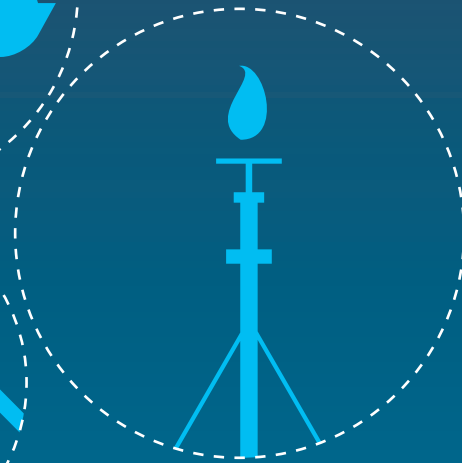
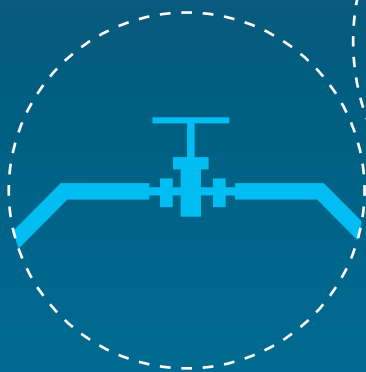




European
Commission

Quarterly report

On European gas markets



Market Observatory for Energy
DG Energy

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Energy

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CONTENT

CONTENT	2
SUMMARY	3
1. Gas market fundamentals	5
1.1 Consumption	5
1.2 Production	6
1.3 Imports	7
1.3.1 Total EU imports (pipelines, LNG)	7
1.3.2 Pipeline imports	9
1.3.3 LNG imports	10
1.4 EU import bills	12
1.5 International LNG trade	12
1.6 Storage and LNG terminals	13
1.6.1 Storage	13
1.6.2 LNG Terminals	15
2. Wholesale Gas Prices	16
2.1 Gas trade on the EU hubs	19
3. Retail gas prices	20
4. Appendix – charts providing further details on market developments	22

SUMMARY

- **EU gas consumption continued to fall below the five-year average trend line** in the first quarter of 2023. However, there was a 19% rebound from the previous quarter's gas consumption. Year-on-year, gas consumption **fell by 13%**.
- **EU's domestic gas production continued its downward trend.** Total gas production was 11.2 bcm, 3% less than in the previous quarter (11.5 bcm), and 13% less year-on-year. The biggest producer remained the Netherlands with 4 bcm production.
- **Total gas import decreased by 24% a year-on-year and by 11% quarter-on-quarter.** Total gas import amounted to 120.5 bcm, while net imports¹ was 71 bcm.
- **The share of Russian pipeline gas** in total EU import **decreased further to 8%** with 5 bcm in the quarter. **The total import share of Russia** (including pipeline and LNG) **dropped to 14%** from 15% in the previous quarter and from 42% in the same period last year.
- **Total EU pipeline export decreased by 9%** (42.2 bcm) in the first quarter of 2023 and **declined 32% year-on-year.** Norway remained the EU's biggest pipeline gas exporter (53%, 21,7 bcm), followed by North-Africa (7.3 bcm, 18%) and Russia (12%, 5 bcm). **Norway's share in the EU's total gas import reached 30%** and was **53% of total EU pipeline export.** Import volumes from all pipelines sources decreased with the exemption of Norway registering a 1% increase.
- **The EU was the number one LNG importer** with 31.2 bcm or 22% of global LNG import. LNG **accounted for 42% of the EU gas import**, a slight decrease from 45% in the previous quarter, but a significant increase from the 33% share a year earlier. **The US remained the EU's biggest LNG supplier** with a 41.5% share, followed by Russia (19%) and Qatar (12%).
- **Average storage level stood at 67.5%**, a 26% decrease compared to the 91% storage level in the last quarter, but 93% higher than in the same period a year earlier. The **average EU LNG terminal utilisation rate stood at 90% in January**, rose to **107% in February**, and fell back to **78% in March**.
- **European gas prices continued their downward trend.** The **quarterly average spot price was 53.32 €/MWh**, representing a **44% decrease from the previous quarter** (95.15€/MWh), and a **45% decrease year-on-year** (97€/MWh). Despite the fall in prices, the average spot price was still 187% higher compared to the average in the first quarter of 2021.
- **Europe remained the most attractive gas market** offering price premiums of 3.38€/MWh in February and 2.34€/MWh in March and continuing the almost unbroken 2022 trend of higher prices in Europe than those in Asia. The average price on the US Henry Hub was 2.65 USD/mmbtu (9€/MWh), more than six times lower than the price in Europe.
- The **Dutch Title Transfer Facility (TTF) remained by far the most important gas hub attracting more than two third of the trading volumes.** The British National Balancing Point (NBP) kept its second place with a narrow margin ahead of the German Trading Hub of Europe (THE), which increased its market share significantly. **Total traded volumes on organised exchanges decreased by 17% from the previous quarter and 46% year-on-year.**
- **Average monthly gas retail prices for household consumers decreased steadily** during the first three months of 2023. From the historic high of 17.57 Eurocents/KWh in September 2022, the quarterly average gas retail price declined to 13.27 Eurocents/KWh, a 29% decrease from that high, and **17% decrease compared to the previous quarter.** However, first quarter prices were still 15% higher on average than prices in the first quarter of 2022, and 85% above historic levels².
- **Retail prices continued to show great dispersion across Member States.** Sweden registered the highest price (29.28 Eurocents/KWh) in March 2023, while the lowest price (2.72 Eurocents/KWh) was observed in Hungary.

Methodological Note: The rapid changes in gas and electricity markets happening through the energy transition as well as the significant restructuring of the EU's energy supply following the energy crisis, call for reviewing the Quarterly Reports of the European Electricity and Gas Markets so as to make them best fit for purpose. The aim is to ensure a more timely publication, modernise presentation, increase data transparency and an easier access to the data used to produce the reports. All this should increase usability for readers. The process of the review is planned to be carried out gradually attending the feedback we receive on it. As the Commission advances with its review, the quarterly reports will progressively reflect the methodological, technical, and editing changes as well as the comments received from stakeholders.

¹ Net imports equal imports minus exports and do not account for stock changes.

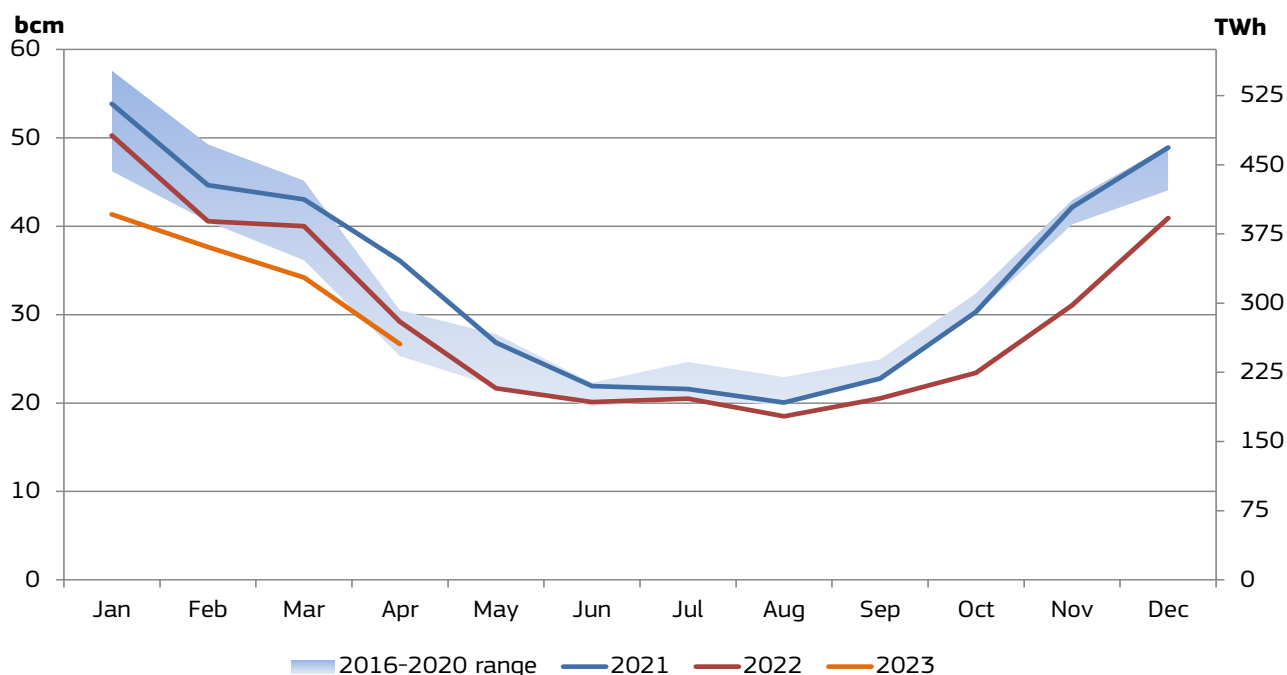
² The period of January-June 2021 is taken as representing the historic price level charged for household gas consumers. For 3.5 years, i.e. from January 2018 to June 2021, average EU household gas prices were below 7 Eurocents/KWh in all months but two, with an average for the whole period of 6.70 Eurocents/KWh. Retail prices started to rise above 7 Eurocents/KWh in July 2022 and went up to 17,57 Eurocents/KWh in September 2022.

1. Gas market fundamentals

1.1 Consumption

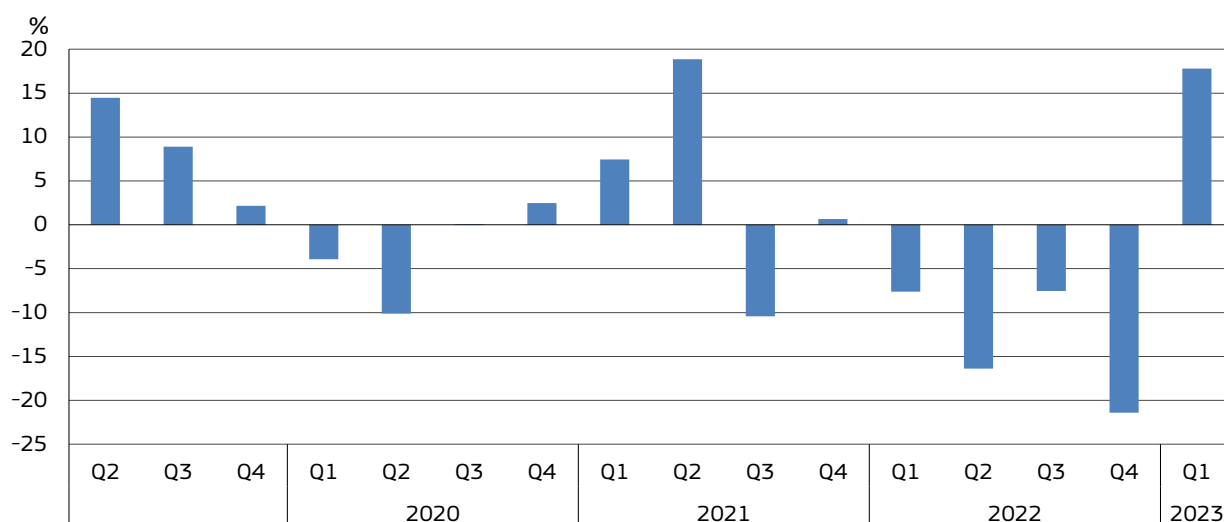
- EU gas consumption³ in the first quarter of 2023 continued to fall below the five-year average trend line. However, there was a 19% rebound from the previous quarter's extrem drop in gas consumption. The EU consumed a total of 113.2 bcm gas in the first quarter of 2023, 17.8 bcm more than in the fourth quarter of 2022. Year-on-year, gas consumption fell by 13%, following on a 8% decline year-on-year in the previous quarter.

Figure 1 - EU gas consumption



Source: Eurostat, extracted 4 July 2023 from data series nrg_cb_gas. In the next edition of this report numbers might change retrospectively

Figure 2 - Year-on-year change in EU gas consumption in each quarter (%)

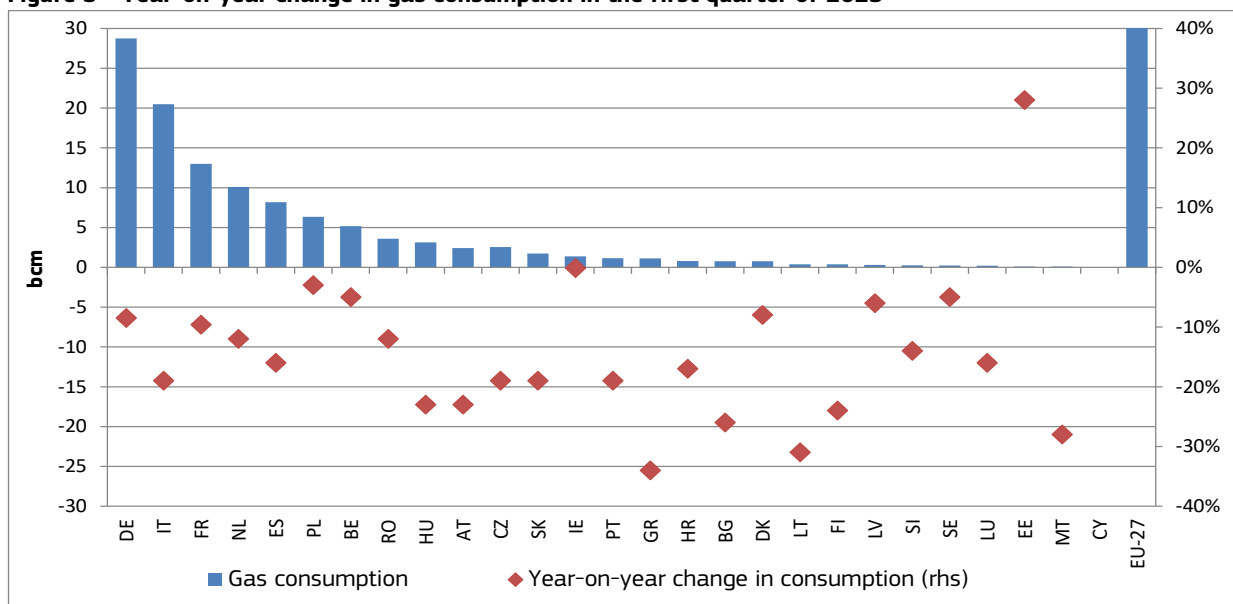


Source: Eurostat, data as of 4 July 2023 from data series nrg_cb_gas. In the next edition of this report numbers might change retrospectively

³ EU aggregates, unless otherwise indicated, refer to EU-27, and in order to ensure comparability over time, values of earlier periods and year-on-year comparison indices also refer to EU aggregates without the United Kingdom. Therefore, in comparison to earlier editions, total EU aggregate numbers might differ in the current report.

- In the first quarter of 2023, all EU Member State but Malta have shown a decreasing gas consumption year-on-year. The biggest drop was observed in Greece (-34%) and Lithuania (-31%), followed by Estonia (-28%), Bulgaria (-26%) and Finland (-24%). Considerable consumption reduction was registered also in Austria and Hungary with a 23% decrease, and in Italy, Czechia and Slovakia with a 19% decrease.

