analysis based on Enagas (2025), Natural Gas Demand; ENTSOG (2025), Transparency Platform; EPIAS (2025), Transparency Platform; Trading Hub Europe (2025), Aggregated consumption.

THE EU IS ABSORBING AMERICAN SUPPLY GROWTH, AT A PRICE

- EU has bought most of the additionnal exports of the US in 2025. *And at a very high price !*
- Up to June 2025, gross imports of LNG in the EU amounted to 66 bcm, of which 37 bcm came from the US (56 %) and 10 bcm from Russia (15 %).
- The **EU's total LNG import capacity** now amounts to around 250 billion cubic metres per year, more than double the current annual LNG imports. Notably, **between 2022 and 2024, a record 12 new LNG terminals and 6 expansion projects** were commissioned across the EU, adding **70 billion cubic metres of import capacity**. (EC)

Europe and North America lead the LNG market shift in 2025



Source: IEA analysis based on ICIS (2025), LNGEdge.

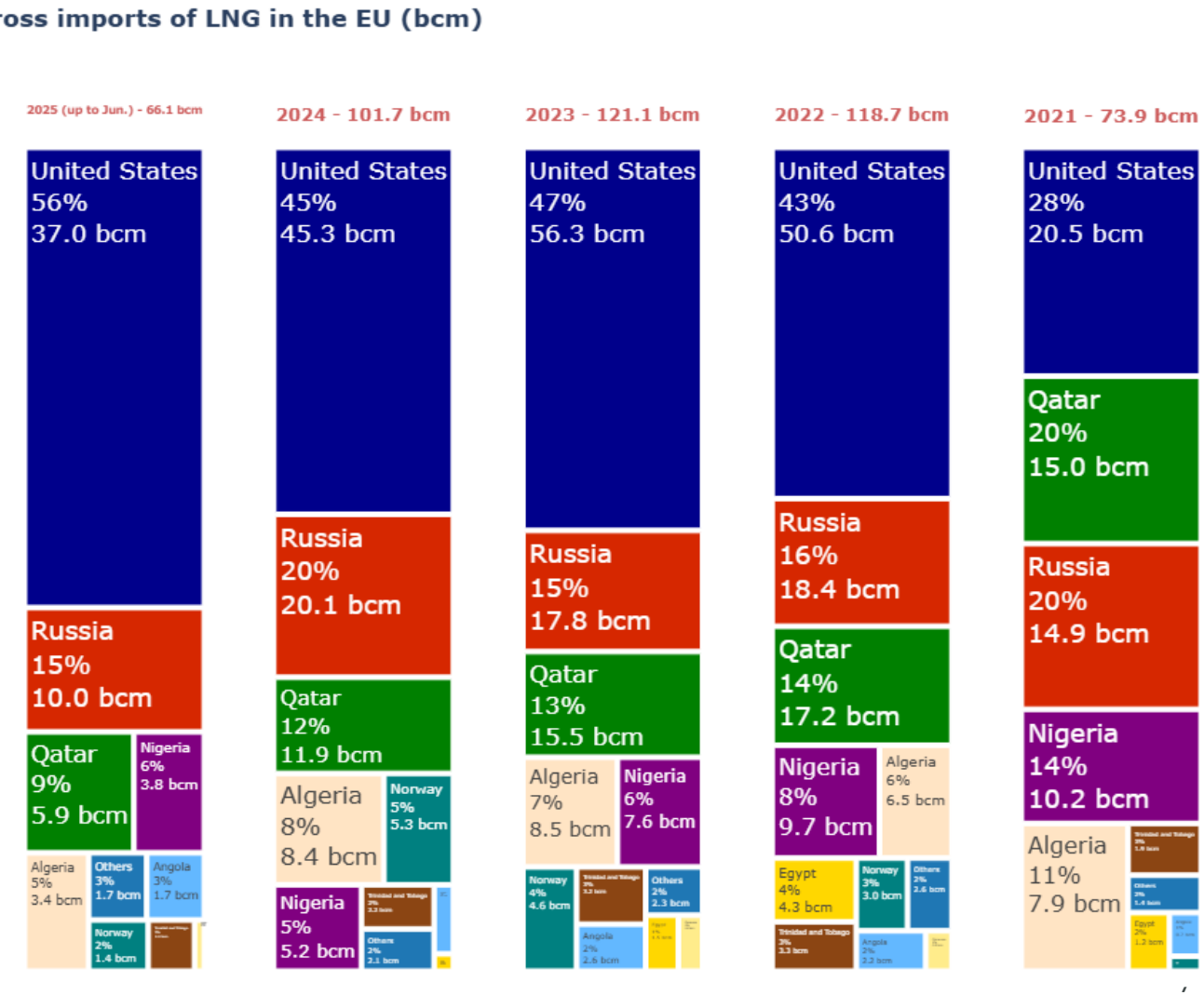
Average price of LNG paid by the EU (euro/MWh)

