

BELGIUM AS NATURAL GAS
CROSSROADS FOR NORTH-WESTERN
EUROPE: **THE WAY FORWARD**



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1. Introduction

One of the objectives of federal energy policy for the natural gas market is to ensure that the basic conditions are in place to safeguard security of supply and competitive prices for end users. Strengthening Belgium's role as a crossroads for natural gas in North-Western Europe is central to this objective. Private and public sector consultation combined with a shared long-term vision have allowed Belgium to establish a unique position as a natural gas crossroads.

Current developments in the European natural gas market offer various opportunities to further enhance Belgium's role in this respect. Moreover, the unique position that Belgium has carved out for itself means that it is very well placed to attract new cross-border natural gas flows, thereby bolstering security of supply and stimulating competition.

However, the fact that Belgium is uniquely placed as a natural gas crossroads should not blind us to the fact that other countries also aspire to play a pivotal role in the North-Western European gas market. In view of this, it is vital in our consultations with other countries in the North-Western European region that initiatives are geared towards mutual strengthening rather than towards competition. Another factor to consider is consultation with the Regions aimed at adjusting permitting policy so that new infrastructure can be built within the timeframes demanded by the market. Coordination with Belgian representative offices abroad is also important: a coordinated approach at European level and active natural gas diplomacy are key factors in maintaining security of supply as well as an opportunity to showcase the strengths of numerous Belgian companies to an international audience.

Paul Magnette
Minister for Climate and Energy

2. The importance of Belgium's role as a natural gas crossroads

2.1 Share of natural gas in Belgium's energy mix likely to increase further

Natural gas accounts for 25.5% of Belgium's primary energy consumption, petroleum products for 39%, nuclear energy for 21.5%, solid fossil fuels for 8%, renewable energy sources for 5% and other sources for 1%. The government is committed to meeting Europe's obligations under the EU's climate and energy package. These require Europe by 2020 to cut its greenhouse gas emissions by 20% below 1990 levels, generate 20% of its energy from renewable sources and reduce its energy consumption by 20% compared with projected levels.

Various market signals and energy studies suggest that, under a dynamic climate policy, the share of natural gas in Belgium's energy mix will increase due to the environmental benefits of gas as an energy source. For example, it is likely that more electricity will be generated at gas-fired power stations. Additional natural gas-fired generating capacity will also be needed as a backup for electricity produced from renewable energies such as wind or solar power, which is only intermittently available.

It is therefore extremely important to focus on security of natural gas supply and continue to do so, especially in Belgium which has no resources of its own and therefore has to import all of its gas. Currently, the main sources of natural gas for the Belgian market are the North Sea (mostly from Norway, but also from the UK), the Netherlands and, to a lesser extent, Russia. Gas is transported from these countries by pipeline. It is also imported in liquefied form by ship, most of it currently from Qatar.

2.2 Belgium as a crossroads enhances domestic security of supply

To safeguard security of supply, the ideal set-up for a non-producing country is to have natural gas infrastructure connected directly to gas sources. However, such infrastructure is so capital-intensive that it is not viable for a relatively small end-user market like Belgium. That is why, since the introduction of natural gas, Fluxys has pursued a strategy of exploiting its geographical location between sources and various end-user markets in North-Western Europe as well as its neutral position in relation to natural gas producers in order to anchor Belgium's security of supply on cross-border gas flows to other countries. Through this approach, Belgium has established itself as a crossroads for natural gas flows in North-Western Europe.

It may have required major investment, but this strategy has undoubtedly paid dividends. Today, Belgium benefits from very high security of supply, a wide diversity of sources and excellent interconnections with grids in neighbouring countries.

2.3 Efficient market functioning and favourable prices

The way in which Belgium's natural gas transmission infrastructure has been developed also promotes efficient market functioning. Cross-border gas flows bring a large number of players to the Belgian market and encourage the circulation of large volumes of natural gas, which creates more opportunities for competition and has a positive impact on natural gas prices in Belgium. This efficient market functioning not only benefits households and SMEs but also economic activity and employment in large-scale industry and particularly energy-intensive businesses.

2.4 Positive spin-offs for the economy

Belgium's role as a natural gas crossroads also has positive implications for the wider economy. Grid operators and gas industry suppliers are responsible for many direct and indirect jobs, while sustained investment by the natural gas industry stimulates activity and employment in other sectors, including construction, consultancies and companies specialising in ICT and process technology. Moreover, investments in the sector over the years have resulted in a number of universities and research institutions building up significant expertise in natural gas and associated specialist fields.

