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Chart of the Week #2022-44

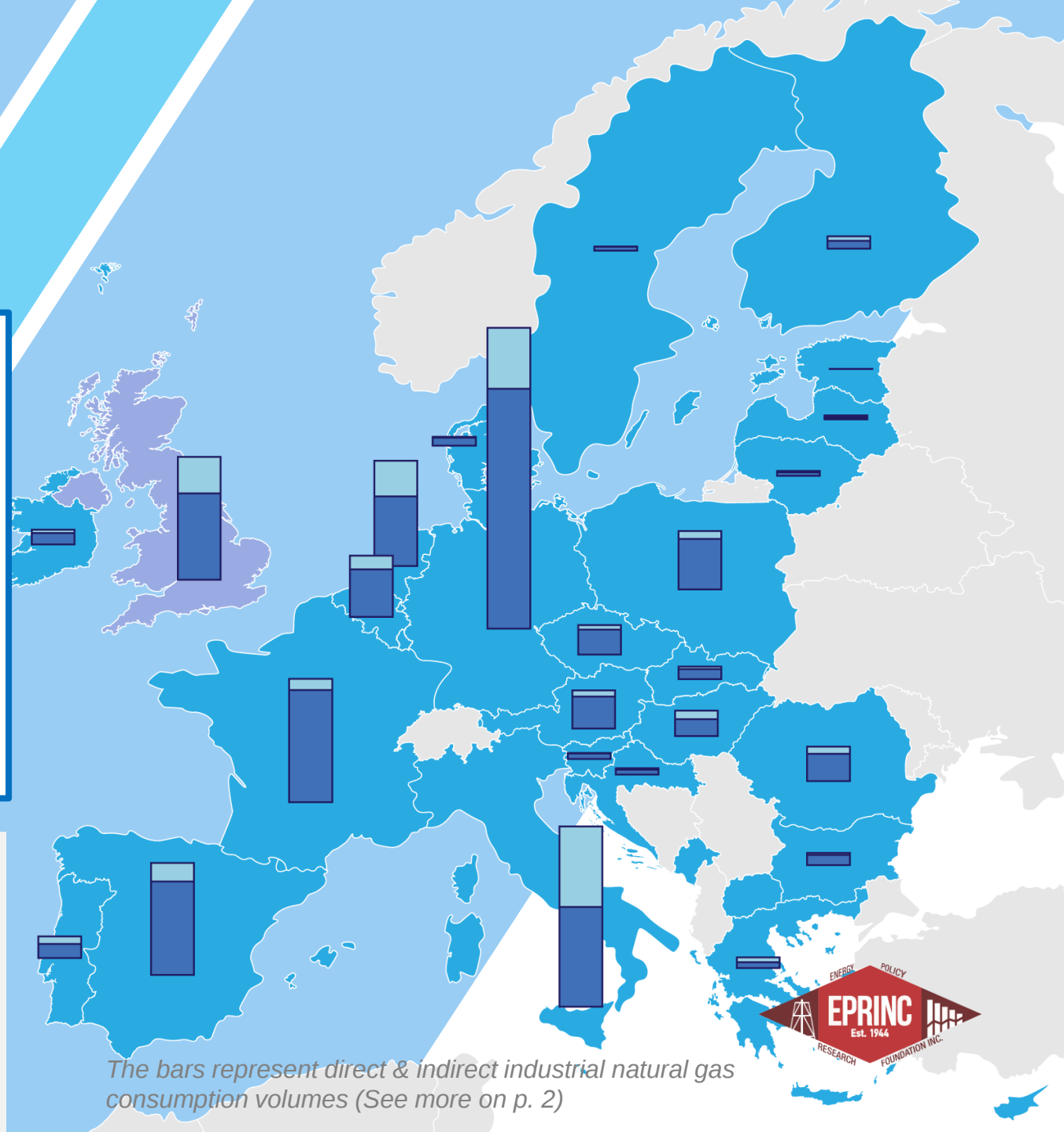
Nov 23, 2022

EU's Industrial Competitiveness Hinges on Natural Gas

Energy Policy Research Foundation, Inc.