Figure 3 - Year-on-year change in gas consumption in the first quarter of 2023



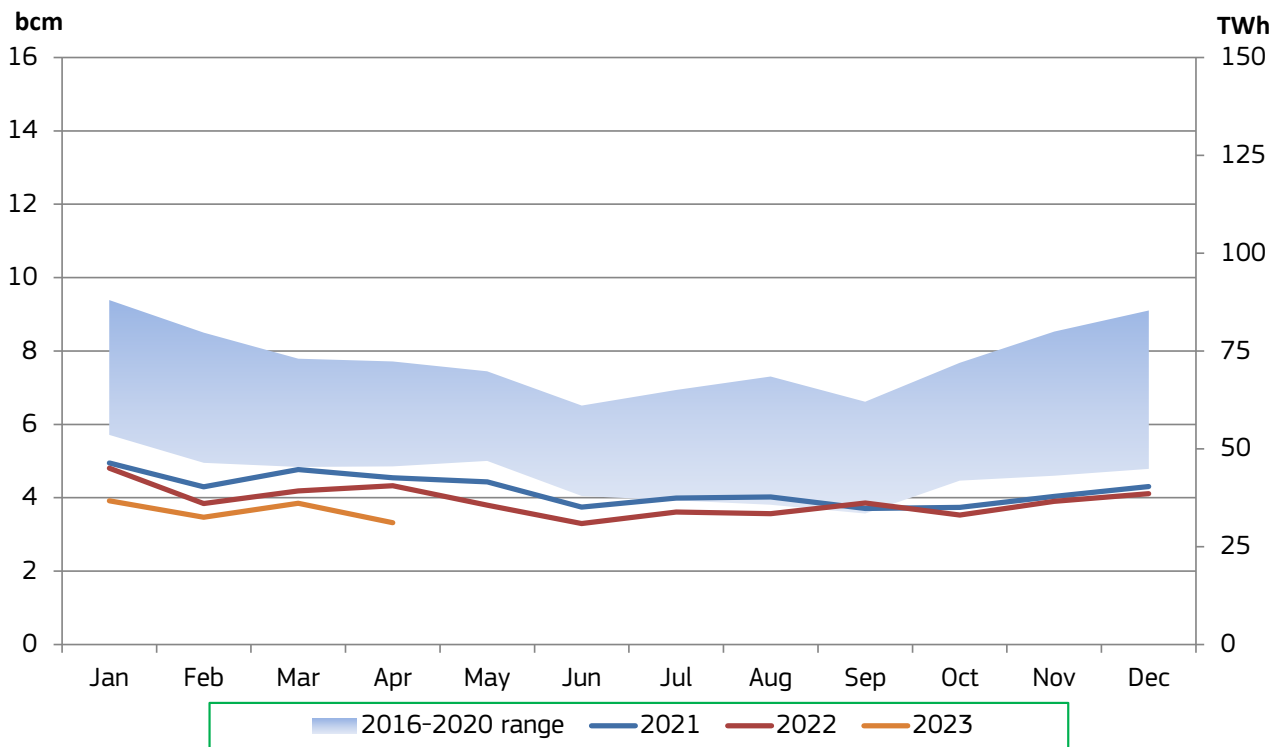
Source: Eurostat, data as of 4 July 2023 from data series series nrg_cb_gasm. In the next edition of this report numbers might change retrospectively

1.2 Production

- The EU's domestic gas production continued its downward trend in the first quarter of 2023. Total production was 11.2 bcm, down 3% from the previous quarter (11.5 bcm), and decreased 13% year-on-year. The 2023 first quarter's values were significantly below the five-year average of 2016-2020 and below the trend lines of the previous two years, as shown in the chart. Average quarterly production was 3.7 bcm, 3% decrease compared to the previous quarter (3.8 bcm), and 13% less than the same quarter in 2022 (when it was 4.7 bcm). Since 2016, EU gas production more than halved (-53%, compared to 24.1 bcm in 2016).

The biggest EU gas producer remained the Netherlands with a total quarterly production slightly above 4 bcm, a decrease of 5% since last quarter. Romania was the second biggest produced (2.4 bcm) followed by Poland (1.4 bcm) and Germany (1 bcm). Production in all producing Member States fell with the exception of Hungary, where it rose by 10% quarter-on-quarter. The Dutch Government on 30 June 2023 announced plans to close Groningen, Europe's largest gas field as of 1 October 2023, which will potentially further half Europe's domestic gas production.

Figure 4 - Monthly gas production in the EU



Source: Eurostat, data as of 4 July 2023 from data series nrg_cb_gasm. In the next edition of this report numbers might change retrospectively.

1.3 Imports

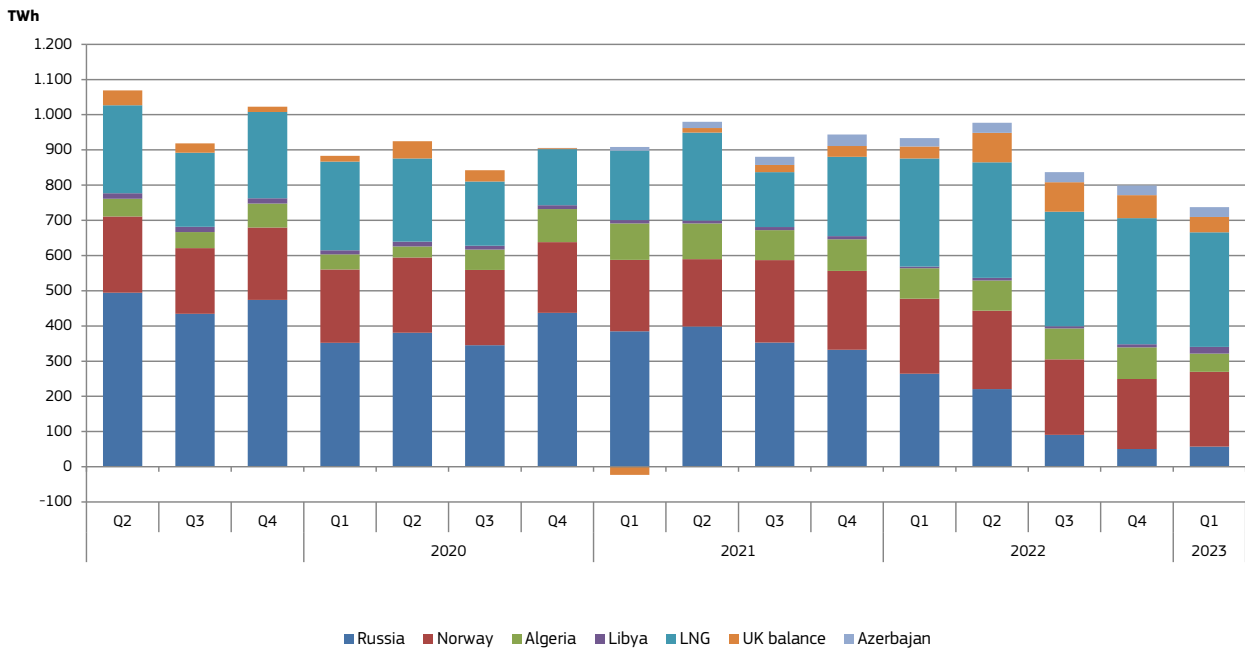
According to Eurostat, total gas import in the EU amounted to 120.5 bcm in the first quarter of 2023, a year-on-year decrease of 24%. Gas imports also decreased by 11% or 14.5 bcm compared to the previous quarter. Net imports⁴ amounted to 71 bcm reflecting 49.5 bcm export. Exceptionally high storage filling ratios during the winter months, mild winter and demand reduction contributed to the historically low import level.

1.3.1 Total EU imports (pipelines, LNG)

- According to ENTSO-G data tracking all flows in- and out of the EU, imports amounted to 706 TWh in the first quarter of 2023, of which 58% arrived through pipelines and 42% through LNG terminals. The share of LNG decreased from 45% in the previous quarter in 2022 and amounted to 294TWh. Imports from Norway increased 19% from the previous quarter and was up 11% year-on-year. Norway's share in the EU's total gas import was 30% or 22 bcm (212 TWh), a 10 %-point increase from 25% in the previous quarter. Imports from Azerbaijan through the Trans Adriatic Pipeline declined by 6% quarter-quarter, but increased by 13% year-on-year and 133% compared to 2021, reaching 2.8 bcm. An even bigger increase was observed from Libya, although from a small base, of up by 129% from the previous quarter and 290% year-on-year. On the other hand, the share of UK and Algeria decreased by 24% and 35%, respectively. North-Africa's share reached 10% in total EU gas import (Algeria 7%, Libya 3%), while UK's import share decreased to 6% from 8% in the previous quarter. Azerbaijan increased its import share in total EU imports to 4% from 3% in the previous quarter. The share of Russian pipeline gas slipped further to 8% with around 5.9 bcm (58 TWh) export volume in that quarter.

⁴Net imports equal imports minus exports and do not account for stock changes.

Figure 5 - EU imports of natural gas by source

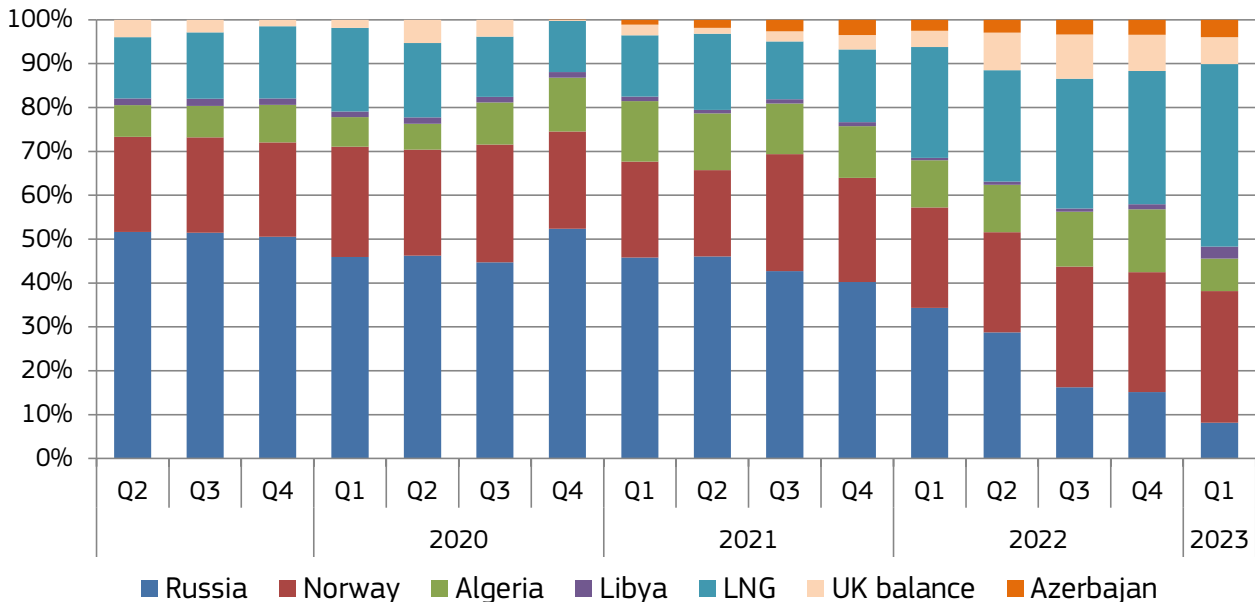


Source: Based on data from the ENTSO-G Transparency Platform, data as of 7 July 2023.

Russia, Norway, Algeria and Libya include pipeline imports only; LNG imports coming from these countries are reported in the LNG category.

A trade balance with the UK is estimated, reflecting that the UK is no longer part of the EU, and it is not easy to determine the origin of gas molecules arriving to the EU after going through the UK market (it can be UK production, imports from Norway of LNG imports from the UK, etc.). As of 2021, imports via the Trans Adriatic Pipeline (TAP) is also included.

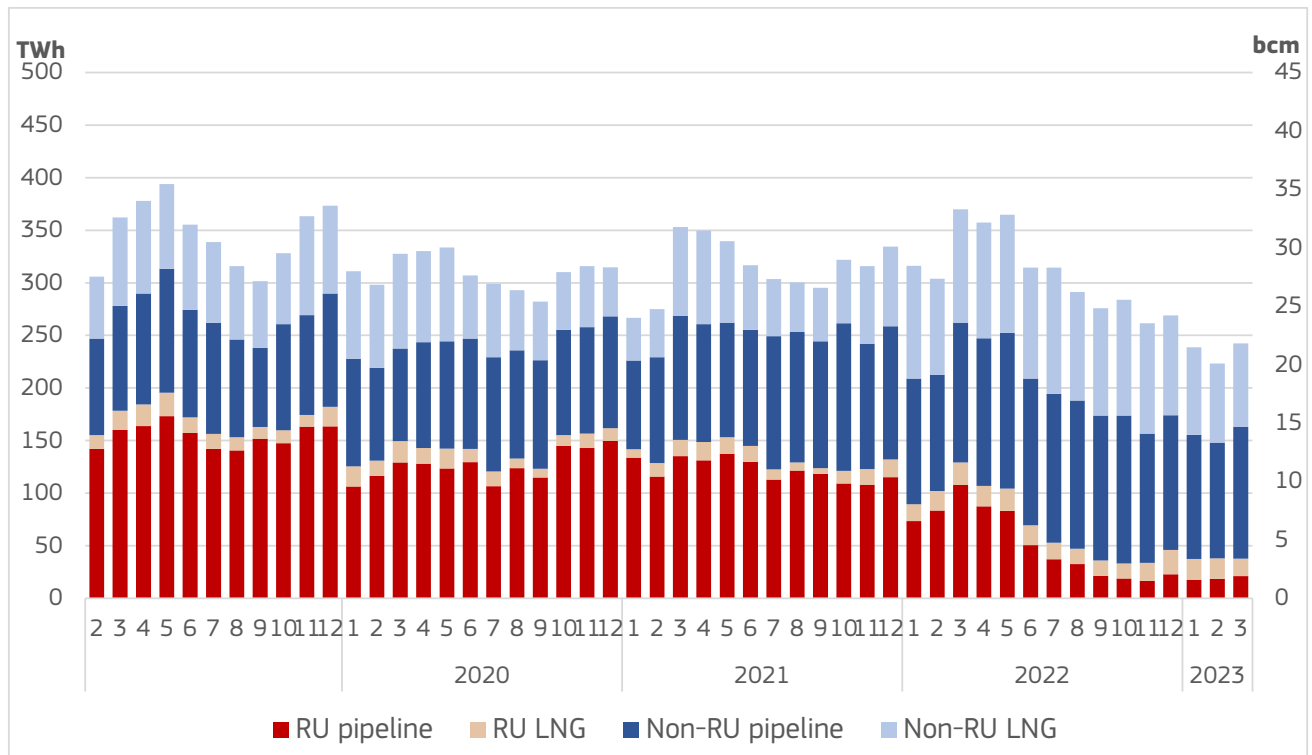
Figure 6 – The share of gas imports within the total, combining both pipeline and LNG imports



Source: Based on data from the ENTSO-G Transparency Platform, data as of 7 July 2023.

- Figure 13 shows the change in Russian gas imports over the last couple of years. While in January 2021 Russia ensured (with pipeline and LNG supplies) around 53% of the total extra-EU gas imports, in January 2023 this dropped to barely 8%..

Figure 7 – Monthly pipeline and LNG imports from Russian and other sources



Source: Based on data from the ENTSO-G Transparency Platform, data as of 7 July 2022.

