

Press Release

Eurogas expects stable gas demand in the EU for 2012

Gas demand in Europe is expected to remain relatively stable in 2012 overall compared with 2011, according to the latest forecast from Eurogas. However a 2% drop in demand was recorded in the first half of 2012 compared with the same period in 2011.

These latest estimates are the result of an annual survey covering 90% of the EU gas market, and carried out by Eurogas – the association representing the European gas wholesale, retail and distribution sectors – among its members. According to Eurogas, the drop in EU gas demand recorded for the first six months of 2012 can be attributed to economics of power generation favouring coal, as well as poor economic growth, all factors expected to continue influencing demand also in the second half of the year.

During the first half of 2012, gas use in power generation continued to slide as a result of the low coal price, pushed down by relatively low demand in Asia and lower demand in the US, and a weak carbon price all favouring coal generation. The growing share of electricity produced from renewables also lowered the demand for base load natural gas in the power generation segment.

In the industrial sector gas demand did not bounce back from pre-2011 levels, reflecting again the poor economic growth.

In the residential and commercial sector, temperatures were back to normal levels on average in the first half of 2012 compared with the mild weather in the same period of 2011. The cold spell in late January/early February led to an increase in demand for heating in most EU countries.

Outlook for the rest of 2012

Early indications from the Eurogas data suggest that gas demand in Europe is likely to remain stable throughout 2012, registering a slight decrease of 1% compared with 2011. However, demand in the second half of 2012 will still remain under pressure, mainly driven by the developments in the power sector as well as the continuing economic uncertainty. As to the residential sector, assuming temperatures remain normal, a slightly higher demand could be expected for 2012, compared with 2011 when the first half of that year was warmer than average. On this basis, taking 2012 as a whole, gas demand would correspond to an EU27 & Switzerland annual consumption of about 5090 TWh (470 billion cubic metres¹).

Over time, Eurogas expects that gas demand will resume its growth. Based on the highly efficient, proven technologies and environmental friendliness, gas should continue to play a key role in a realistic EU climate policy.

Note to Editors: Eurogas is an association representing about 50 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.

Press contact: Marion Le Roy, Marion.LeRoy@eurogas.org, tel. +32 2 894 48 10.
Eurogas, Av. de Cortenbergh 172, B-1000 Brussels, www.eurogas.org

¹ Based on terawatt hours gross calorific value, the applied calorific value of one cubic metre equals 10.83 kilowatt hours is representing a European average.