European Community gas supply and prospects

1995/2269(COS) - 18/10/1995 - Non-legislative basic document

OBJECTIVE: the Commission communication forms part of the framework set out in the Commission's Green Paper and White Paper, in which the security of supply of natural gas is designated as one of the three pillars of the common energy policy. It has a dual objective: - to provide a basis for discussing the future direction of the Community gas sector; - to examine the question of security of supply and evaluate how the EU can strengthen it in the long term. CONTENT: the Commission points out in its document that natural gas is increasing its market share in nearly all the Member States and will rise from around 19% today to some 26% by 2010. At the same time, while Community production is falling, the EU's dependency on imports from third countries may well rise considerably from nearly 40% today to 60% in 2010 and perhaps 75% in 2020. The Commission therefore: - considers it essential to integrate the Community gas network and calls for optimum cooperation in the event of serious crisis, in order to improve the overall security of supply of the EU. There is already short-term security since, according to the Commission, the EU could withstand an interruption of supplies from its main non-OECD suppliers (Russia and Algeria) for 9 and 20 months respectively. However, by 2010, it could have a shortfall of 20% in external supplies; - considers it crucial to interconnect the networks in order to obtain and maintain long-term security: several additional interconnections could improve security. Developing the TENs will allow the list of projects of common interest to be extended to include the "missing links" in the gas pipeline network and storage projects which include the needs of the more vulnerable Member States; - recommends a cost/benefit analysis of the creation of additional prospects with a view to dealing with increased dependency on third countries: the real volume of supplies which can withstand interruption in industry and in electricity generation in the Member States needs to be studied in order to determine the current level of supplies which can withstand interruption and the implications for security of supply in the event of a serious crisis; - points out that diversified gas supply sources are essential to the long term security of supply of the EU and suggests that closer links should be forged with suppliers who might, in the medium term, come from the Middle East, Latin America, central Asia and western Africa.