From	2021	2022	2023	2024
Qatar	36.0	67.0	46.6	28.8
Russia	33.3	77.5	39.3	29.7
US	38.3	91.7	44.9	34.4

Source: Eurostat, IEEFA's European LNG Tracker.

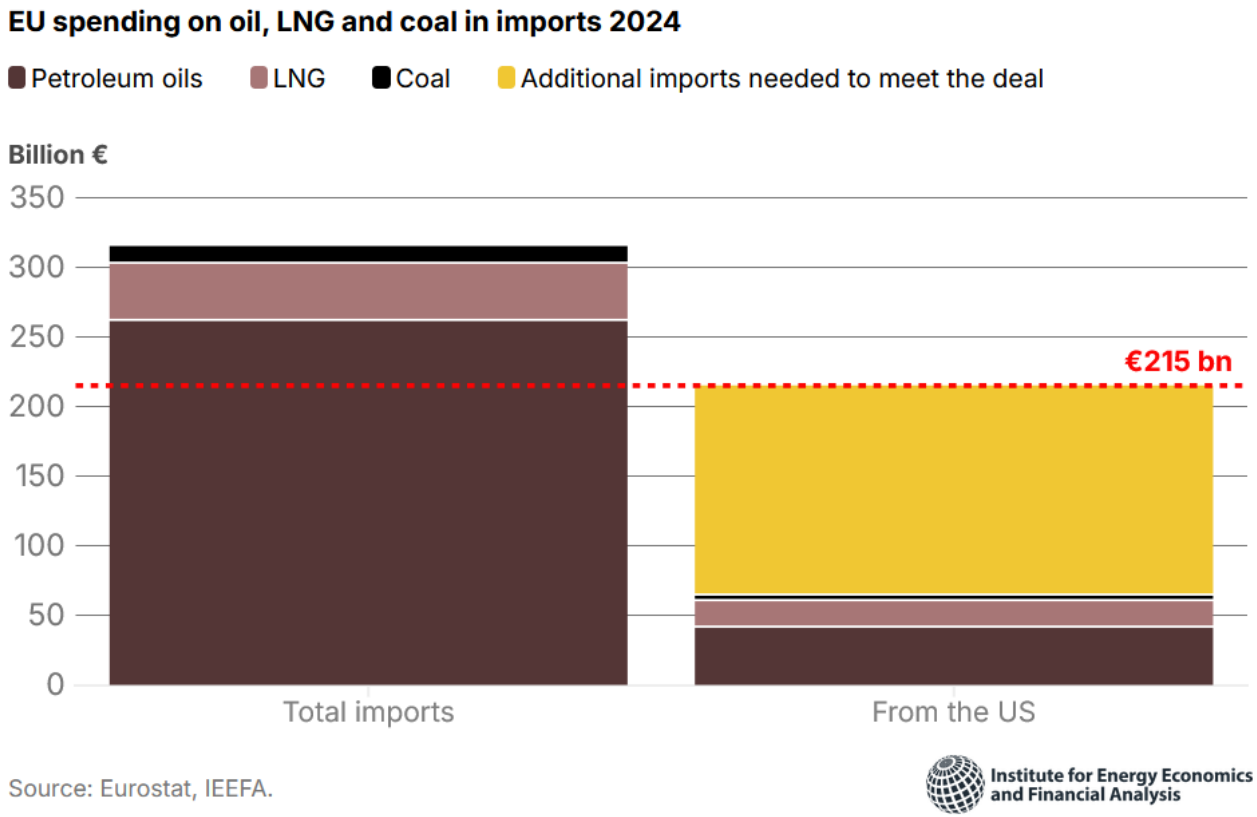
REPOWER EU HAS BEEN HARSH ON RUSSIAN GAS IMPORTED THROUG PIPELINE, BUT THE DECLINE IN LNG IS LESS CLEAR

