

Gas supply in 2015 responds to increased consumer demand

Brussels, 23 October 2015 – Gas demand across the European Union is expected to increase by 7% in 2015 compared with 2014, according to the latest forecast from Eurogas. The first half of 2015 saw a significant increase of approximately 9% in demand, compared with the same period in 2014. This data shows the resilience of the gas market to cope with strong fluctuations in consumer demand.

Following four years of consecutive decline in European gas demand, an estimated 7% increase for 2015 is anticipated, compared with Eurogas' estimates of total consumption of last year.¹ These latest estimates are the result of an annual survey covering approximately 87% of the EU gas market and carried out by Eurogas, the association representing the European gas wholesale, retail and distribution sectors.

This rise in gas demand is mainly linked to seasonal and annual variable weather conditions. The last two years were unusually warm (2014 was the warmest on record for some countries), while 2015 was close to an average year. Given these differing weather conditions, gas in heating and cooling remains particularly important as it is able to deliver high and varying amounts of energy to households.

While cooler weather this year (closer to a long-term average than 2014) has meant an increase in gas demand throughout Europe, other drivers were also at play. These forces vary from country to country. For example, following a drop in hydropower production in Germany and Italy, gas filled the gap in energy supply. This shows that while variability in solar and wind-based power production are sometimes emphasised, it is useful to bear in mind the vulnerability of other energy sources to changes as well, to which gas is able to respond quickly.

In some EU countries gas demand for power generation rose (e.g. France, with increased industrial demand, and Austria via increased CHP utilisation). However, the low price of coal has continued to have a considerable impact on gas demand. As the European economy picked up in the first half of the year, so too did industrial activity, leading to a slight rise in gas demand in this sector, as well.

This latest data underlines the opportunities and successes of gas to bolster our European energy system, as well as meet varying regional and local needs.

¹ Demand for gas in 2014 in the EU-28 & Switzerland is estimated at 412 bcm, as stated in Eurogas press release of 24 March 2015 "New Eurogas data confirms dynamic EU gas market".

Note to Editors: Eurogas is an association representing 44 companies and associations engaged in the wholesale, retail and distribution of gas in Europe. Eurogas provides data and information relevant to EU decision makers and opinion formers in making the right policy choices.

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Outlook for the rest of 2015

Early indications from the Eurogas data covering the first half of 2015 suggest that gas demand in Europe for the second half of the year is also likely to be higher than in the same period for 2014, albeit at a lower rate (approx. 5%). Taking into account the 9% rise in the first half of the year, and expectations for the second half, the total increase in gas demand across the EU for 2015 is expected to reach 7%.

This forecast considers gas consumption for heating in a context of normal seasonal conditions in the second half of 2015. Warmer than normal weather in September could result in slightly lower actual gas demand, as compared with this forecast. Furthermore, market fundamentals are still putting gas consumption under pressure. Most countries see a downward trend in power generation where a weak price signal for low-carbon electricity is depressing gas demand. Taking 2015 as a whole, gas demand would correspond to an EU 28 & Switzerland annual consumption of about 4 760 terawatt-hours or 441 billion cubic metres.²

² Based on terawatt-hours gross calorific value, the applied calorific value of one cubic metre equals 10.8 kilowatt hours is representing a European average.

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