

Demand issues and Supply developments in the EU

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Members

- 32 companies
- 17 associations



euro  gas

Members' areas of activity



Wholesale and retail

Distribution



Demand issues and Supply developments in the EU



- Demand patterns in 2010-2011
- Early indicators in 2012
- EU Supplies in 2011
- Information on Eurogas policy aims

General trends 2010-2011

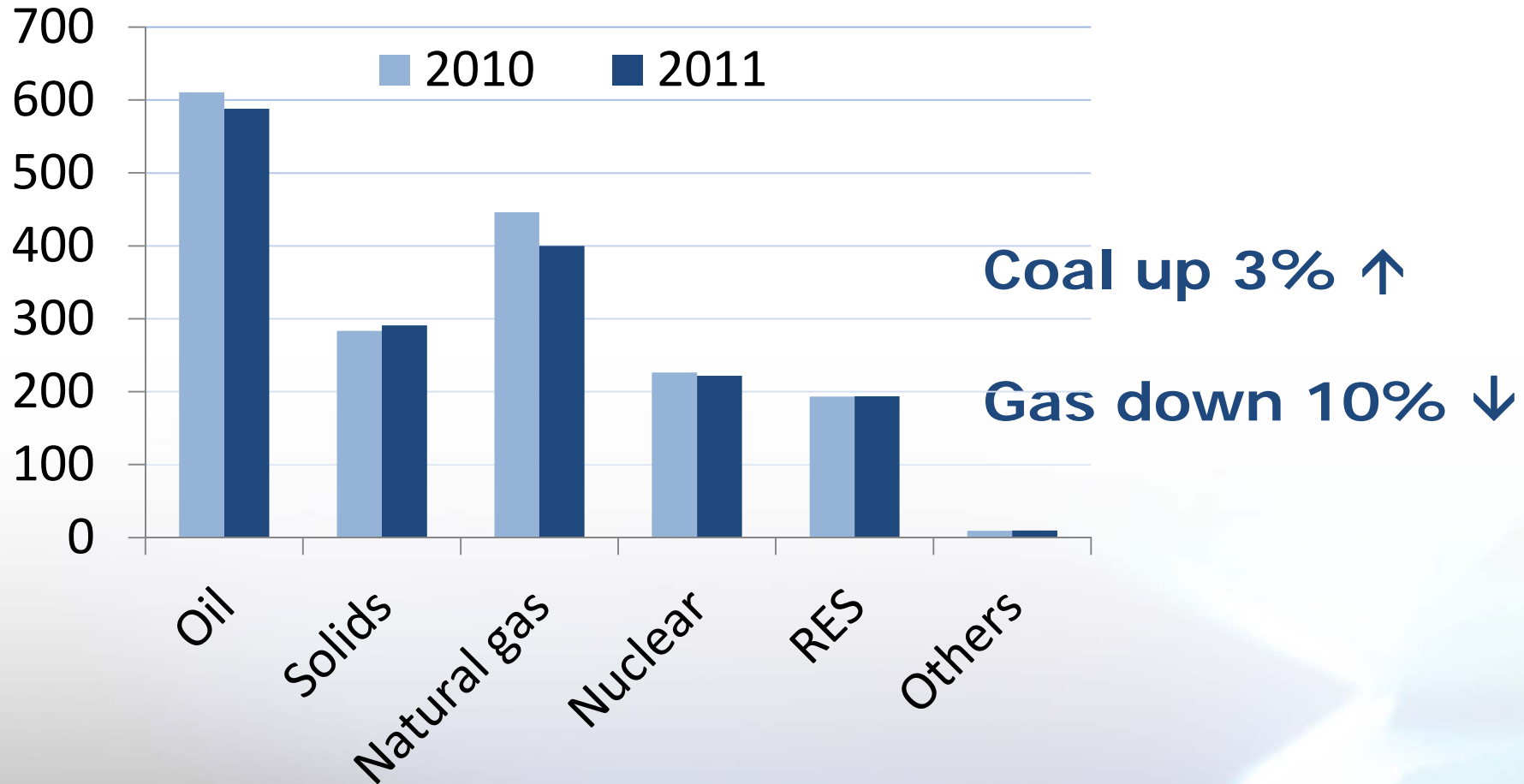


EU natural gas demand between 2010 and 2011 decreased by 10%.

