Nord Stream
The new gas supply route for Europe

FACT SHEET

November 2013

Natural Gas and the European Energy Market

Natural gas in the European energy mix

An increasing share of the total energy consumed in Europe is covered by natural gas.

One reason for the growing gas demand in Europe is the increased use of gas-fired power plants in electricity generation and its use as a fuel in domestic heating.

EU-27 energy consumption by fuel			
	1990	2000	2011
Gas	17.8 %	22.8 %	23.4 %
Solid fuels	27.2 %	18.6 %	16.8 %
Oil	38.0 %	38.3 %	35.2 %
Nuclear	12.3 %	14.1 %	13.8 %
Renewables	4.2 %	5.6 %	10.0 %
Other	0.4 %	0.5 %	0.8 %

Source: Eurostat database. Calculated from oil equivalent.

EU-27 gas consumption by sector*	
	2011
Power generation	37.4 %
Industry	23.0 %
Transport	0.7 %
Services	11.5 %
Households	27,4 %

* The table does not include gas distribution losses, final non-energy gas consumption in industry, consumption of the energy branch, agriculture/forestry and fishing.
Source: Eurostat, Energy balance sheets 2010-2011. 2013 edition.

The share of electricity generated from gas-fired power plants is increasing and will further increase when used to balance out load peaks when more intermittent renewable power sources such as wind and solar come online.

EU-27 electricity generation from natural gas, 1990-2011					
	1990	1995	2000	2005	2011
Power from gas (TWh)	191.27	267.21	477.99	662.15	693.17
Total power generation (TWh)	2,586.28	2,733.98	3,025.24	3,310.64	3,279.57
Percentage of gas in EU electricity generation	7.4%	9.8%	15.8%	20.0%	21.1%

Source: Eurostat database.

Production, demand and imports of natural gas

Natural gas production in Europe peaked at the beginning of the new millennium and will decline to approximately half of the current level within 20 years.

EU-27 annual domestic natural gas production									
	1990	1995	2000	2005	2010	2020	2025	2030	2035
bcm	198	231	254	230	191	135	122	114	104

Sources: 1990-2010 – Eurostat; 2020-2035 – IEA WEO2013.

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Over the next 20 years, demand for natural gas is projected to grow, while production is in decline. As a result, more gas will need to be imported from outside the EU.

EU-27 annual natural gas demand projections and projected import gap					
(billion cubic metres)	**2011**	**2020**	**2025**	**2030**	**2035**
EU-27 Demand	492	494	523	537	554
EU-27 Production	185	135	122	114	104
EU-27 Net Imports	307	359	401	423	450
EU-27 Import Gap*	0	52	94	116	143

* Additionally needed imports compared to 2011.
Source: International Energy Agency, World Energy Outlook 2013.

The majority of current imports come from gas fields in countries outside of the EU, via pipelines.

2011 net imports to EU-27 from non-EU countries by type of transport	
Imports through pipelines	75 %
Imports through LNG	25 %

Source: Eurogas Statistical Report 2012.

The countries in the European Union increasingly cover their natural gas import needs from sources outside of the EU. Russia remains a key partner in Europe's energy supply, yet the total share of Russian gas in the European market is little over 20 percent.

Share of gas exporters and domestic production in EU-27 gas consumption		
	2005	**2011**
Russia	24.6 %	22,1 %
Norway	14.8 %	20,0 %
Algeria	10.9 %	9,5 %
Qatar	0.9 %	8,0 %
Nigeria	2.1 %	3,1 %
Libya	1.0 %	0,5 %
Other	6.2 %	1,7 %
EU-27	39.5 %	35,0 %

Source: Eurostat database.

For more information please visit www.nord-stream.com.

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