2.5 The challenge now: keep up with continuing high level of investment

According to recent estimates, Europe's energy sector will need to invest some €1,000 billion over the next 10 years in order to meet government targets on renewable energies and cutting greenhouse gases. Almost a third of that investment would be spent on gas and electricity grid infrastructure. As noted above, Belgium will need - among other things - to develop backup power generation for wind farms, most likely in the form of gas-fired power stations. To that end, the natural gas transmission system will need to be expanded, which means that Fluxys will need to push ahead in full with its 10-year investment programme (totalling over €2 billion to date). To achieve this, the gas transmission infrastructure company will need to rely increasingly on venture and/or borrowed capital. Care must therefore be taken to ensure that climate and energy targets remain compatible with a sound financial base.

3. Opportunities to enhance security of supply and market functioning in a profoundly changing European context

A shift in available natural gas sources for the European market is resulting in a reconfiguration of flows. For Belgium, this is an ideal opportunity to consolidate its role as a natural gas crossroads and so enhance security of supply and market functioning. If Belgium can offer new infrastructure to accommodate additional flows, each new flow will open up a new source of natural gas for the Belgian market. The same goes for the additional infrastructure needed to achieve an integrated European gas market, with sufficient capacity to enable free circulation of natural gas between Member States and between the various short-term markets spread across different Member States.

3.1 The shift in natural gas sources is resulting in a reconfiguration of major supply flows

Europe is becoming increasingly dependent on imports. Of all Europe's conventional gas sources, only Norwegian production has scope for expansion. The UK's reserves are diminishing and gas-field production levels are forcing the UK to import increasing volumes of natural gas. In the Netherlands, production from small gas fields is waning while production at Groningen has been capped. Consequently, Europe's dependence on imports can only increase.

Need for major investment in transmission infrastructure. To offset the decline in European natural gas production, larger volumes of natural gas will need to be brought in from further afield. A number of international projects have been launched with the aim of transporting this additional gas to Europe: these include pipelines to transport natural gas from Russia and the Caspian region (Nord Stream, South Stream and Nabucco) and a range of terminals to receive liquefied natural gas (LNG) carriers.

An opportunity for Belgium. The new configuration of supply flows to Europe is an opportunity for Belgium to consolidate its role as a crossroads and thereby enhance its security of supply and market functioning. As it goes, the planned new supply routes do not extend to all consumer markets: downstream of these major arteries, substantial investment in infrastructure is required to transport the new flows to their final destinations. With the UK increasingly reliant on imports and demand in the French market growing, Belgium can turn the situation to its advantage by attracting new flows from the east for the UK and French markets, presenting suppliers with the opportunity to purchase additional volumes for the Belgian market. In view of this, Fluxys is currently completing its project to significantly increase east/west capacity and there are also well-advanced plans to expand capacity towards France.

Unconventional natural gas production could prove an opportunity as well. In recent years, countries such as the United States have seen a sharp increase in the production of unconventional natural gas (e.g. gas from shale or coal layers). Extraction techniques are now sufficiently advanced that unconventional natural gas can be offered at competitive prices.

It is no surprise, therefore, that the oil and gas industry is also exploring the possibilities of unconventional natural gas production in Europe. This development is still in its early stages, but it is definitely one to watch. Most of the sites currently being explored with a view to possible extraction of shale gas are in Central and Eastern Europe (Hungary, Poland, Austria and Germany). With capacity in the Fluxys grid being expanded for east/west flows, the new developments in unconventional natural gas production may bring opportunities for enhancing security of supply.

3.2 An integrated European gas market requires additional infrastructure

More capacity for cross-border and bidirectional flows. The aim of gas market liberalisation is to enable end users to choose their suppliers and, thanks to competition between suppliers, to secure competitive prices. To achieve this, it must be possible for natural gas to circulate freely through the entire European grid as this allows suppliers to compete with each other to supply gas to end users at the best possible price. Furthermore, the greater the proportion of electricity generated at gas-fired power stations, the greater the need for capacity and flexibility in natural gas transmission infrastructure.

The third European gas directive makes it clear that the free movement of natural gas requires considerable investment. For example, the interconnections between countries must be strengthened, and among the points of interest in the new European draft regulation on security of supply is that interconnection points must be able to function in both directions.

Additional infrastructure is also needed because market liberalisation has made natural gas to be no longer merely an energy to be conveyed directly to end users: it is also a product that is traded on and between marketplaces. This requires additional capacity between those markets as well as great flexibility of gas flows, further underscoring the importance of bidirectional infrastructure.

Belgium has a key role to play in the integration of the North-Western European market. The full integration of the natural gas market takes shape through the intermediate stage of regional markets which are expected to ultimately merge into one another. Belgium is currently part of the North-Western European regional natural gas market, together with the UK, the Netherlands, Germany, Luxembourg and France. The aim is to create a market with sufficient capacity and harmonised services so that suppliers can transport gas easily to their customers from any point on the region's borders. To achieve this goal, the countries, transmission system operators (TSOs) and regulators concerned must consult and cooperate more closely.