- The growth in LG imports from the US is not a switch from Russia but from the other suppliers, like Qatar and Nigeria…



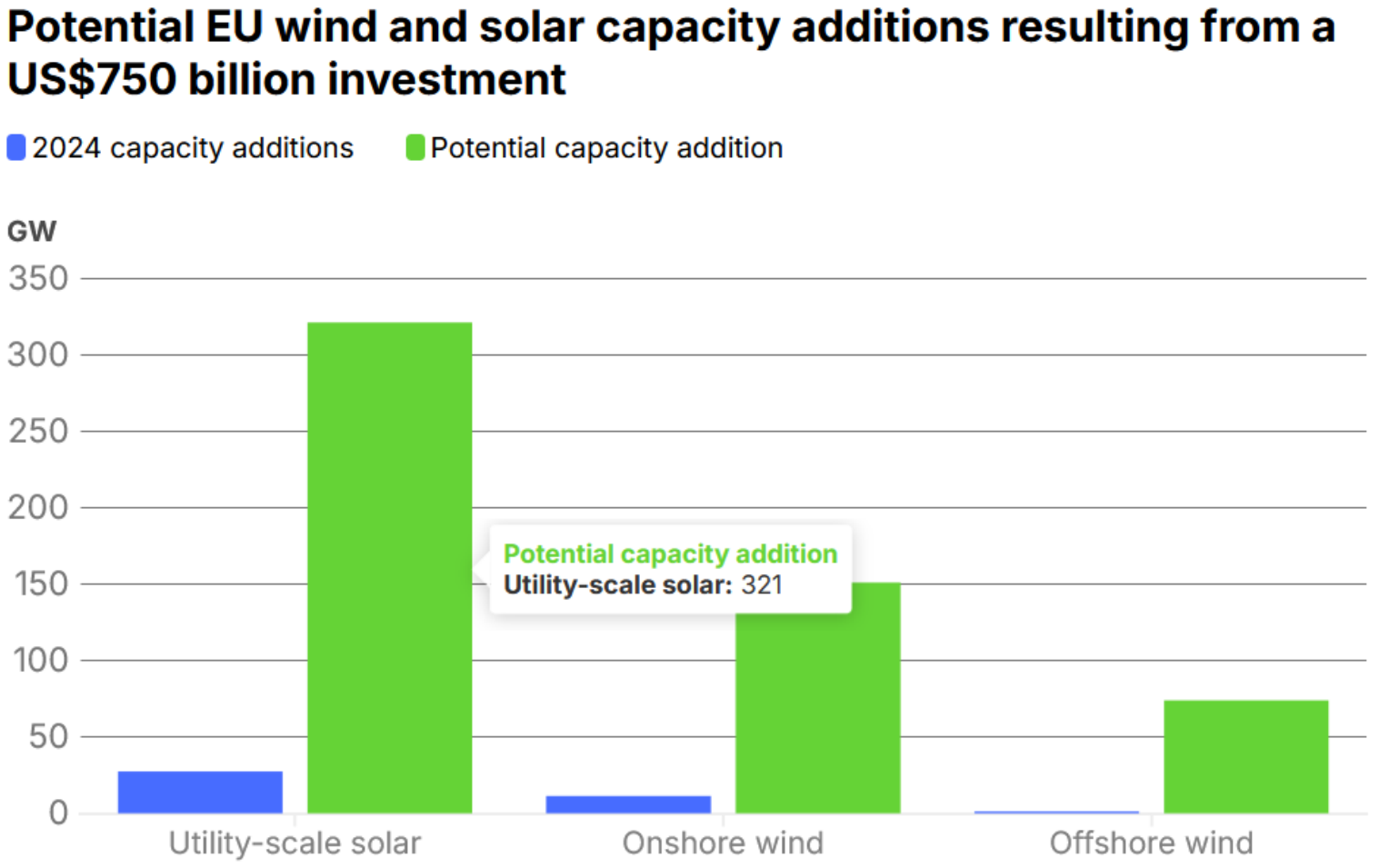
FROM MOSCOW TO WASHINGTON : THE US-UE TRADE DEAL, IF ACHIEVABLE, WOULD PUT THE US IN FULL CONTROL OF THE EU'S ENERGY SECURITY