1.3.2 Pipeline imports

- Total EU pipeline export was 42.2 bcm in the first quarter of 2023, a decrease of 9% from the previous quarter and 32% decline year-on-year. Norway remained the EU’s biggest pipeline gas exporter with a share of 53% (21,7 bcm), up from 47% in the last quarter and 28% a year earlier. The second largest exporter to the EU became North-Africa (Algeria and Libya) with an 18% export share (7.3 bcm), followed by Russia (12%, 5 bcm), UK (11%, 4.4 bcm) and Azerbaijan (7%, 2.8 bcm).
- Pipeline export volumes decreased from all pipeline sources (UK -24%, Russia -20%, North Africa, - 17%, Azerbaijan – 6%), except for Norway, which grew it marginally by 1% quarter-on-quarter. Russia’s import share shrank further to 12% from 14% in the previous quarter and from 41% in the same period a year earlier.

Figure 8 – Monthly EU imports of natural gas from pipelines

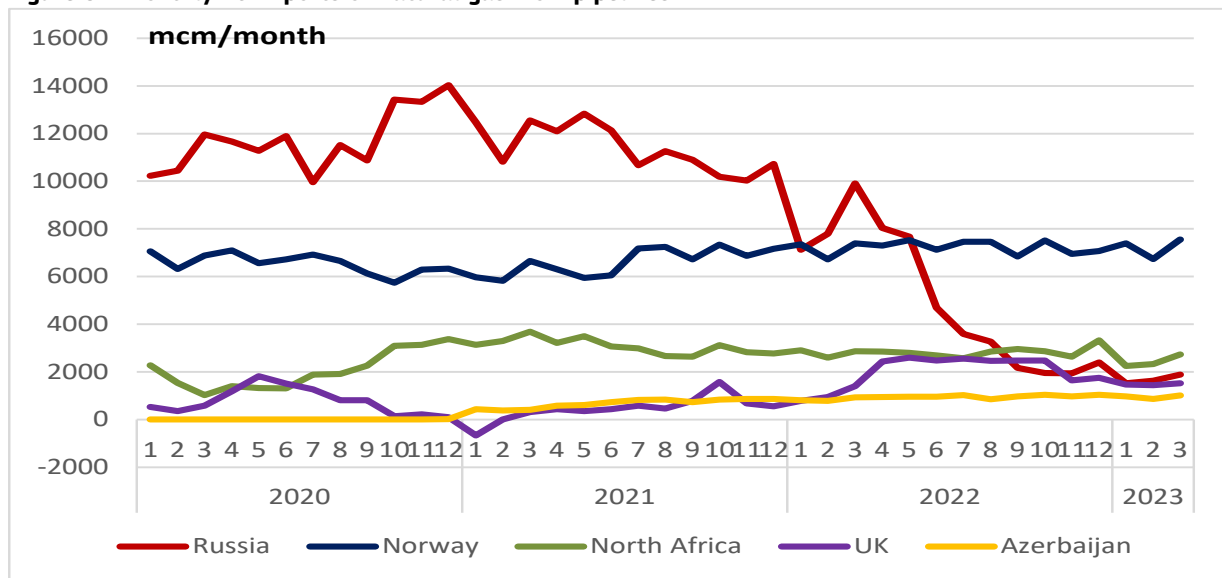


Figure 9 – Quaterly EU imports of natural gas from pipelines

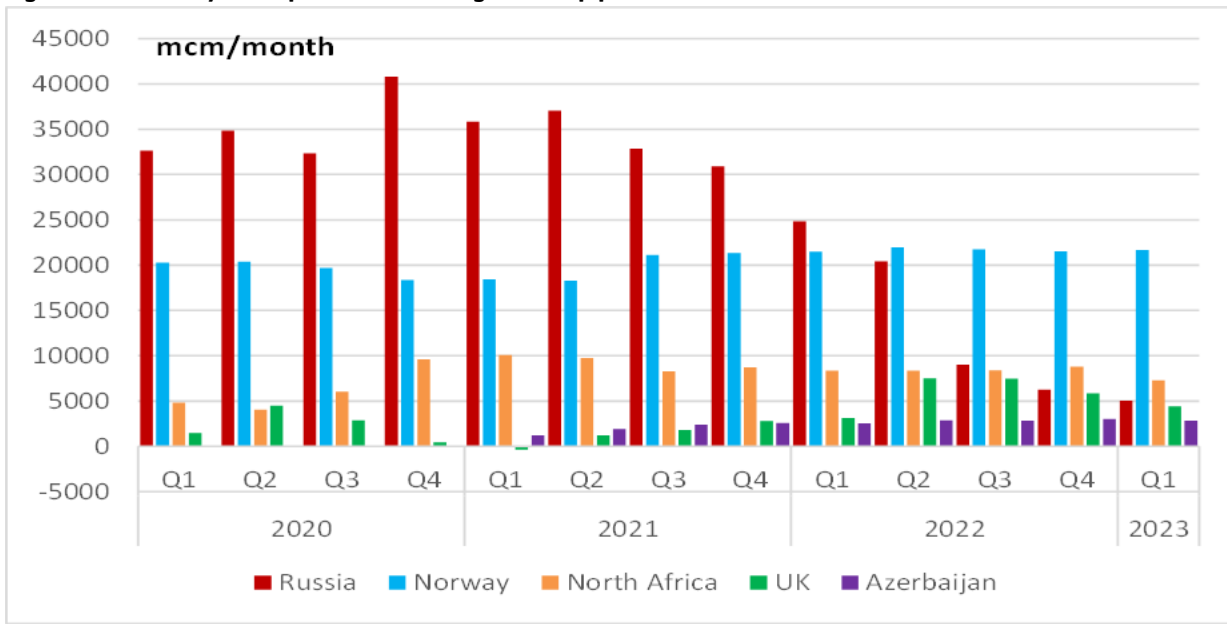
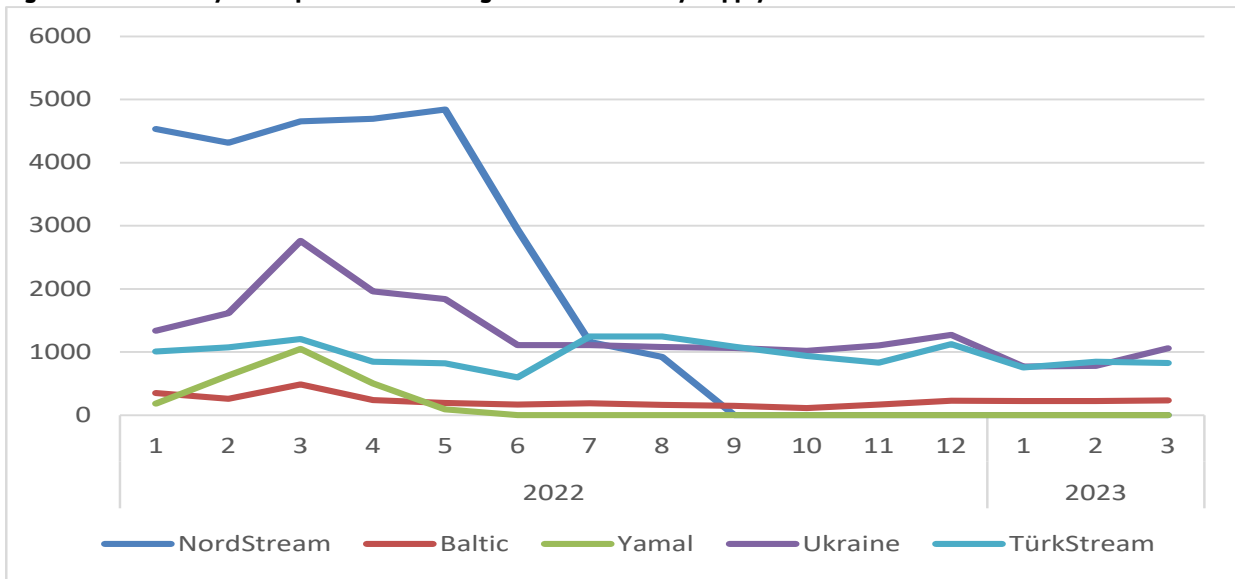


Figure 10 – Monthly EU imports of natural gas from Russia by supply route

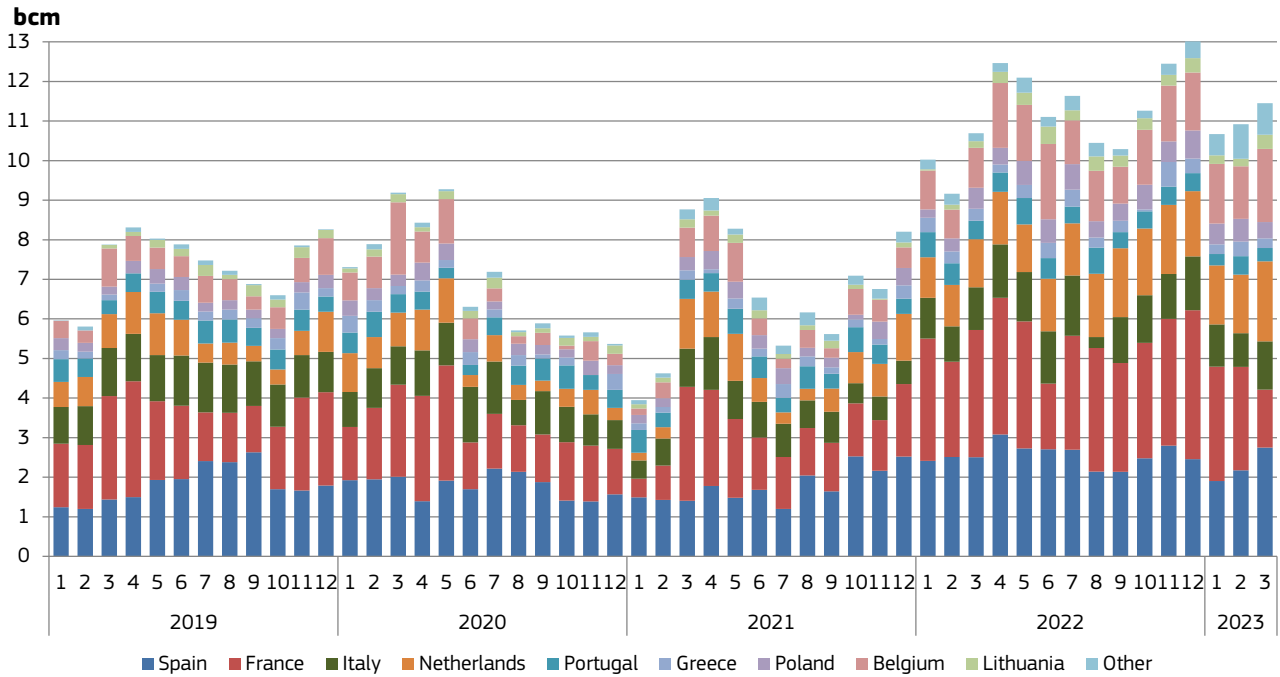


Source: Based on data from the ENTSO-G Transparency Platform, data as of 4 July 2023.

1.3.3 LNG imports

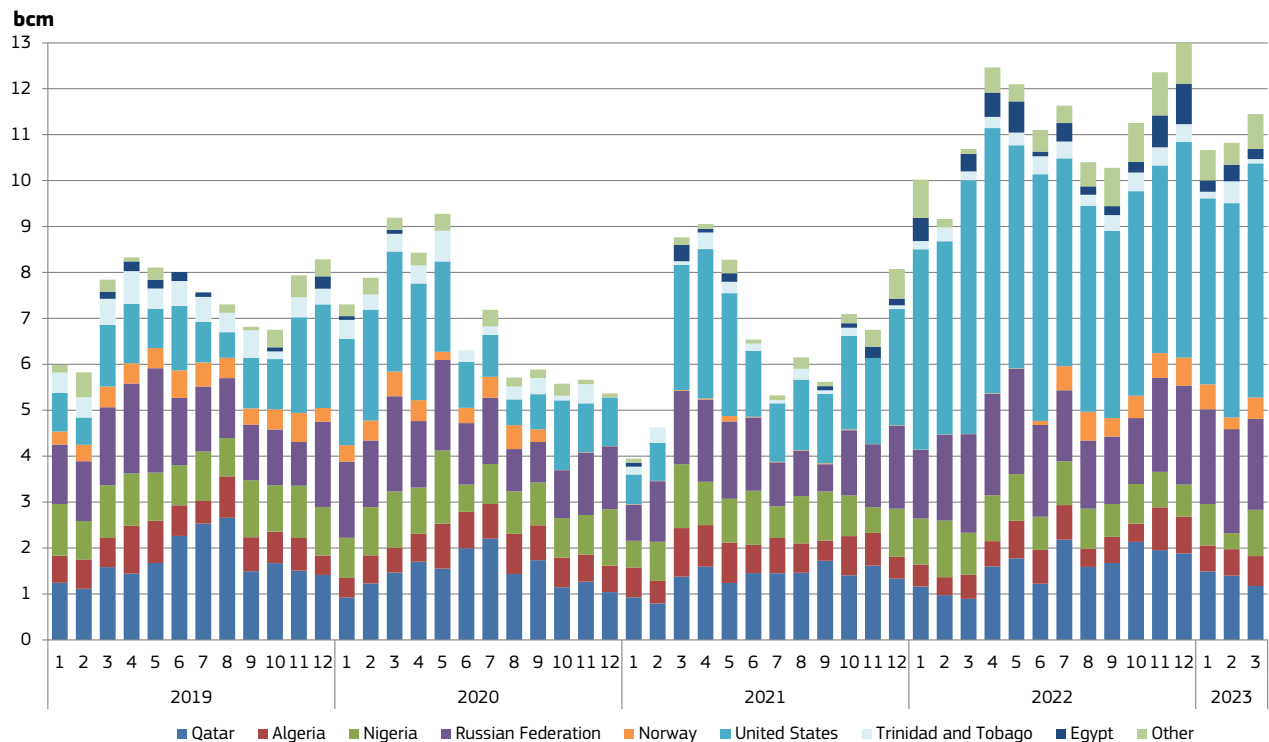
- Total gross EU LNG export was 30 bcm, a decrease of 9% quarter-on-quarter and an increase of 12% year-on-year. The share of LNG in the EU's total gas import grew to 42% from 33% a year earlier, but declined from 45% in the previous quarter.
- The US remained the EU's biggest LNG supplier with 41.5% (12.5 bcm). Russia became second (19%, 5.7 bcm) and Qatar the third biggest exporter (12%, 3.7 bcm). France imported the most (6,97 bcm) in the first quarter, followed by Spain (6.83 bcm), the Netherland (5 bcm), Belgium (4.7 bcm) and Italy (3.1 bcm).