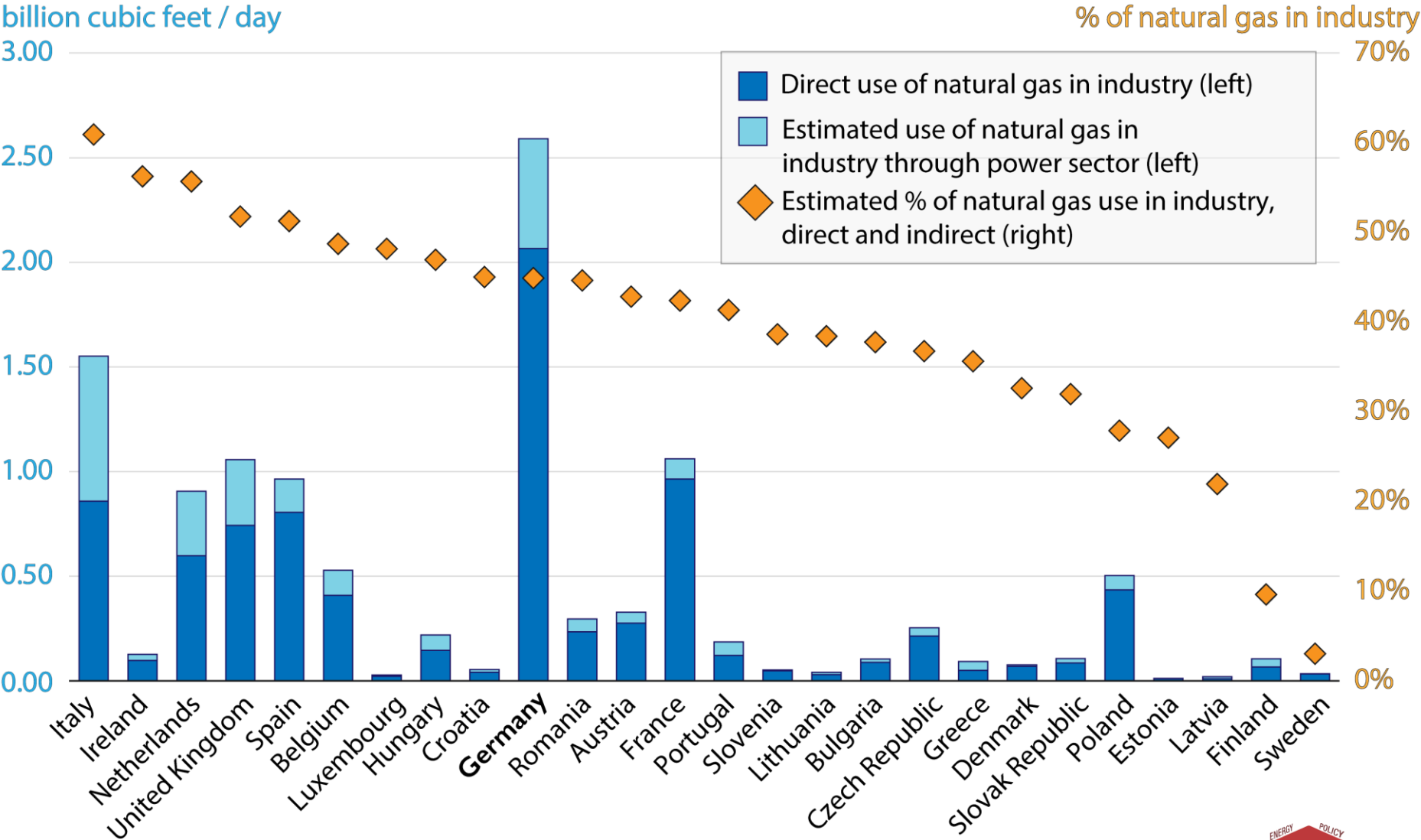
This slide deck is available at EPRINC's [Chart of The Week Archive](#).

For more information on these charts, please contact Batt Odgerel (batto@eprinc.org) or Lucian Pugliaresi (loup@eprinc.org).



EU's Industrial
Competitiveness
Hinges on
Natural Gas

Role of Natural Gas in EU & UK Industries (2020)