- The EU imported 315 G€ of oil, coal and LNG in 2024, with the US accounting for 21 % of EU imports of these 3 fuels last year.
- **The US are already a prominent energy partner.**
- **Current import volumes of US LNG, oil, nuclear fuel and fuel services in the EU** already amount to around 70-80 G€/y.
- **The EU would need to source 70% of its oil, LNG and coal imports from the US to achieve its trade deal target.**



- **Furthermore, CO2 emissions resulting from LNG imports from the US are massive (extraction, methane leaks, liquefaction, transport, regas)**

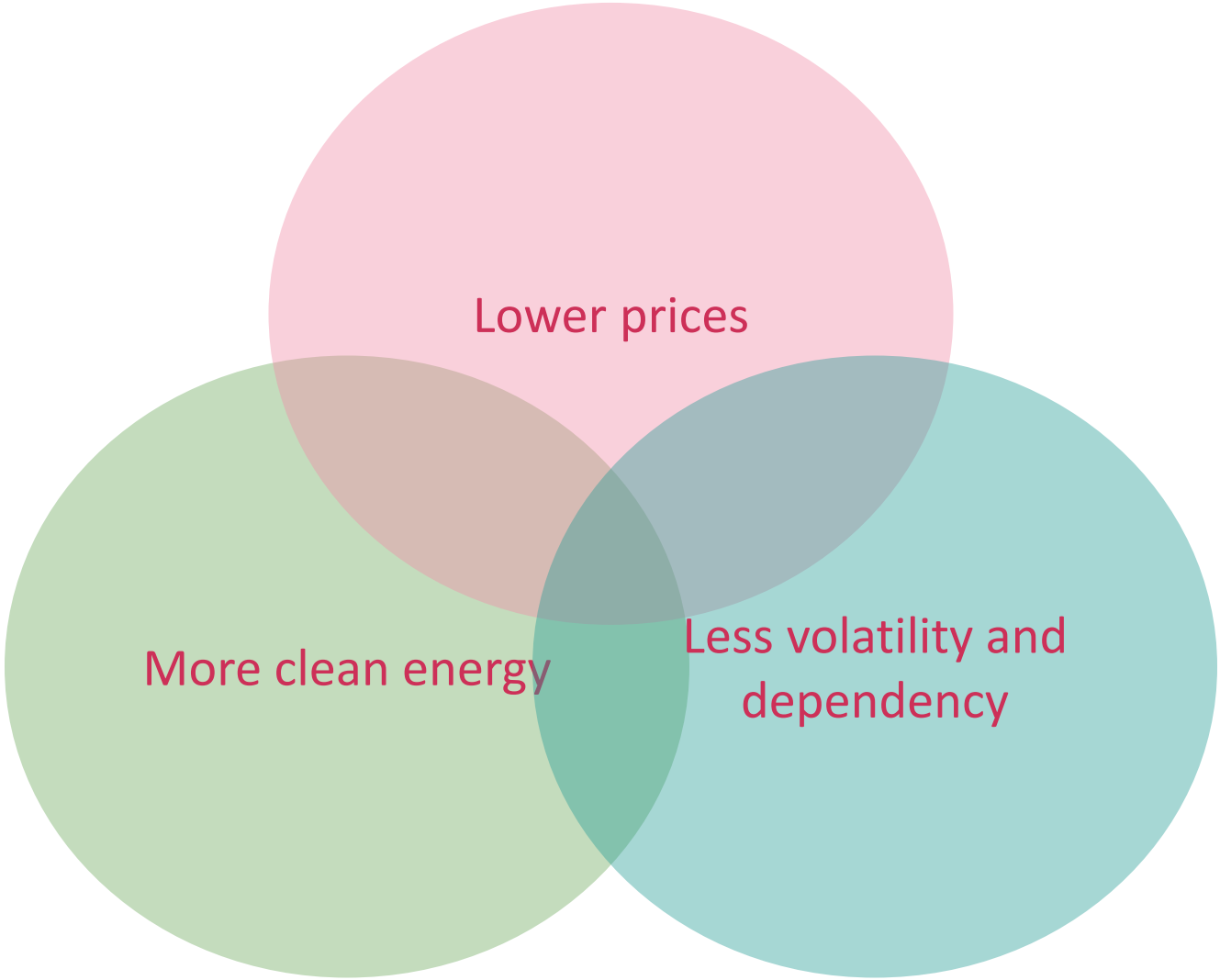
THIS TRADE DEAL IS NOT ONLY DANGEROUS AND CONTRARY TO DEMAND REDUCTION TARGETS, IT'S A MISSED OPPORTUNITY