Figure 11 - LNG imports to the EU by Member States



Source: Commission calculations based on tanker movements reported by Refinitiv "Other" includes Finland, Malta and Croatia

Figure 12 - LNG imports in the EU by supplier country



Source: Commission calculations based on tanker movements reported by Refinitiv

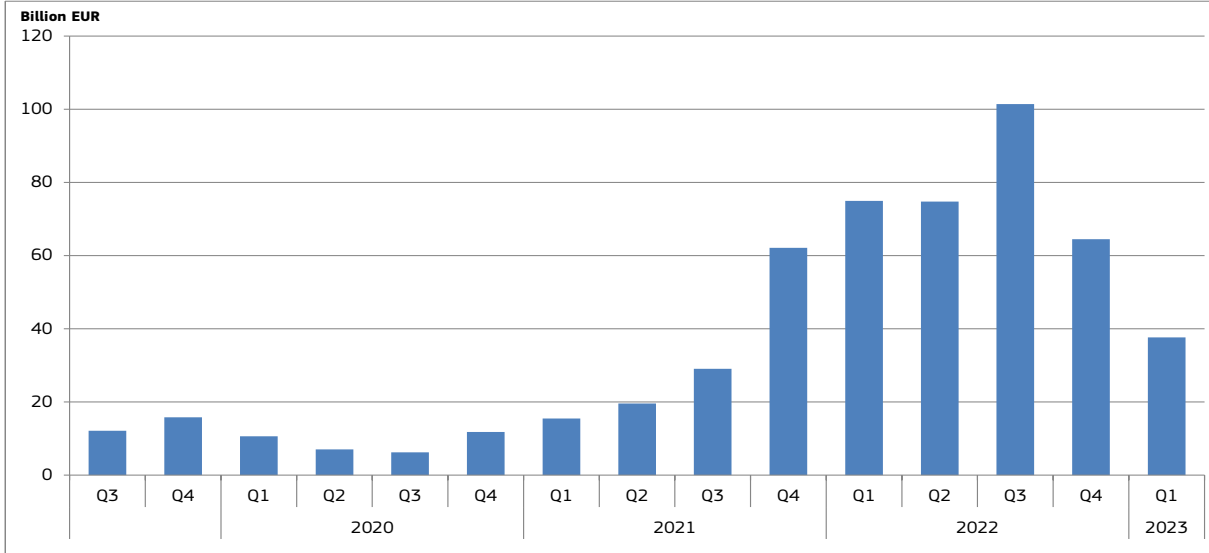
Imports coming from other EU Member States (re-exports) are excluded

"Other" includes Angola, Brazil, the Dominican Republic, Equatorial Guinea, Oman, Peru, Singapore, the United Arab Emirates and Yemen

1.4 EU import bills

- The estimated gas import bill amounted to €37.63 billion in the first quarter of 2023⁵. This was 42% less than in the previous quarter and half the bill paid in the same quarter in 2022. While this was one third of the €101 billion estimated import bill in the third quarter of 2022, it was still close to two and half times more than the import bill in the first quarter of 2021.

Figure 13 – Estimated quarterly extra-EU gas import bill, in billions of euros

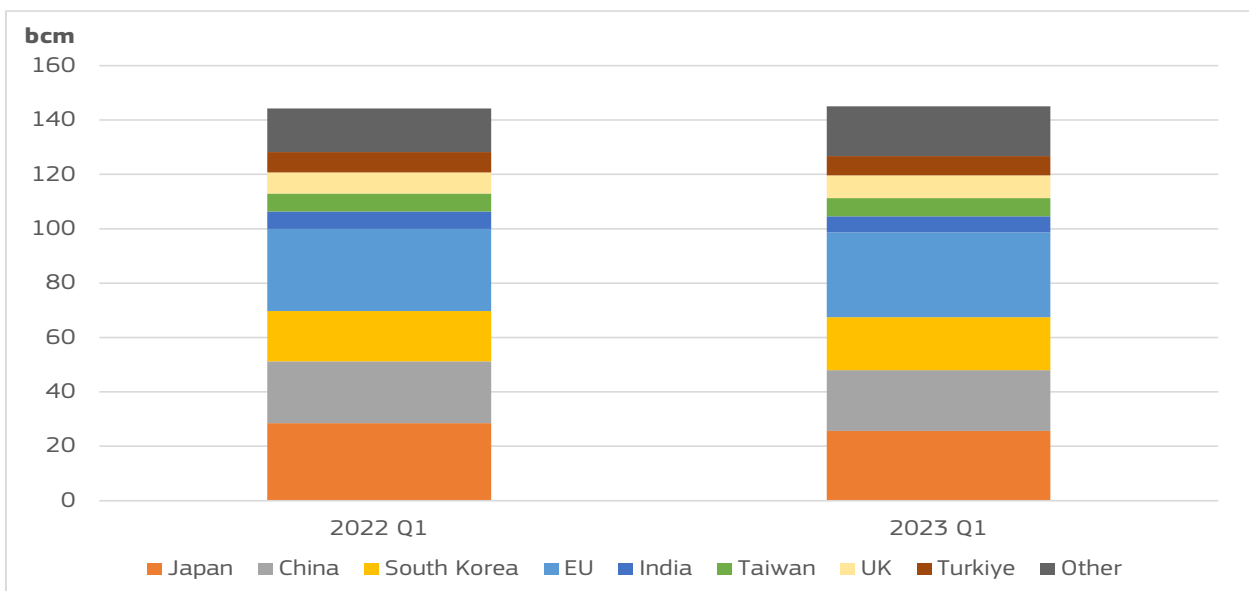


Source: ENTSO-G, Eurostat and own data calculations for the EU weighted average of import gas prices

1.5 International LNG trade

- Global LNG import was 145 bcm, growing 2% from the previous quarter and 1% year-on-year.
- The EU as a block of 27 Member States kept the number one position purchasing 31,2 bcm or 22% of LNG sold. Japan remained the second biggest buyer with 25.7 bcm (18%). The third biggest LNG importer was again China with 22.3 bcm (15%). The fourth largest LNG importer, South Korea received 19,5 bcm (12%) of import.

Figure 14 – LNG imports in the main consumer markets in the fourth quarters of 2021 and 2022

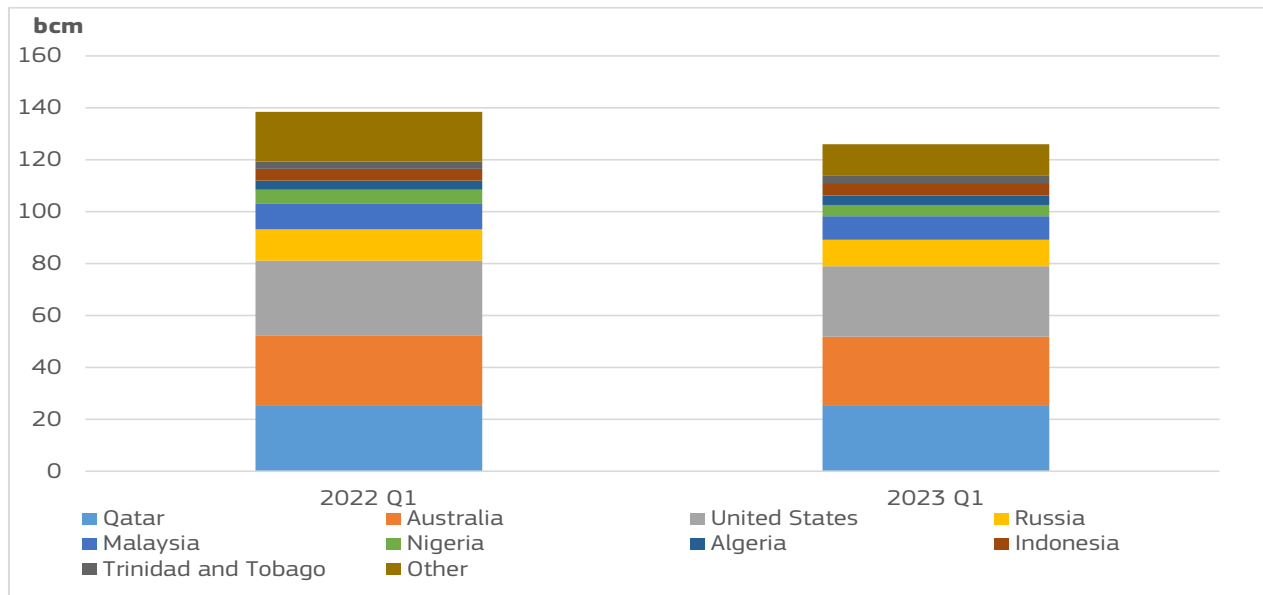


Source: Refinitiv tracking of LNG vessels. Import data are based on cargo arrival dates, therefore total amount of global imports might differ from global export numbers

⁵ It should be noted that the estimation of the gas import bill is based on the mixture of sources and assumptions regarding import prices (spot wholesale prices, foreign trade data, etc.) and their weighting for the quarterly volumes.

- In the first quarter of 2023, the US became the largest LNG exporter with 27,1 bcm and 22% market share. It was closely followed by Australia, which lost its number one position held in the previous quarter and exported 26,4 bcm natural gas, corresponding to 21% market. Qatar came third with 25,5 bcm and 20%.

Figure 15 – LNG exports from the main gas producers in the fourth quarters of 2021 and 2022



Source: Refinitiv tracking of LNG vessels. Export data are based on cargo departure dates, therefore total amount of global exports might differ from global import numbers

1.6 Storage and LNG terminals

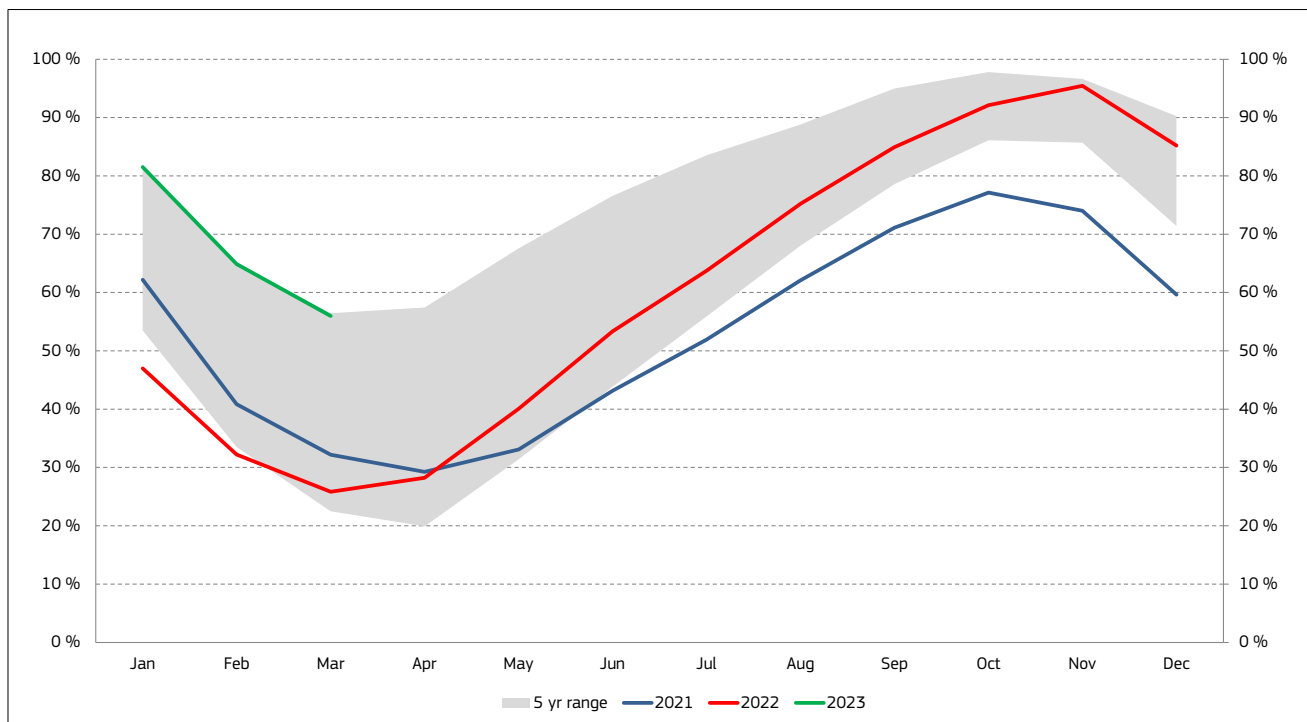
1.6.1 Storage

- Figure 19 shows EU gas stock levels as the percentage of storage capacity in gas years⁶ 2021, 2022 and 2023, compared to the 5-year range of gas years 2015-2019. According to Gas Infrastructure Europe (GIE), operational EU storage capacity amounts to 1128.2 TWh (roughly 115.5 bcm) as of July 2023⁷.
- In the first quarter of 2023, average gas storage levels remained in the upper band of the 5-year average, 93% higher than in the same period in the previous year. EU average storage level stood at 67.5%. This was a 26% decrease compared to the 91% storage level in the last quarter of 2022 and reflected draw-downs during the winter months to cover consumption.

⁶ Gas year always starts on the 1 October of a given year, for example, gas year 2021 started on 1 October 2021 and will end on 30 September 2022.

⁷ Gas Infrastructure Europe - AGSI (gie.eu), data published under the Storage Transparency Platform, 1128.2182 TWh of technical working capacity as of 4 July 2023.

Figure 16 - Gas storage levels as percentage of maximum gas storage capacity in the EU in the middle of the month

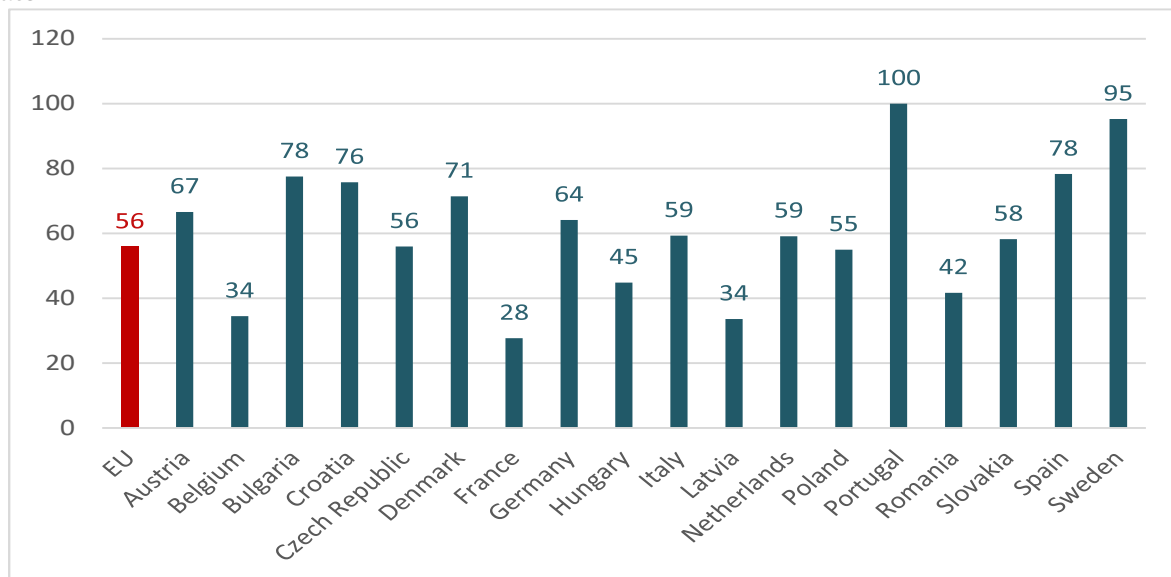


Source: Gas Storage Europe AGSI+ Aggregated Gas Storage Inventory, extracted on 4 December 2022. See explanations on data coverage at <https://agsi.gie.eu/#/faq>. The 5-year range reflects stock levels in years 2015–2019. The graph shows stock levels on the 15th day of the given month.

Source: Gas Storage Europe AGSI+ Aggregated Gas Storage Inventory, extracted on 4 December 2022. See explanations on data coverage at <https://agsi.gie.eu/#/faq>.

