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# PRESS RELEASE

**The gas chain: influence of its specificities on the liberalisation process**
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Since 1 July 2007, liberalisation of the gas and electricity markets has applied to all consumers in the European Union who are now free to choose their gas and power suppliers. Since consumers had previously been faced with a single intermediary for their gas supply, the process of liberalisation has enhanced the roles and responsibilities of the various participants in the gas chain, whose (new) remit does not always appear clear to the novice in an area also characterised by technical complexity.

The aim of this first working paper is to draw attention to some of the stakes in the liberalisation of the gas market whose functioning cannot disregard the network infrastructure required to bring this fuel to the consumer, a feature it shares with the electricity market. In the first part, the specific features of the gas sector are put into perspective with those of other network industries, based on the observation that while there are naturally similarities, these network industries have seen their own technological developments, even if they have sometimes been required to evolve in regulatory environments based on common concepts. Several technical gas industry terms and concepts are also briefly explained for readers who are not so familiar with the subject, when these factors are likely to have an impact on how the gas market operates. The second part tackles the question of gas market liberalisation more specifically, first of all by pointing out the factors that have driven this process, and then by emphasising the consequences of this liberalisation on the way the market operates. Because gas is a primary energy source that must be transported from its point of extraction, opening the upstream supply segment of the market to competition is not so obvious in the European context. Contrary to the examples of the North American and British gas markets, these supply channels are largely in the hands of external suppliers and thus fall outside the scope of EU legislation on the liberalisation and organisation of the internal gas market. Competition on the downstream gas supply segment must also adapt to the constraints imposed by access to the grid infrastructure, which, in the case of gas in Europe, goes hand in hand with the constraint of dependence on external suppliers. Hence the opening to competition of upstream and downstream markets is not "synchronous", a discrepancy which can weaken the impact of liberalisation.

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