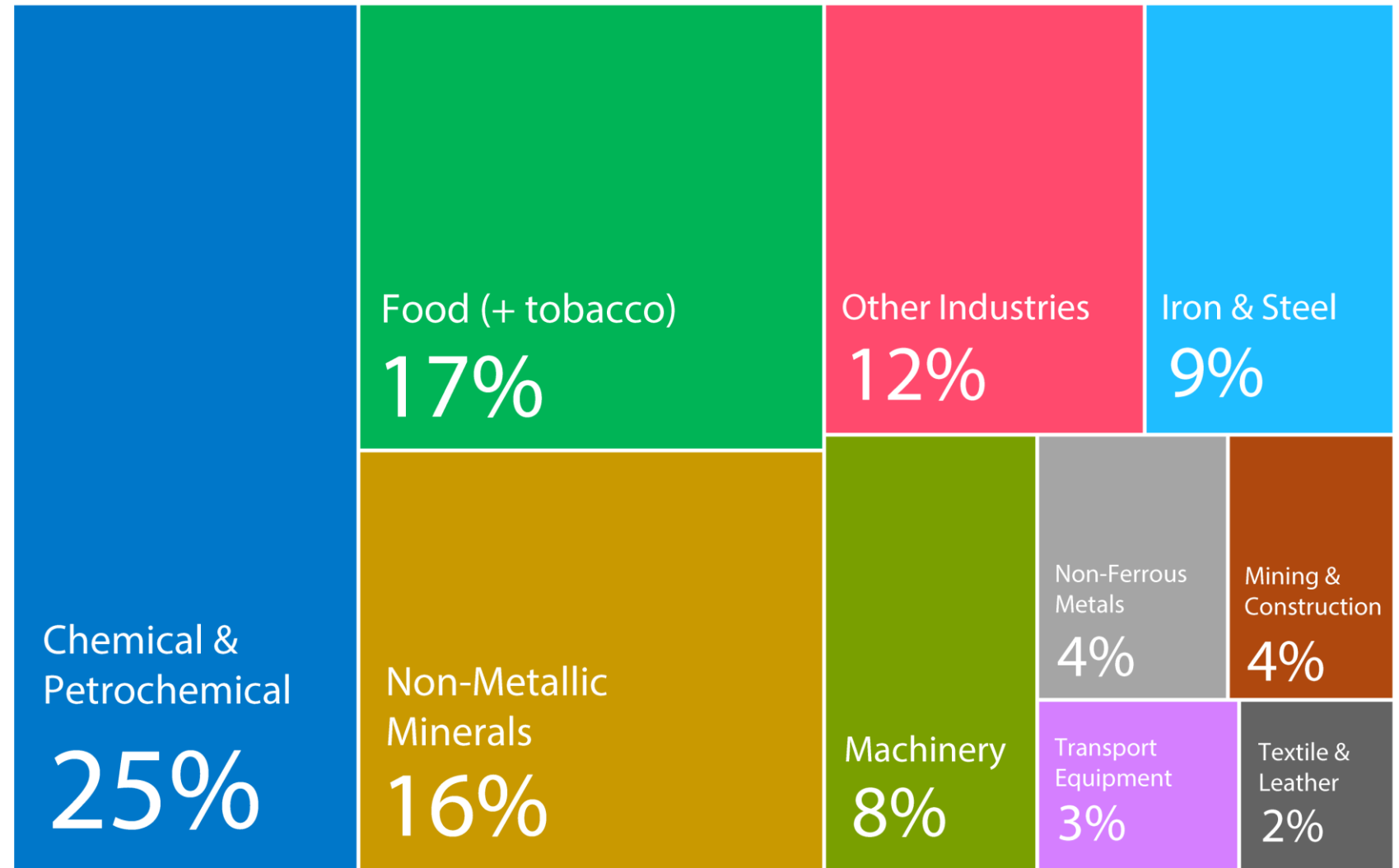
Note: Indirect use via power sector is estimated based on power generation mix.
Per IEA data, Cyprus & Malta have zero natural gas demand in industry; hence, they are excluded from this analysis.
Source: EPRINC analysis based on IEA data

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EU's Industrial Competitiveness Hinges on Natural Gas

Composition of Direct Use of Natural Gas in Industry in EU & UK (2020)



Total volume: **8.5 bcf/d** (32% of total industrial energy demand)

EU's Industrial Competitiveness Hinges on Natural Gas

Key Points:

- Industry plays an outsized role in the economic growth and competitiveness of the European Union, and accounts for a quarter of its GDP (around 18% in UK).
- Natural gas is a key enabler of various industrial applications, from manufacturing to construction, and acts as the largest fuel source of industry in many European countries. As of 2020, the combined onsite and indirect (electricity generation) use of natural gas accounted for a third (32%) of industrial energy demand in the EU plus UK.
- As a feedstock, natural gas also plays a crucial role in chemical production in the EU. In 2020, 25% (or 2.13 billion cubic feet per day) of the region's industrial natural gas demand (excl. for power generation) went to the chemical and petrochemical sector.
- A shortage of natural gas has a huge adverse impact on the EU's industrial competitiveness and economic well-being. In fact, the surging gas prices have started affecting European heavy industry companies like the chemicals group BASF as noted in some recent reports (for reference: a Reuters [article](#), a Chemistry World [article](#))