Main drivers for most of the EU countries:

	2010	2011	2011/2010
Weather	Cold	Mild	Res&Com - 18%
Economics of Power Generation	Favoured gas	Favoured coal	Power - 10%
Economic situation	Partial recovery	Stalled	Industry - 1%

And the winner is ... coal!

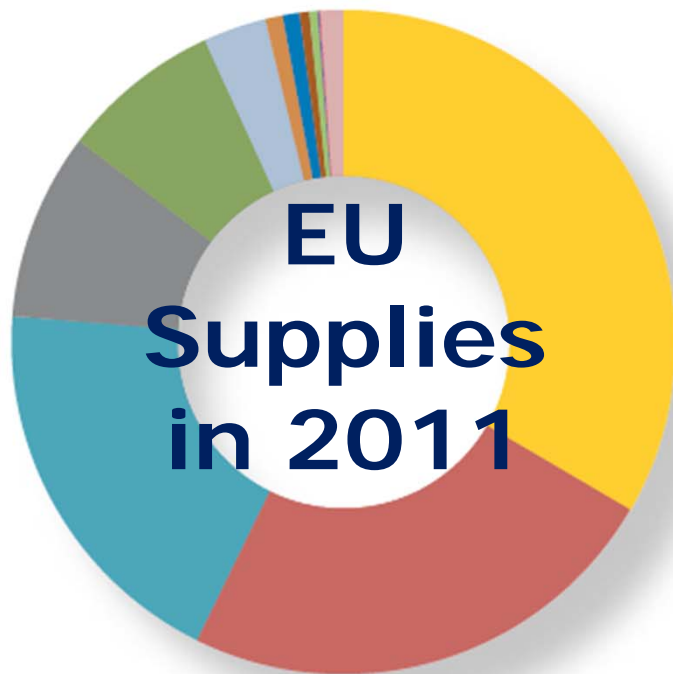


EU Primary Energy Consumption (Mtoe)

Source: Eurogas

Demand remained under pressure in 2012

- First Eurogas estimates of 2012 demand published in October*:
 - 1H 2012/1H 2011: Demand decreased by 2%
 - Estimated 2012 EU demand: slight decrease of 1% compared with 2011
- However, demand in the second half of 2012 still remained under pressure.
- Main drivers:
 - Economics of power generation favouring coal
 - Continuing economic uncertainty
 - Temperatures rather mild



Indigenous Production	33%
Russia	24%
Norway	19%
Algeria	9%
Qatar	8%
Nigeria	3%
Trinidad Tobago	1%
Egypt	1%
Libya	0.5%
Peru	0.4%
Yemen	0.4%
Oman	0.04%
Others*	1%

* Including supplies from sources that cannot be identified

- **Indigenous production** decreased by 11% year on year, in response to lower demand (off-take options) and in line with the continued decline in production from mature basins.
- **Russia, Norway** remained the main sources of pipeline supply
- **Algeria**, supplied both pipeline gas and LNG.
- **More than 10 countries** supplied gas by LNG, which accounts for 15% of supplies in 2011.



Qatar	47%
Nigeria	18%
Algeria	16%
Egypt	5%
Trinidad Tobago	5%
Norway	3%
Peru	2%
Yemen	2%
Oman	0.2%
Libya	0.1%
Others*	2%

* Including supplies from sources that cannot be identified

- Compared with 2010, **LNG supplies in the EU grew by 2% in 2011.**
- **Qatar** remains Europe's leading LNG provider
- The **first Dutch LNG import** terminal opened, increasing the capacity to receive LNG in Europe.
- The EU LNG regasification capacity has more than doubled in the past five years.

Conclusions

- Eurogas is highlighting its concerns over developments in the energy market that are damaging to gas interests
- The gas industry calls for a more supportive European policy and the recognition of the potential of gas in protecting the climate
- Eurogas is pro-active in shaping the framework (regulatory, good-practices, voluntary commitments) that will deliver a more efficient competitive market.

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