GAS IS THE INSURANCE POLICY OF THE EUROPEAN ENERGY SYSTEM, BUT THE ACTION PLAN FOR AFFORDABLE ENERGY AIMS AT MAKING IT OBSOLETE

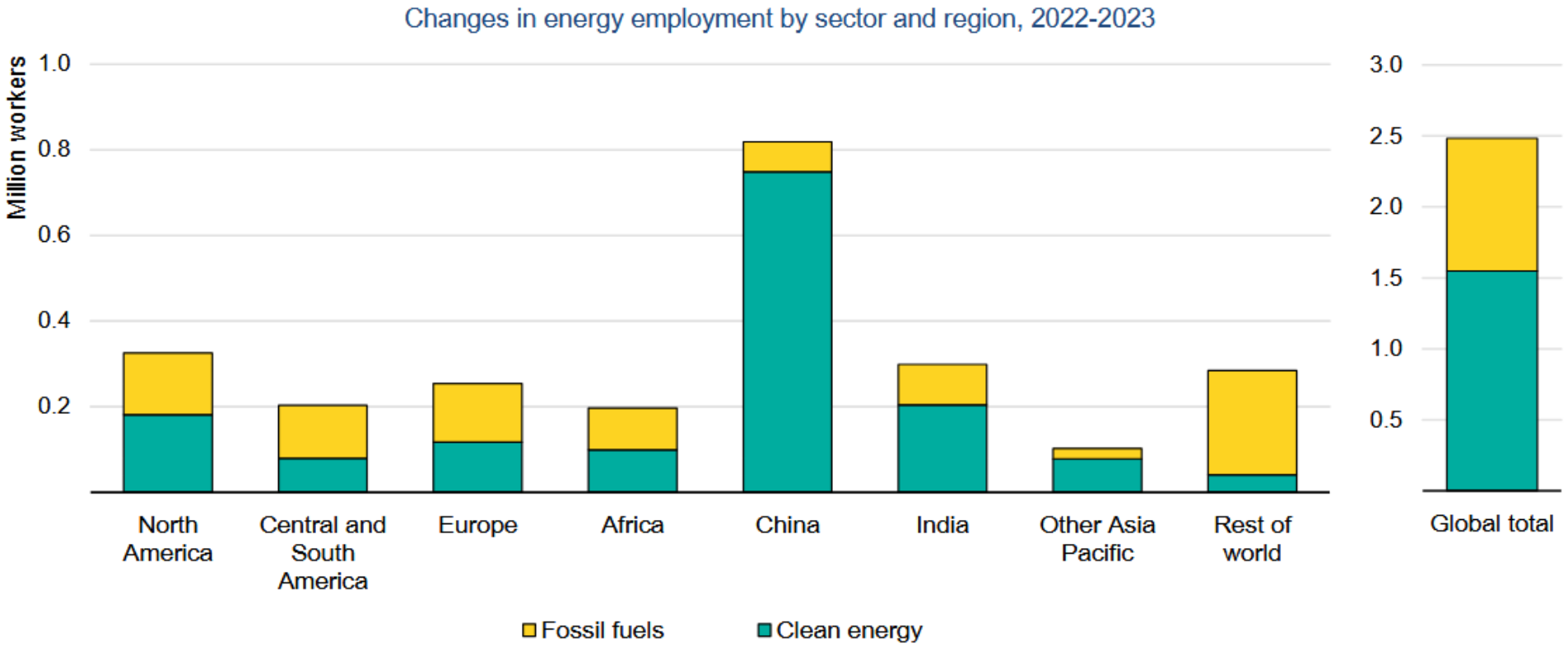
- Increased clean energy production and consumption would translate into a drop in the EU's fossil fuel import bill year after year towards EUR 130 billion of savings per year by 2030, though :
  - increasing electrification and energy efficiency, which in turn decreases total fossil fuel demand (25%)
  - replacing persistent fossil-fuel demand in electricity generation with clean energy (50%),
  - sufficient grid capacity, smart grid infrastructure and energy system flexibility (25%).
- The savings in the EU's fossil fuel import bill will increase annually up to EUR 260 billion by 2040.
- **How would the Action Plan for Affordable Energy (February 2025) compatible with the EU-US trade deal is, at least to us, a mystery.**

