



## **GME'S NEWSLETTER – New issue now on line**

Rome, 13 June 2013 – The new issue of the Newsletter of Gestore dei Mercati Energetici (GME) is now downloadable at [www.mercatoelettrico.org](http://www.mercatoelettrico.org).

The newsletter opens with a contribution by Claudia Checchi, from REF-E, about the new prospects of demand for natural gas and of the LNG market related to the transport sector. In the opinion of Checchi, although gas is bound to become the energy source with the highest development, *the first actual data of 2012 show that European demand shrank by more than 2%, a trend observed in almost all the countries and likely to have been mitigated by a cold season that was harsher than average in 2012.* However, the researcher from REF-E argues that, looking ahead, the demand of gas for transport *might have a countertrend: environmental drivers and technological innovations have lately opened up new prospects.* From an economic viewpoint - points out Checchi - *yearly relative prices suggest, in most cases, an advantage in the use of natural gas or of LNG as against conventional fuels. Nevertheless, in assessing this advantage, account should be taken of the huge investments needed to build LNG refuelling and storage stations and of the lack of common technological standards and of a clear legislative/regulatory framework for authorisation processes.* At any rate - emphasises Checchi - *the use of gas for both sea and road transport might give new impetus to the European market of gas and especially of LNG. This development will not occur in the near term; it will require several years and the LNG market might not be ready to respond to the challenge, for a number of reasons.* For instance - recalls the expert from REF-E - the International Group of Liquefied Natural Gas Importers (GIIGNL) *relies on two major elements to analyse the future market evolution: i) the increase of the spot market and of cargo reloads; and ii) the final investment decision for the two liquefaction terminals to be used for LNG exports from the US.* Another element to be taken into consideration is *the development of regasification facilities.* Anyway, the transport sector has a high



*potential and might offer a way out to a stagnant European gas market. However, many are the challenges and difficulties to be overcome. This is why - concludes Checchi - the LNG market itself should be readapted in part, in terms of both existing infrastructure and commercial organization.*

The new issue comes with the usual technical commentaries about national and European environmental markets and power exchanges, with the section devoted to the analysis of Italian gas market trends and with the one giving insight into the trends of the main European commodity markets.

Finally, as has become customary, GME's new publication reports **the summary data of the electricity market for the month of May.**

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