

Mild weather reduces demand in 2014, but gas remains strong in the heating market

Brussels, 1 October 2014 – Gas demand across the European Union is expected to drop by 9% in 2014 compared with 2013, according to the latest forecast from Eurogas. The first half of 2014 saw a significant decrease of 18% in demand, compared with the same period in 2013.

The dramatic decline in gas consumption in the first half of the year is mainly the result of the very mild weather although other factors such as the slow economic recovery, low price of coal coupled with a weak carbon price and growing share of electricity generation from renewables played their part. These latest estimates are the result of an annual survey covering 94% of the EU gas market and carried out by Eurogas, the association representing the European gas wholesale, retail and distribution sectors.

Such clement temperatures in the first half of the year, compared with the same period in 2013, have directly reduced the demand for heat in the commercial and residential sectors, which experienced the biggest decrease. However, gas is still the fuel of choice in the EU for heating and is likely to remain so thanks to the continued investment in highly-efficient, modern gas appliances that can deliver significant energy savings and reduce greenhouse gas emissions throughout Europe.¹

Mild weather combined with slow economic recovery has also meant a lower demand for electricity than in 2013, which in turn has affected gas demand in power generation.

As in previous years, the low price of coal, coupled with a weak carbon price, have continued to favour this fuel above gas. The growing share of electricity produced from renewables, including a relatively high hydroelectricity production, further reduced the demand for gas in power generation. However, as the economy picks up, so too may the demand for gas in power generation as it remains a cleaner, more flexible and more available backup fuel for electricity from variable renewables than alternatives.

Outlook for the rest of 2014

Early indications from the Eurogas data suggest that gas demand in Europe for the second half of 2014 is likely to stabilise at last year's level over the same period. Throughout 2014, gas demand is expected to register a decrease of 9% compared with 2013.

This forecast considers gas consumption for heating in a context of seasonal normal conditions in the second half of 2014. Furthermore, market fundamentals are still putting gas consumption under pressure.

On this basis, taking 2014 as a whole, gas demand would correspond to an EU 28 & Switzerland annual consumption of about 4 500 terawatt-hours or 417 billion cubic metres.²

¹ See *Gas: the right choice for heating in Europe*, by Eurogas, Marcogaz and GERG, published September 2014, [part I](#) and [part II](#).

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.

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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