REPOWEREU, CLEAN INDUSTRIAL ACT AND ACTION PLAN FOR AFFORDABLE ENERGY CONVERGE



LAST DATA AVAILABLE SHOW AN INCREASE IN FOSSIL AND CLEAN ENERGY JOBS IN EUROPE, WITH A STRONG POTENTIAL FOR MORE JOBS IN CLEAN TECHS…

Clean energy captured the largest share of growth in energy jobs in 2023, while fossil fuel employment also increased in all regions



Notes: Clean energy sectors include low-emissions fuel sources, low-emissions power generation, power grids and battery storage, end-use efficiency, critical minerals extraction, and manufacturing of electric vehicles and their batteries. Fossil fuel includes supply of oil, gas and coal, as well as unabated fossil fuel-fired power generation and internal combustion engine vehicle manufacturing. Please see the Annex for comprehensive definitions.

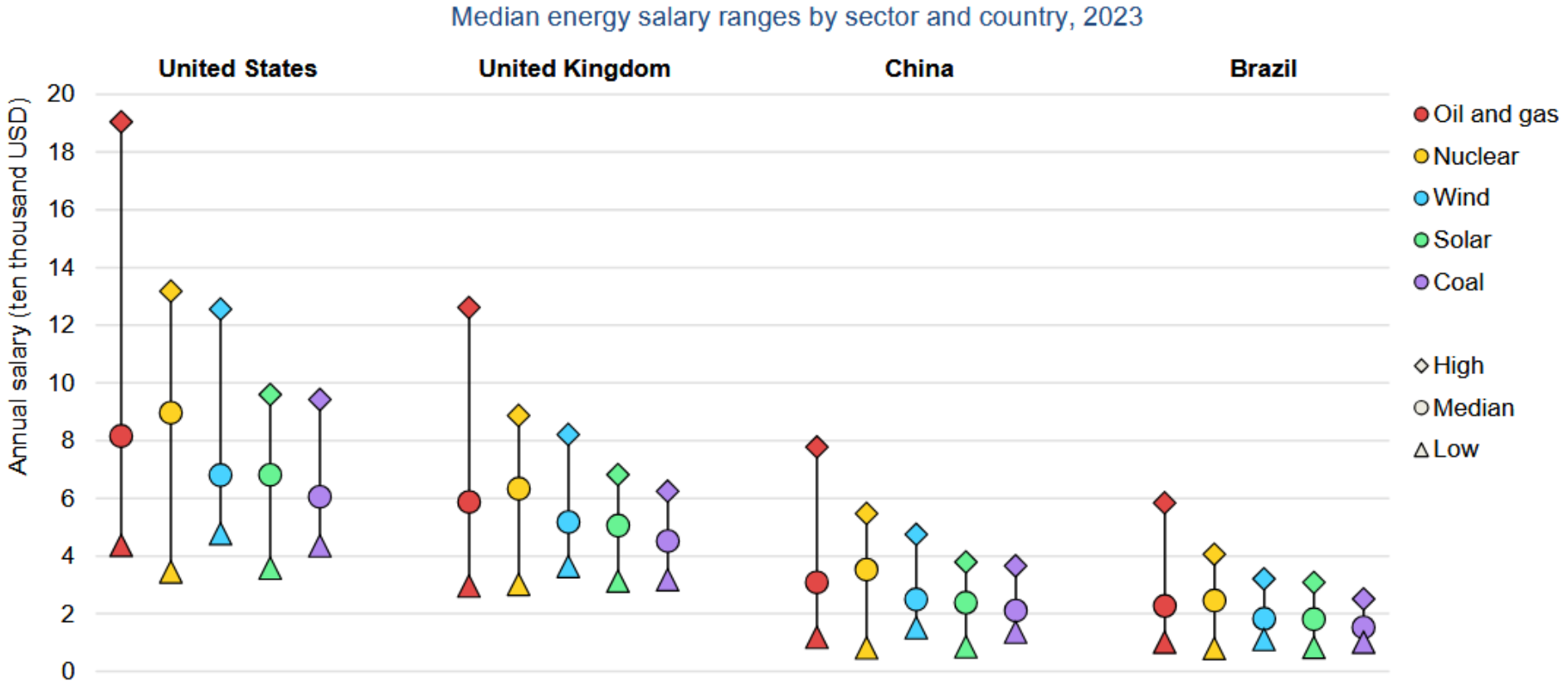
THE JUST TRANSITION PRACTICAL MEASURES ARE NOT YET DECIDED, BUT WORKERS PROTECTION SEEMS LESS IMPORTANT THAN INDUSTRIES' NEEDS FOR ADEQUATE SKILLS