Source: JRC calculations, based on Gas Storage Europe AGSI+ data

Figure 17 - Gas storage levels as percentage of maximum gas storage capacity at the end of March 2023, by Member State

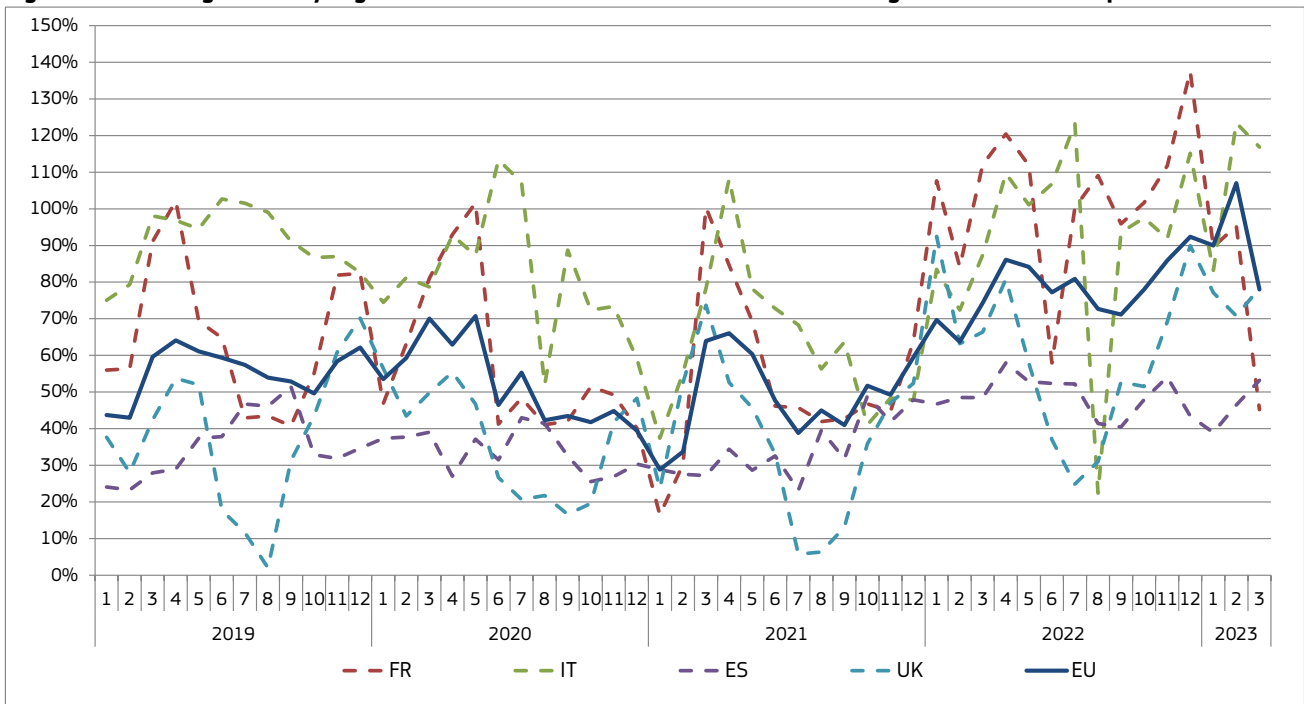


Source: Gas Storage Europe AGSI+ Aggregated Gas Storage Inventory, extracted on 9 July 2023. See explanations on data coverage at <https://agsi.gie.eu/#/faq>.

1.6.2 LNG Terminals

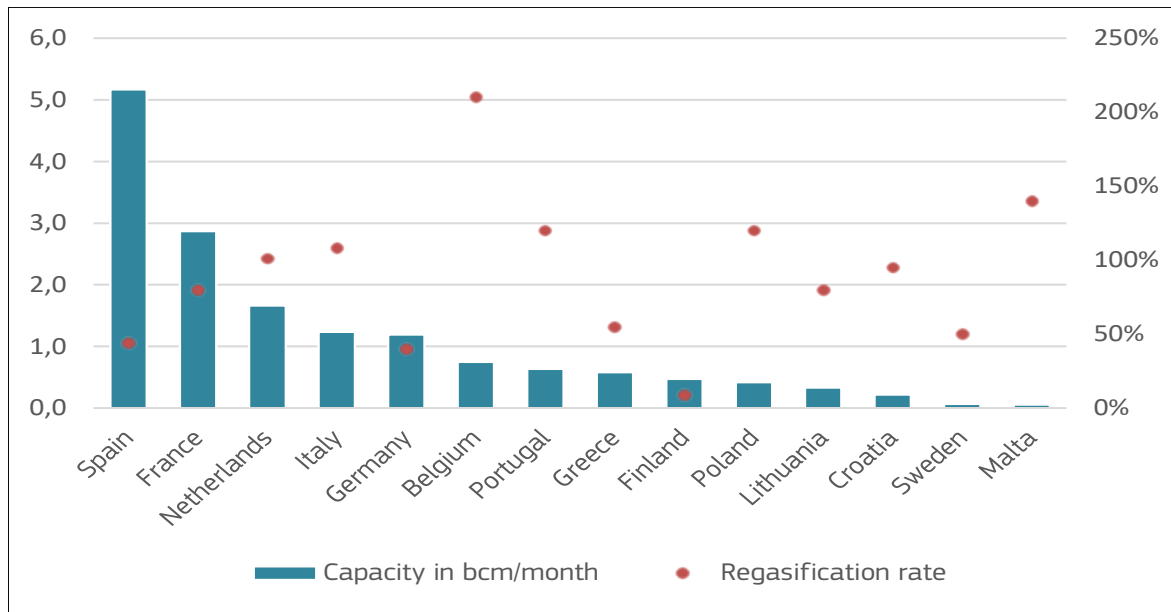
- The average monthly LNG terminal utilisation rates can be followed on **Figure 18**, for some EU countries, the EU on average, and the UK. Figure 19 shows the regasification capacities and average utilisation rate for EU MS with LNG terminals in their territories. The average EU utilisation rate, which stood at 90% in January, rose to 107% in February, then fell back to 78% in March. At individual terminal or country level, monthly utilisation rates can be quite volatile, depending on the arrival of cargoes and the hourly regasification capacities.
- In Belgium, utilisation rates exceeded 100% in all three months of the quarter with values of 168%, 239% and 248% in January, February and March, respectively. LNG terminals in Italy, the Netherlands, Poland and Malta operated above the 100% utilisation rate in February, while Croatia and Poland operated their LNG regasification capacities above 100% in January 2023.
- The biggest regasification capacity in Europe, 5.2 bcm belongs to Spain, which has seven large LNG terminals located on its shores. France comes second with four large LNG ports with a total of 2.9 bcm capacity. Netherlands in the third place has 1.7 bcm, while Germany and Italy share the fourth place, each having 1.2 bcm regasification capacity in their territory. On the low end, Malta and Sweden, each has LNG terminals with 0.1 bcm regasification capacity.

Figure 18 – Average monthly regasification terminal utilisation rates in some significant EU LNG importer MS and UK



Source: Commission calculations for LNG imports based on tanker movements reported by Refinitiv. Regasification capacities are based on data from International Group of Liquefied Natural Gas Importers (GIINGL) and Gas Infrastructures Europe (GIE)

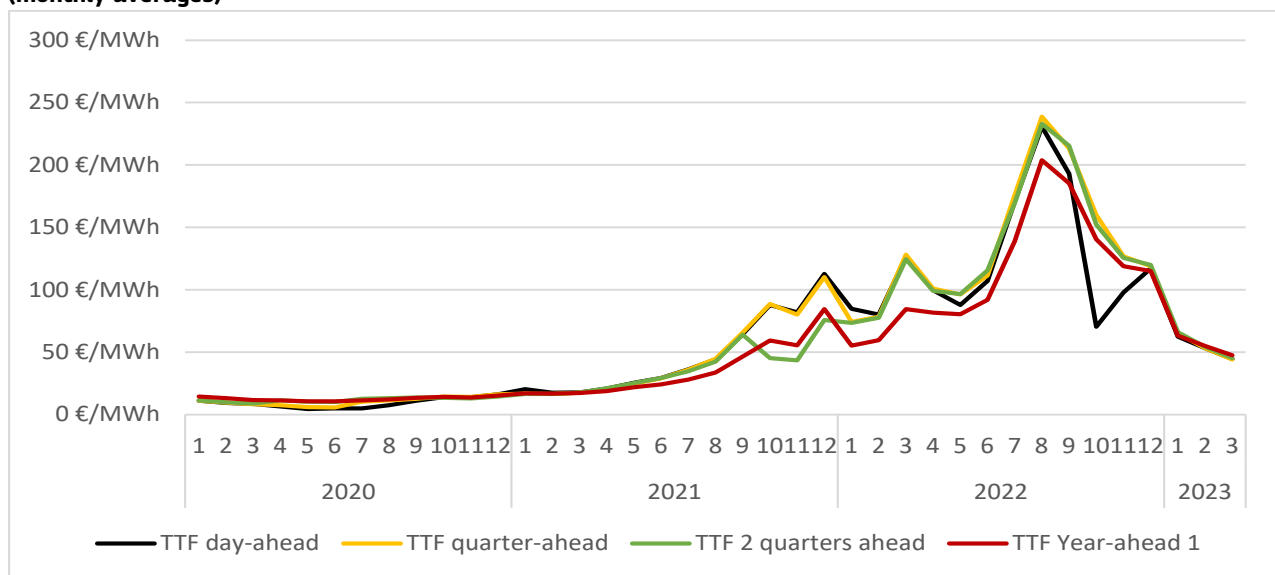
Figure 19 – Nameplate capacities and average regasification utilisation rates in the first quarter of 2023 in main EU LNG importer countries



2. Wholesale Gas Prices

- In the first quarter of 2023, European spot prices (TTF day-ahead) continued their downward trend from the historic peak reached in August 2022. The quarterly average spot price was 53.32 €/MWh, representing a 44% decrease from the previous quarter (95.15€/MWh), a 45% decrease year-on-year (97€/MWh) and 73% drop compared to the peak (198.24€/MWh) in the third quarter of 2022. However, the average spot price was still 187% higher compared to the average in the first quarter of 2021. In terms of price ranges, spot prices were between 60-70 €/MWh in January; between 50-60 €/MWh in Februar and between 40-50 €/MWh in March 2023.
- Forward contracts tracked the spot price closely. They indicated a slight increase in the next quarters and year ahead. The average quarter-ahead contract was 0.76 €/MWh above the spot price, while the two quarter-ahead and the year-ahead contracts sold with 1.88 €/MWh and 1.95 €/MWh premiums, respectively.

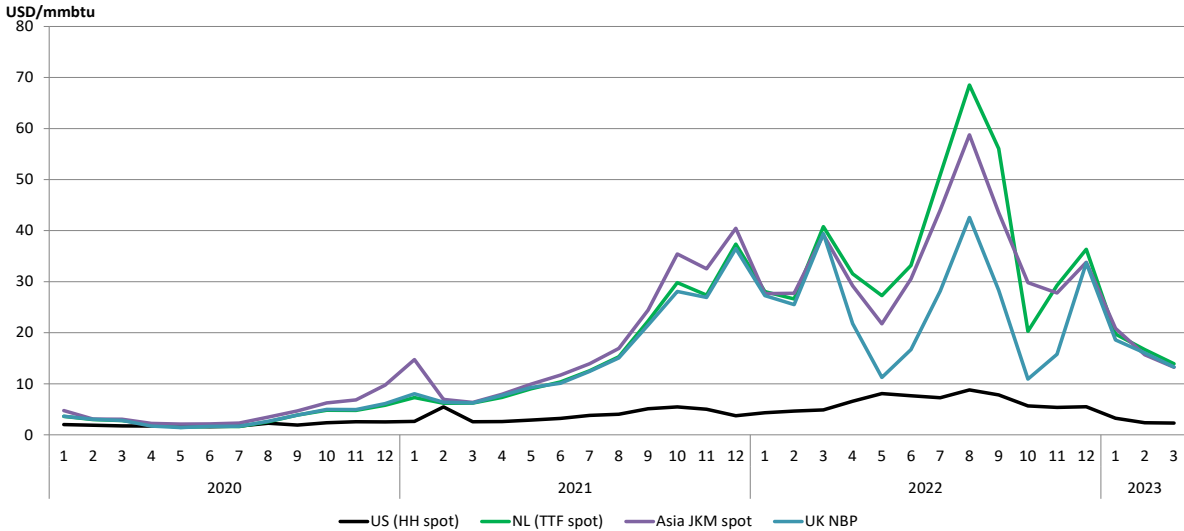
Figure 20 –TTF day-ahead (spot) prices compared with quarter-ahead, two quarters-ahead and year-ahead prices (monthly averages)



Sources: S&P Global Platts

- Gas prices in the major international hubs continued to decrease in the first quarter of 2023. The Dutch TTF, which serves as European benchmark, declined 41% quarter-on-quarter and 47% year-on-year. Prices on the Asian JKM, the EU closest competitor, declined 46% quarter-on-quarter and 47% year-on-year. The US Henry Hub declined 52%.
- For most of the first quarter of 2023, Europe remained the most attractive gas market offering price premiums of 3.38€/MWh in February and 2.34€/MWh in March continuing the almost unbroken 2022 trend of higher prices in Europe than those in Asia. Only in January 2023 shown the European benchmark a negative differential with the Asian JKM, indicating lower prices.

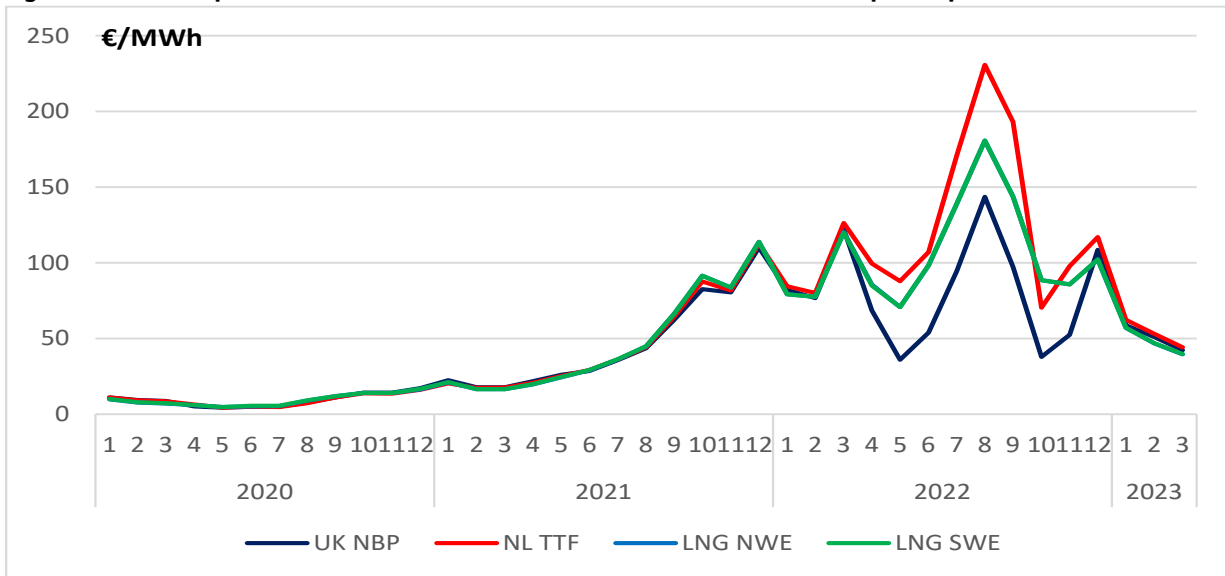
Figure 21 – Daily average prices on the TTF (Dutch), NBP (UK), the US Henry hub, the JKM Asian reference index



Sources: S&P Global Platts

- In the first quarter of 2023, the LNG North Western Europe (NWE) and South Western Europe (SWE) LNG benchmarks moved closely together with almost identical prices⁸ and continued to display lower prices than the Dutch TTF, which is used as the European benchmark. Average price of LNG NWE and LNG SWE in the quarter was 47.9€/MWh and 48€/MWh, respectively, while the average price of the TTF was 10% higher, 53.3€/MWh.
- Prices declined 48% on NWE and SWE LNG both on a quarter-on-quarter and year-on-year basis, while the decline in TTF was 44% from the previous quarter and 45% year-on-year. Price differentials of NWE and SWE with TTF and the UK NBP decreased considerably, but the two regional benchmarks continued to be cheaper than both TTF and NBP. The average price differential was a negative 5.33€/MWh with the TTF and a negative 2.87€/MWh with NBP, indicating lower prices..