Over €100 billion *will be mobilised by the Clean Industrial Deal to support EU-made clean manufacturing. Although "Every person, community, and business should benefit from the clean transition.",* ***only 90 M€ in support to reskilling in the Clean industrial Deal***

Efforts to support workers in transitions are to be discussed with social partners, but they must include financial protection along with retraining, job placement, etc.

Flagship actions – Skills and quality jobs for social fairness	Timeline
Union of Skills	Q1 2025
Quality Jobs Roadmap	Q4 2025
Guidance on social leasing for clean products	2025
European Fair Transition Observatory	Q1 2026
Skills Portability Initiative	2026
Review of State aid GBER rules for social enterprises and recruitment of disadvantaged workers	Q4 2027
KPI: Reducing the number of occupations requiring specific skills or knowledge for the green transition where at least five Member States reported a shortage. In 2024, there were 27 such occupations.	

WAGES REMAIN LESS ATTRACTIVE IN GREEN ENERGIES THAN IN OIL&GAS, WHERE UNIONIZATION IS FAR BETTER



Notes: All data presented are median salaries. High refers to the highest median salary of any non-executive occupation; low refers to the lowest median salary; and median is the median of all occupations. For example, in the United States oil and gas industry, the high point represents the median salary of a well servicing foreman, and the low point represents the median salary of an oil field labourer.

Source: IEA analysis based on data from the Economic Research Institute (ERI).

2023 ENERGY EMPLOYMENT (IEA WORLD EMPLOYMENT 2024)

Energy employment by region and sector, 2023 (thousand workers)

	North America	Central and South America	Europe	Africa	China	India	Other Asia Pacific	Middle East	Eurasia	Global
Supply: coal	100	<50	100	200	3 300	1 600	800	<50	300	**6 300**
Supply: oil and gas	1 900	1 100	600	1 600	1 200	800	1 000	2 800	1 400	**12 400**
Supply: low-emissions fuels	200	800	300	700	300	700	500	<50	<50	**3 500**
Power: generation	1 000	900	1 500	500	5 200	1 400	1 700	400	400	**13 100**
Power: grids	900	500	1 000	400	2 400	1 600	800	200	200	**8 000**
End uses: vehicles	1 800	500	2 400	400	4 500	1 300	1 900	200	300	**13 400**
End uses: efficiency	1 400	400	1 200	500	3 500	1 200	1 300	200	200	**9 800**
Critical minerals	<50	100	<50	400	<50	<50	100	<50	<50	**800**
All energy	**7 300**	**4 300**	**7 200**	**4 700**	**20 600**	**8 500**	**8 100**	**3 800**	**2 900**	**67 500**

Notes: Power grids include transmission, distribution and storage. Low-emissions fuels include bioenergy supply, hydrogen supply and nuclear supply. Vehicles include the manufacturing of all road vehicles (two- and three-wheelers, passenger cars, light-duty commercial vehicles, buses and trucks) and batteries for EVs. Efficiency refers to energy efficiency in buildings (covering retrofits, heating, ventilation and air conditioning equipment, as well as appliances) and in industry (efficiency of electric motors). Values may not sum due to rounding. Employment estimates for 2022 differ from WEE 2023 in some instances. These adjustments are largely due to revisions to input data, such as national statistics. Overall, there has been a downward revision of our 2022 energy jobs estimate by approximately 1.5 million worldwide. Please see the Annex for further information on historic revisions.

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KNOWLEDGE FOR ACTION