Figure 22 – LNG import benchmarks on north-western and south-western Europe compared with TTF

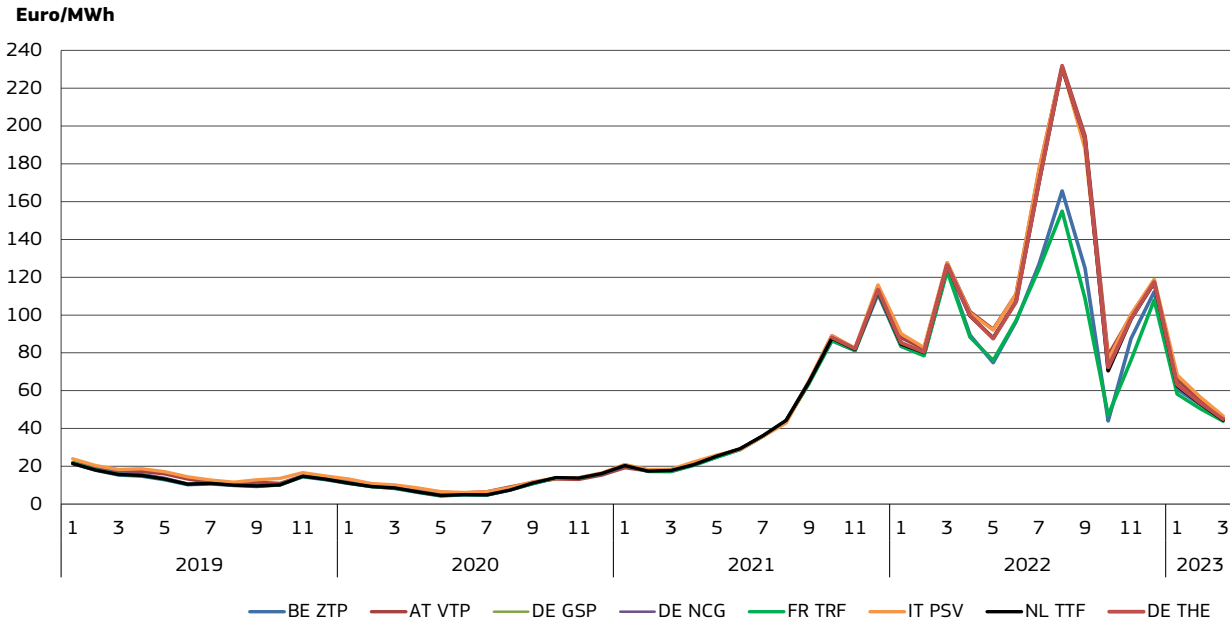


Sources: S&P Global Platts, Acer

⁸ NWE LNG was generally between 1-7 percent cheaper than SWE LNG.

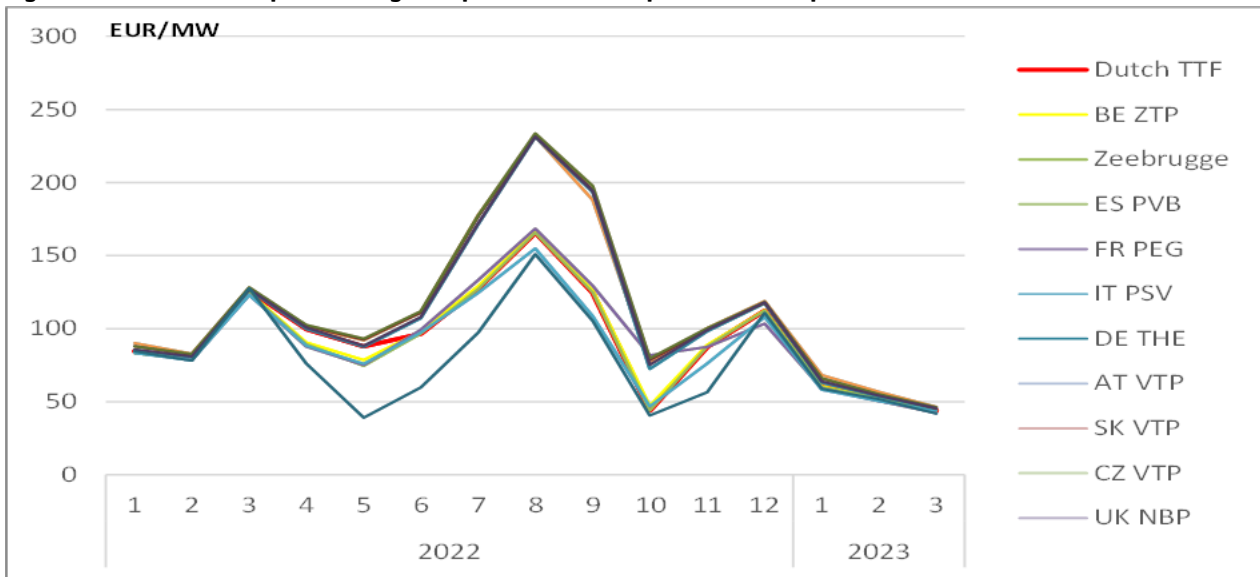
- In the third quarter, prices in the main European LNG hubs decreased between 34% and 46% quarter-on-quarter and between 43% and 46% year-on-year. Price levels in the major EU LNG hubs moved closely together, the average price differentials reduced to 6.30€/MWh from 21.60€/MWh in the previous quarter. The French TRF registered the lowest average price (50.83€/MWh), while the Italian PSV displayed the highest (57.17€/MWh).

Figure 23 - Price developments of LNG imports in the Belgium, Austria, Germany, France, and Italy, compared to the Dutch TTF benchmark



- The comparison of the spot prices (day-ahead) of the eleven major gas hubs of Europe shows a decline ranging from highest 44% (Spain, Germany, Austria, Czechia, Slovakia) to the lowest of 27% (UK NBP). The TTF benchmark declined 36% quarter-on-quarter and 46% year-on-year.
- Spain and France had the cheapest LNG prices levels on average in the quarter, while gas hubs in Italy and Slovakia had the highest. France, UK, Belgium and Spain formed a group of comparatively low priced hubs, while the gas hubs in Italy, Austria, Czechia and Slovakia consistently formed a group of comparatively higher prices.

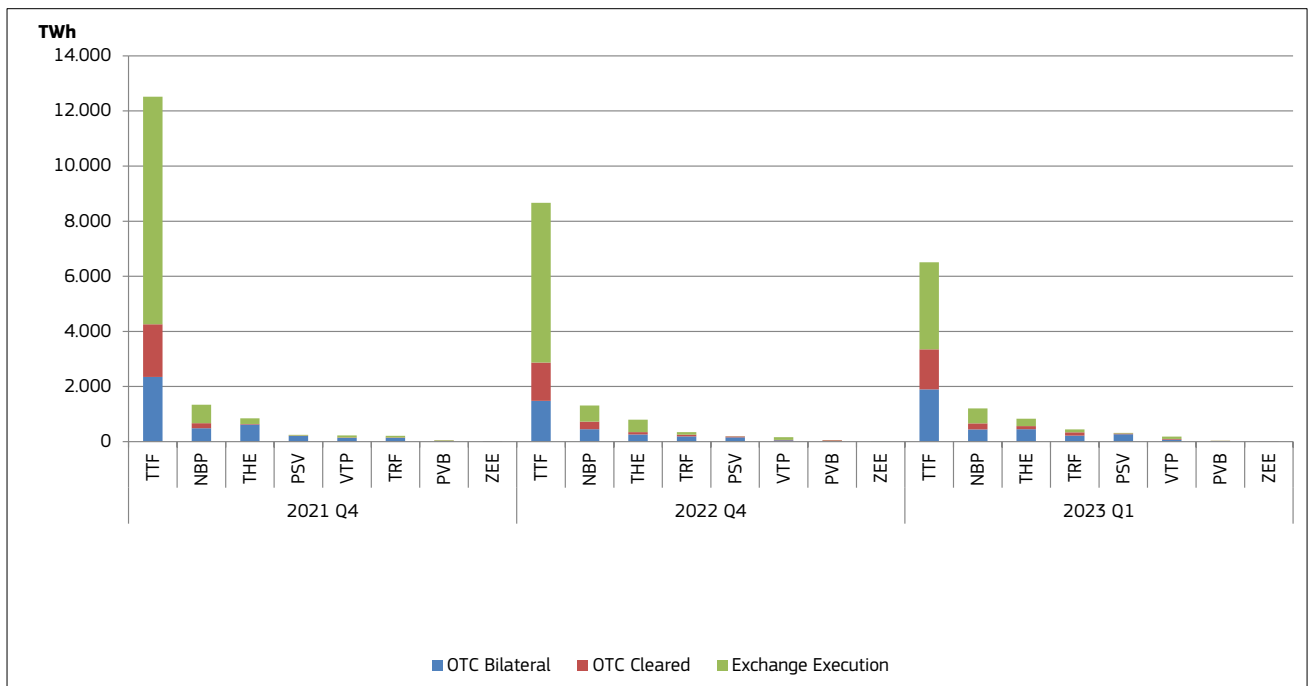
Figure 24 - Price developments of gas imports in the European hubs compared to the TTF benchmark



2.1 Gas trade on the EU hubs

- In the first quarter of 2023, total traded volumes decreased by 17% from the previous quarter and 46% year-on-year, continuing the trend of decreasing liquidity observed in the three previous quarters. Exchange executed trade constituted 44% of transactions. Over-the-counter (OTC) bilateral trade represented 36% of trade, while OTC cleared had a 21% share.
- Against the overall trend, OTC bilateral trade managed to increase by 32% quarter-on-quarter, but was down 22% year-on-year. OTC cleared and exchange executed volumes decreased by 96% and 41% quarter-on-quarter, and 28% and 60%, respectively, year-on-year.
- The Dutch Title Transfer Facility (TTF) remained by far the most important gas hub attracting more than two third of the volumes. The British National Balancing Point (NBP) kept its second place with a narrow margin ahead of the German Trading Hub of Europe (THE), which increased its market share in traded volumes and its significance in Europe's gas exchanges.

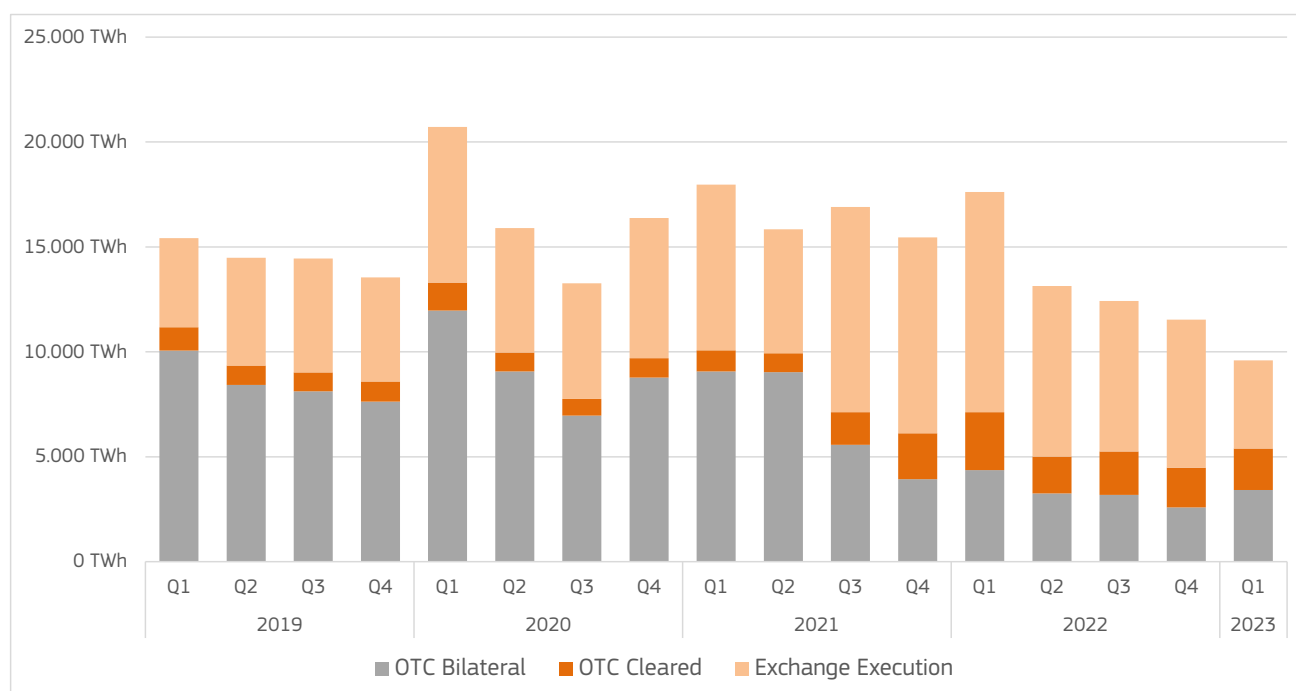
Figure 4 - Traded volumes on the main European gas hubs in the third quarters of 2021 and 2022



The chart covers the following trading hubs: Netherlands: TTF (Title Transfer Facility); Germany: THE (Trading Hub Europe); France: TRF (Trading Region France); Italy: PSV (Punto di Scambio Virtuale); Spain: PVB (Virtual Balancing Point); Austria: Virtual Trading Point (VTP); Belgium: Zeebrugge beach; UK: NBP (National Balancing Point)

Source: Trayport Euro Commodities Market Dynamics Report

Figure 5 – Over the counter (OTC – bilateral and cleared) and exchange executed trade on the EU gas hubs



The chart covers the following trading hubs: Netherlands: TTF (Title Transfer Facility); Germany: THE (Trading Hub Europe); France: PEG (Point d'Exchange Gaz); Italy: PSV (Punto di Scambio Virtuale); Spain: PVB (Virtual Balancing Point); Belgium: Zeebrugge beach, Austria: Virtual Trading Point (VTP); UK: NBP (National Balancing Point).

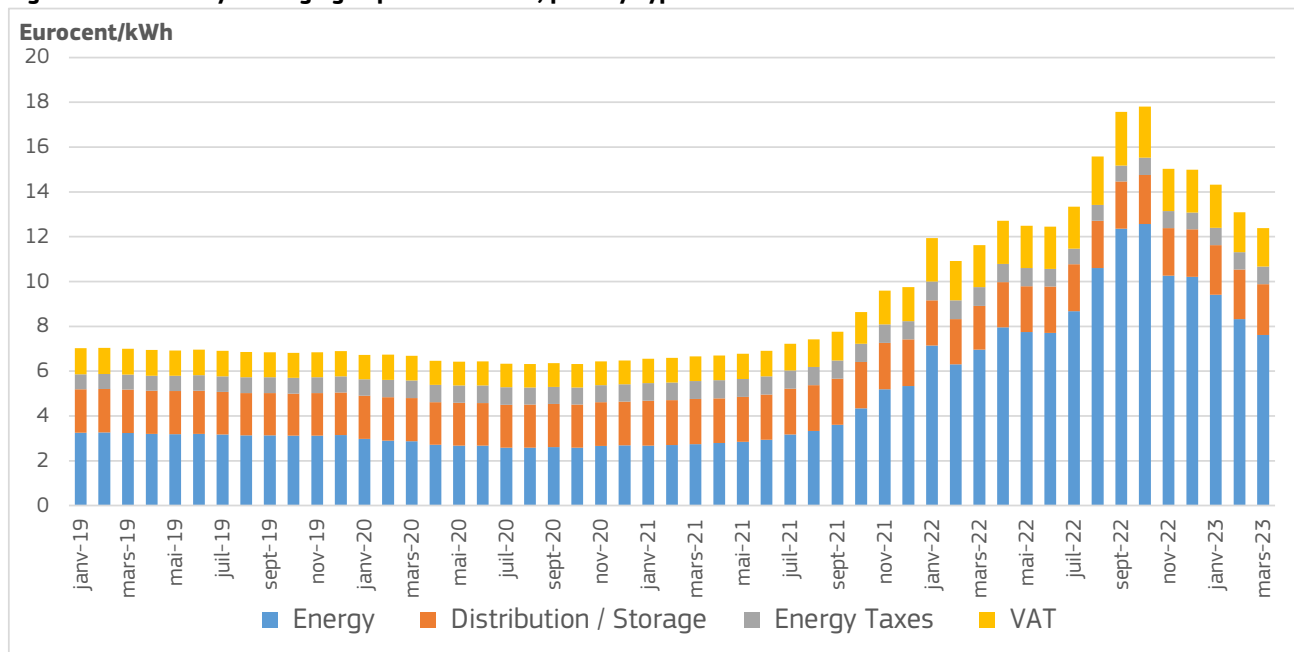
Source: Trayport Euro Commodities Market Dynamics Report

3. Retail gas prices

- Average monthly gas retail prices for household consumers decreased steadily during the first quarter of 2023 from the historic high of 17.57 Eurocents/KWh in September 2022 to 13.27 Eurocents/KWh in March 2023, a 17% decrease. The average price level was still 15% higher compared to the first quarter of 2022, and 85% above historic levels⁹.
- The average energy component of the price was 8.45 Eurocents/KWh, 64% of the total retail price. The share of the energy component decreased by 7% quarter-on-quarter, but increased by 8% year-on-year.
- Final retail prices continued to show great dispersion across Member States. Sweden registered the highest price in March 2023 with 29.28 Eurocents/KWh, while the lowest price 2,72 Eurocents/KWh was observed in Hungary. Likewise, the composition of the retail price varied widely. The energy component had the highest share in Luxembourg (86%) and the lowest in Sweden (40%), while the network component was highest in Slovakia and Ireland (34%) lowest in Luxembourg (0%). Direct and indirect taxation varied between 0% (Poland) and 46% (the Netherlands).

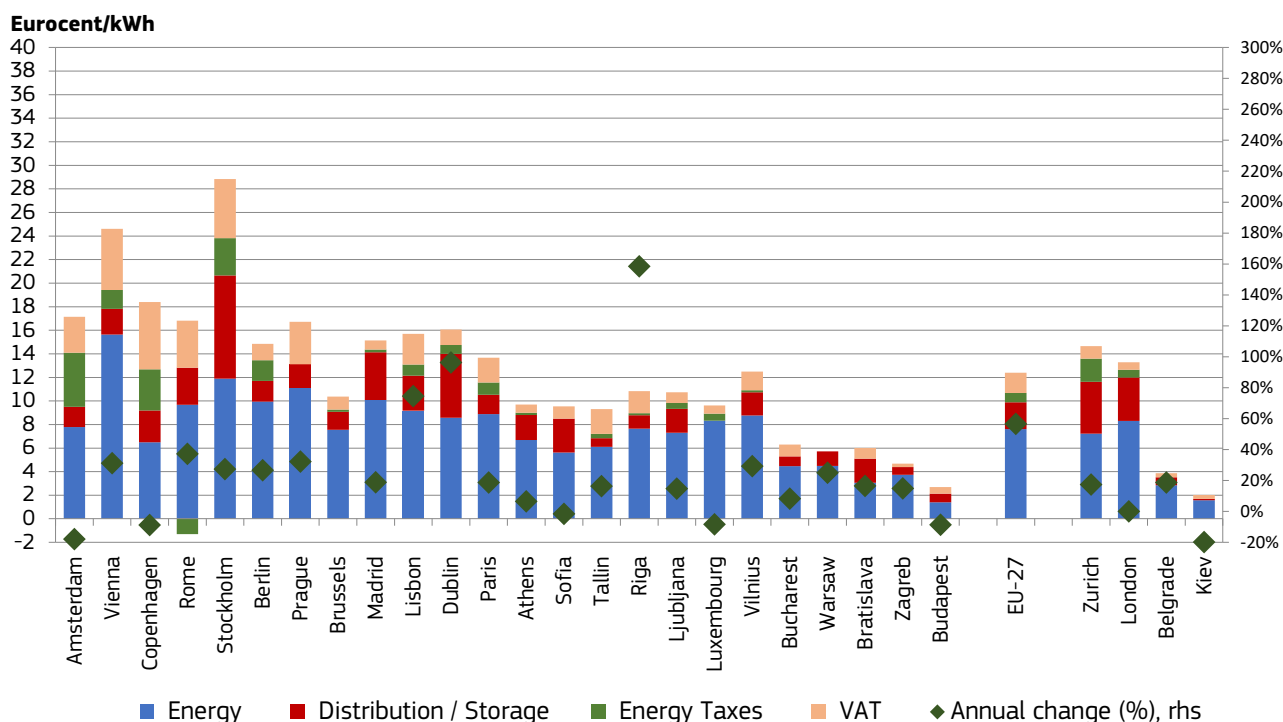
⁹ The period of January-June 2021 is taken as representing the historic price level charged for household gas consumers. For 3.5 years, i.e. from January 2018 to June 2021, average EU household gas prices were below 7 Eurocents/KWh in all months but two, with an average for the whole period of 6.70 Eurocents/KWh. Retail prices started to rise above 7 Eurocents/KWh in July 2022 and went up to 17,57 Eurocents/KWh in September 2022.

Figure 27 – Monthly average gas price in the EU, paid by typical household customers



Source: VaasaETT

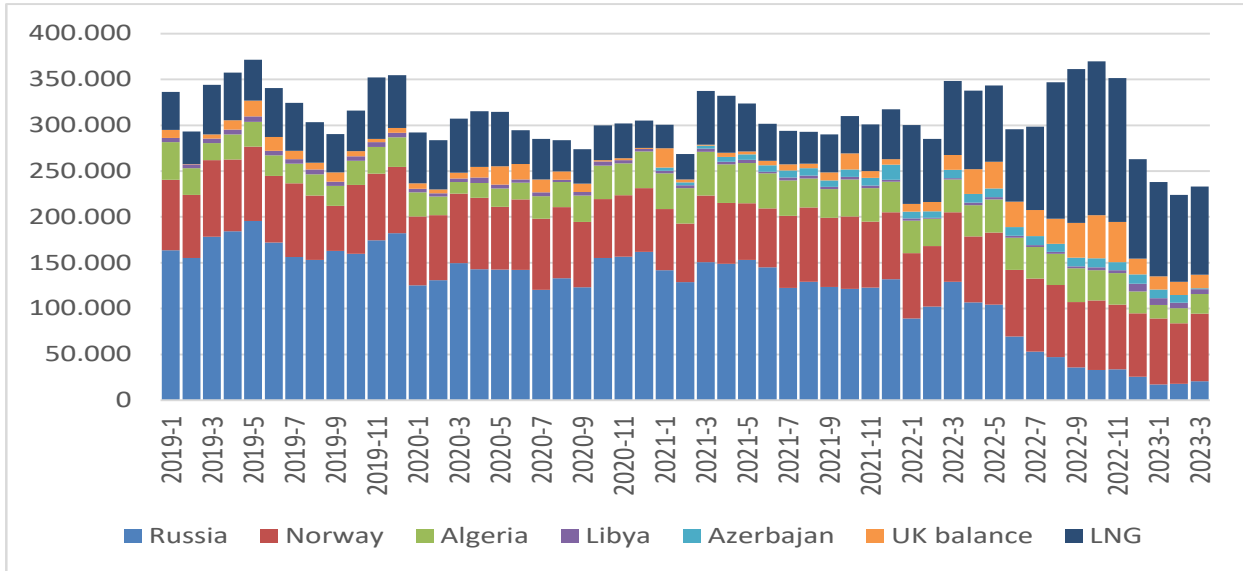
Figure 28 - Breakdown of gas price paid by typical household customers in European capitals and annual change in prices, March 2023



Source: VaasaETT. EU-27 represents an aggregate average of the 27 capital cities

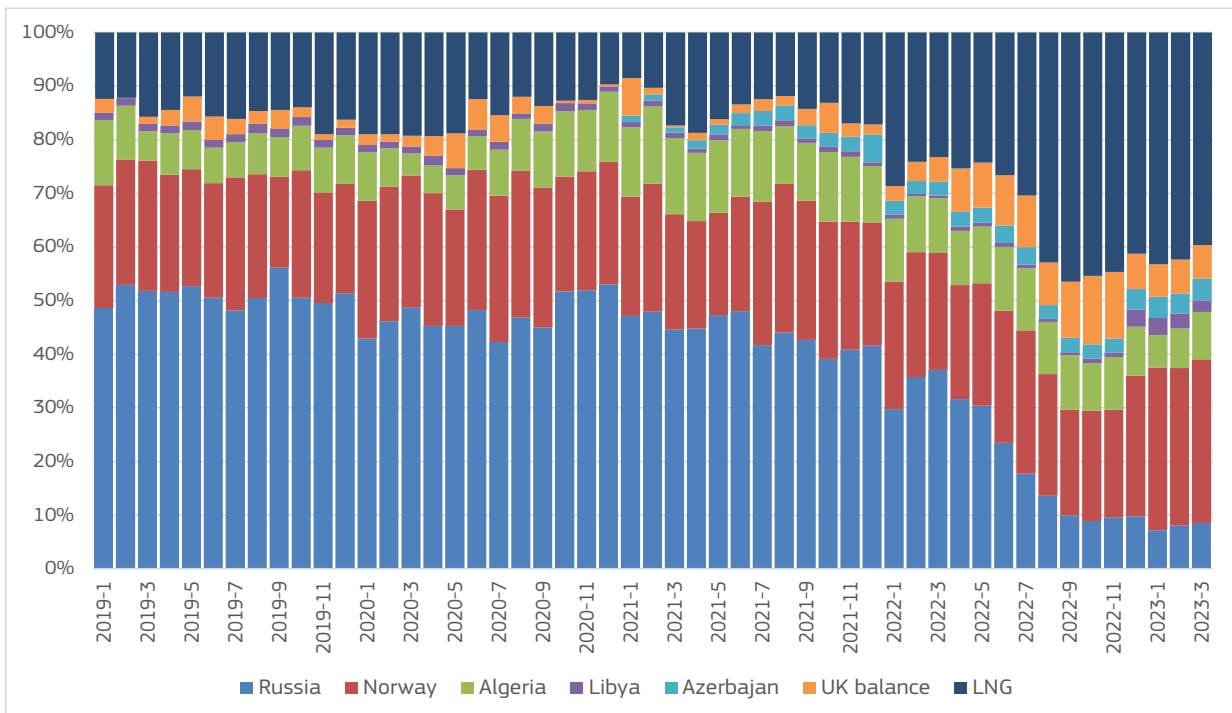
4. Appendix – charts providing further details on market developments¹⁰

Figure 29 – Monthly evolution of gas imports from extra-EU sources



Source: ENTSO-G

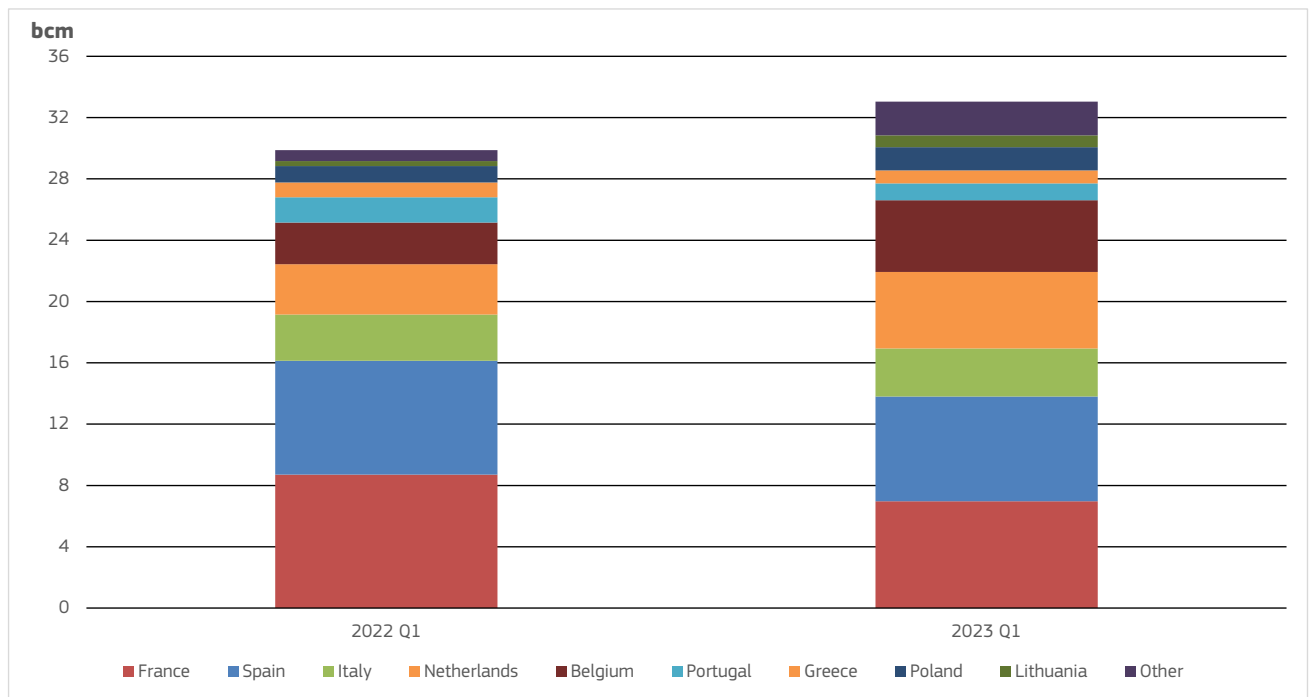
Figure 30 - Monthly share of gas imports from various sources (pipeline and LNG both included)



Source: ENTSO-G

¹⁰ These charts provide additional information on the main market developments, without textual comments and/or further detailed analysis

Figure 31 – LNG imports in the EU Member States, first quarters of 2022 and 2023



Source: Refinitiv

Figure 32 – LNG imports in the EU Member States, comparing third quarters of 2021 and 2022 with first quarters of 2022 and 2023

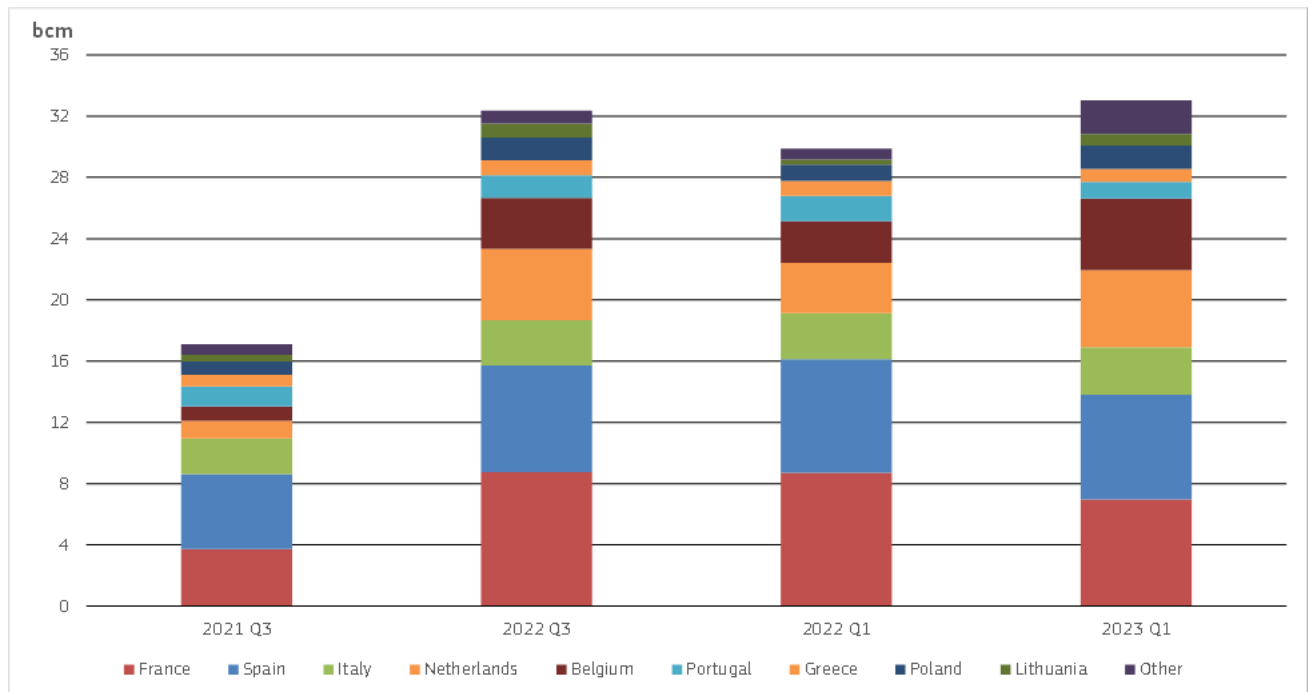


Figure 33 - LNG import from the main suppliers in the EU in the first quarter of 2022 and the first quarter of 2023

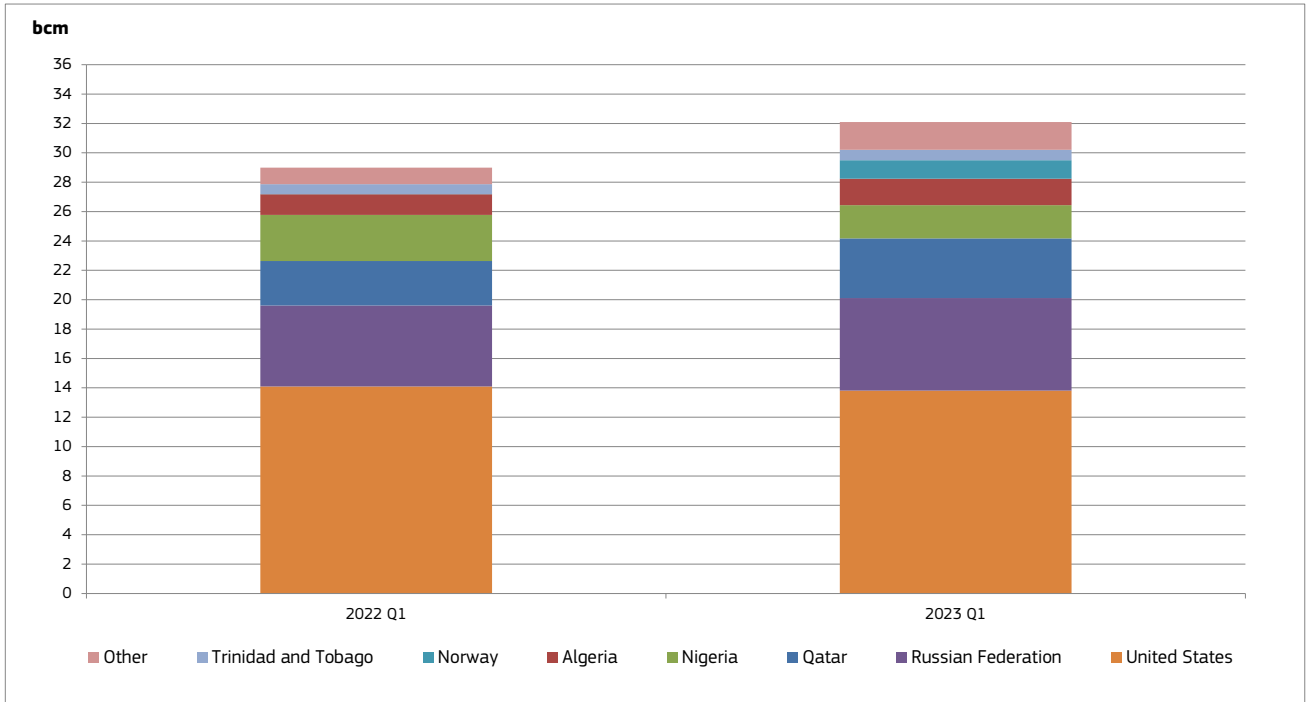
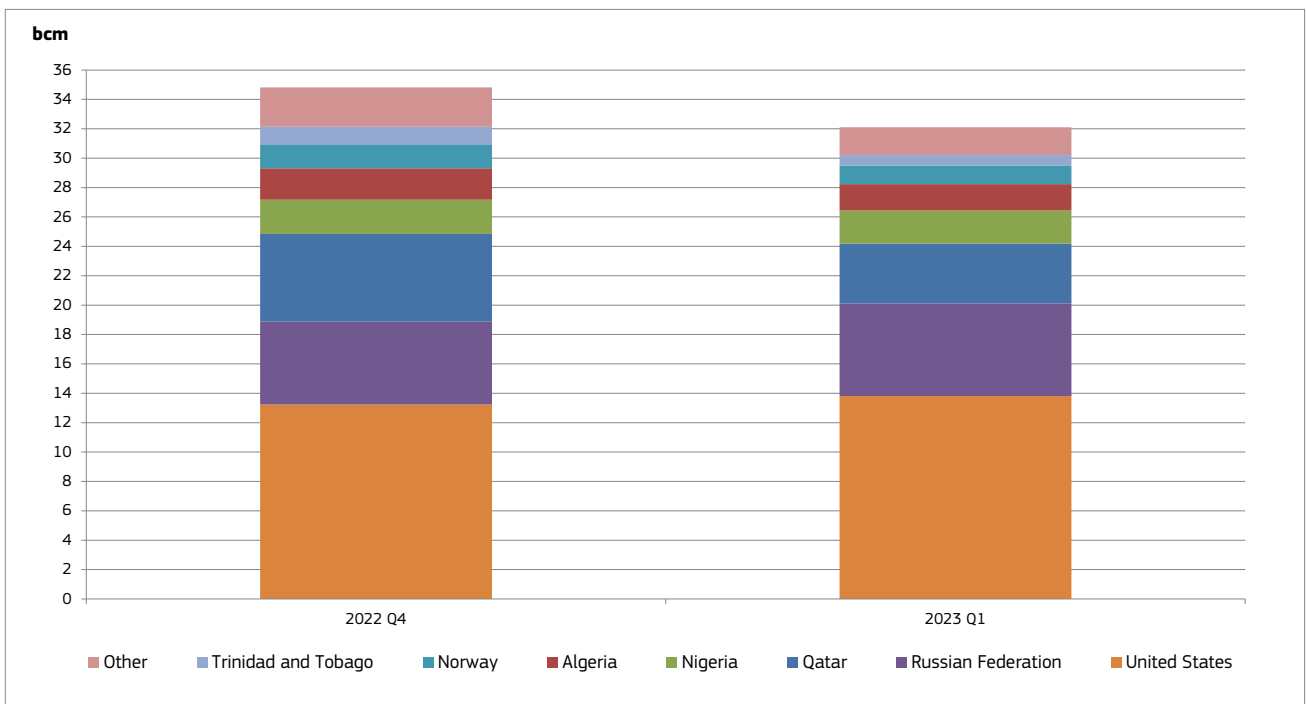


Figure 34 - LNG import from the main suppliers in the EU in the fourth quarters 2022 and first quarter of 2023



Source: Refinitiv

Figure 35 - LNG import from the main suppliers to the EU in the first and fourth quarters of 2022 and the first quarter of 2023

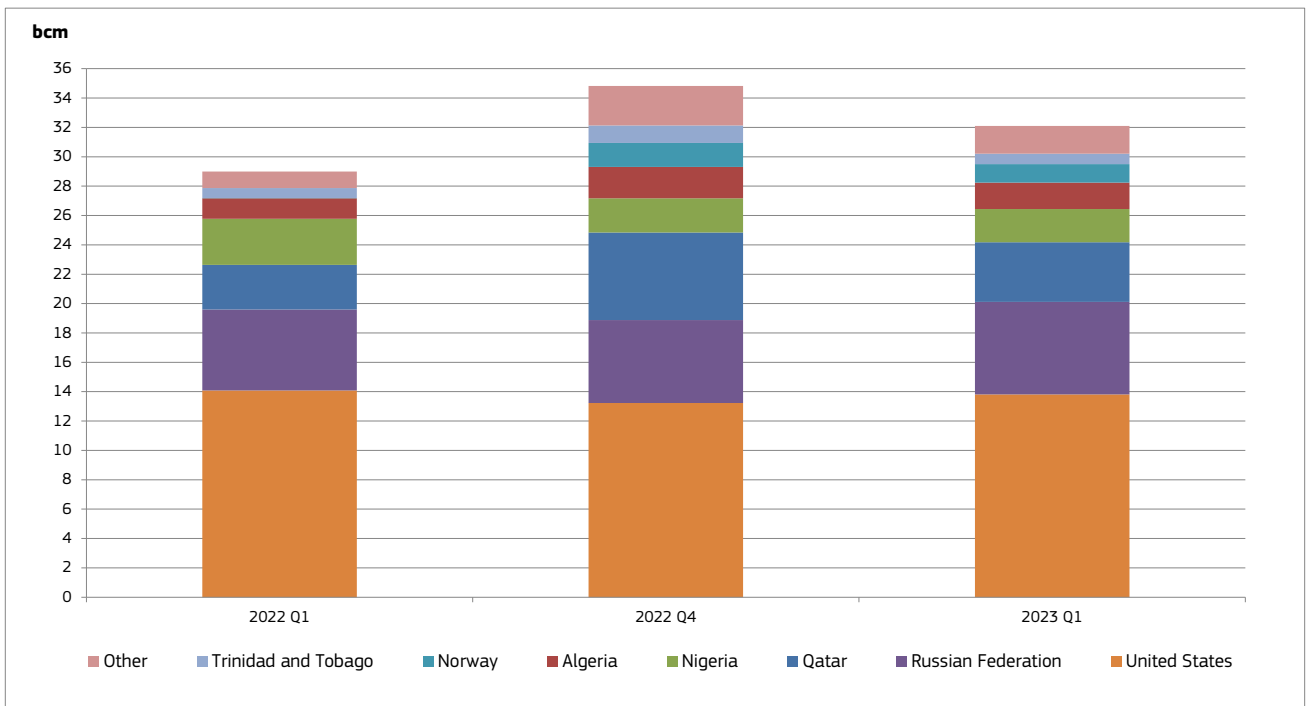


Figure 36 – LNG export by main global suppliers in first quarters 2021, 2022 and 2023, and fourth quarter 2022

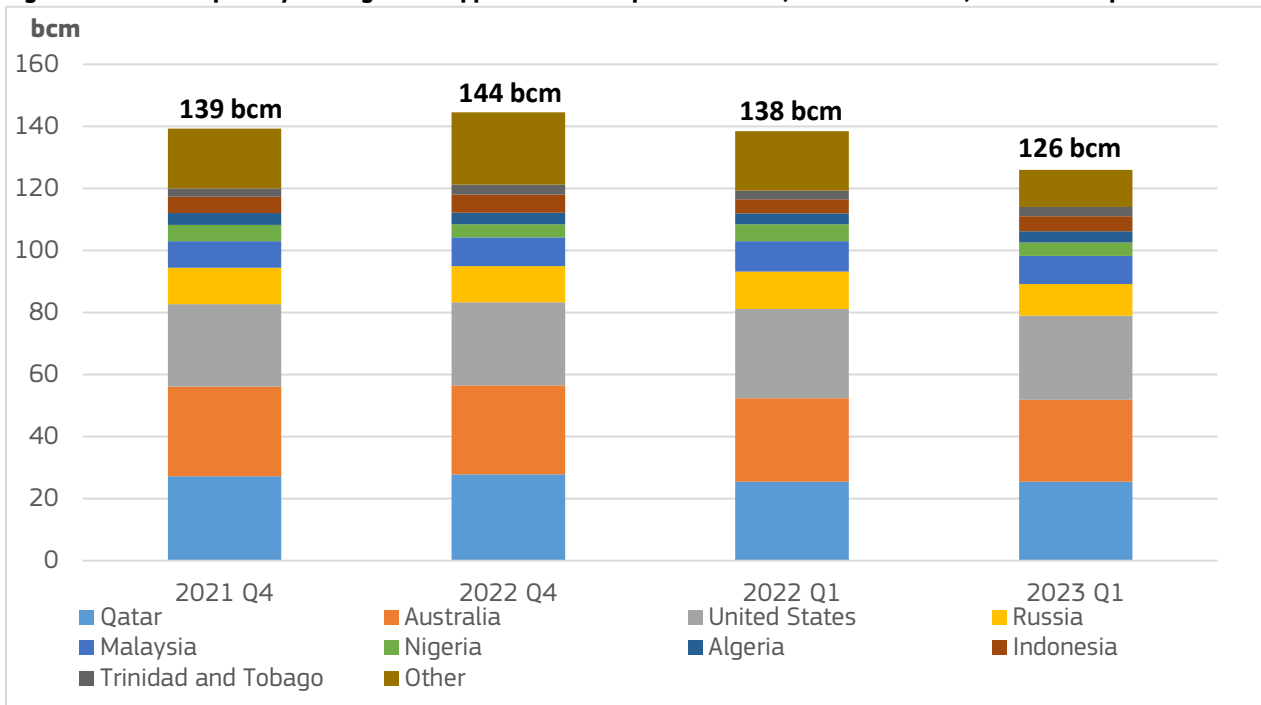


Figure 37 – Price development in selected European LNG hubs in 2022 and first quarter of 2023