Fluxys aims to play a key role in the integration of the North-Western European natural gas market. Such integration can only improve market functioning, while consultation between players on the various markets offers a platform for attracting additional cross-border flows to Belgium as the shift in supply routes materialises. Other countries and their TSOs are developing similar strategies with a view to playing a pivotal role in the North-Western European market and so maximising the availability of natural gas for their domestic markets. It is therefore of utmost importance that different countries' initiatives focus on mutual strengthening and coordination rather than on competition, an approach which is vital to avoid overinvestment as well.

International development of the Fluxys Group. To consolidate Belgium's role as a natural gas crossroads, it is also necessary for the Fluxys Group to carry through its international development on the North-Western European natural gas market. Currently, the Belgian natural gas transmission infrastructure company holds stakes in the Interconnector and the Balgzand-Bacton Line, two pipelines connecting the UK market with mainland Europe. In addition, the Fluxys Group, via a subsidiary in the UK, offers operational services and software to system users who wish to operate on multiple grids in Western Europe.

Given the international nature of the gas industry and the move towards an integrated European gas market, investment or co-investment in new projects and/or the acquisition of participating interests in existing enterprises in neighbouring countries is the best way to implement the strategy of attracting cross-border gas flows to Belgium. In a liberalised market showing a fragmented multi-supplier landscape, such an approach also offers an opportunity to better assess demand and judge more accurately the required level of infrastructure investment in Belgium.

4. Belgium's strengths

4.1 One of the best interconnected transmission systems in North-Western Europe

Belgium enjoys a strong position in terms of natural gas infrastructure in North-Western Europe. Since the 1960s, and especially from the 1990s onwards, Fluxys has developed its transmission grid into one of the best interconnected systems and a crossroads for international flows in the North-Western European market, in the same way that Austria is, for example, in Central Europe.

Upstream, the Belgian grid is connected to all major sources for the North-Western European market, while downstream the system offers market players optimum destination flexibility: they can supply natural gas to end users in Belgium, sell it on the short-term market in Zeebrugge or transport it on to any of Belgium's neighbouring grids and systems.

Belgium consumes over 17 billion cubic meters (bcm) of natural gas a year while long-term booked capacity for border-to-border transmission in the Fluxys grid totals around 95 bcm. This includes Dutch and Norwegian gas bound for France and Spain, UK gas bound for mainland Europe, Russian and other gas bound for the UK and natural gas bound for Luxembourg.

4.2 Unique role of Zeebrugge

The Zeebrugge area is a cornerstone of security of supply in North-Western Europe. Together with Emden in Northern Germany, Zeebrugge is the main landing point for natural gas in North-Western Europe, its reception capacity corresponding to around 10% of the total border capacity needed to supply the European Union.

Zeebrugge's unique role and the flexibility of the Belgian transmission system were highlighted during the dispute between Russia and Ukraine in early 2009. When gas from the east stopped flowing, market players made intensive use of the Fluxys grid to meet their supply commitments to end users in Europe.

Liquefied natural gas terminal. Zeebrugge's present-day status as a hub is to be traced back to the 1970s, when the government, the Port of Zeebrugge and the TSO developed a shared long-term

vision for Belgium's security of supply. Following that vision, it was decided to build a terminal for liquefied natural gas (LNG) in Zeebrugge, one of the first of its kind in North-Western Europe. The terminal's capacity was recently doubled, and there are new plans afoot to increase and diversify its capacity. This would again enhance the terminal's contribution to security of supply as a flexible LNG facility in the event of extreme weather conditions or the temporary loss of another source.

As the result of activity at the Zeebrugge LNG terminal, Belgium has gained over 20 years of internationally acclaimed expertise in the field of LNG operation and engineering.

Subsea pipelines: Zeepipe and Interconnector. From the time of its construction, the LNG terminal in Zeebrugge has acted as a magnet for other natural gas infrastructure projects. In 1988, for example, Belgium signed a treaty with Norway to lay a subsea pipeline for transporting Norwegian gas to the Belgian market and transit to France and Southern Europe, for which Fluxys built a pipeline between Zeebrugge and Blaregnies. This was followed in 1994 by a treaty between Belgium and the UK for the construction of the subsea Interconnector pipeline between Bacton and Zeebrugge. In Belgium, Fluxys built a new east/west axis which connects to the Netherlands and Germany, and can move UK gas to Belgium, Germany and the Netherlands as well as transporting it from the east to the UK.

Zeebrugge Hub short-term market. Shortly after the Interconnector and the Belgian east/west axis were commissioned in 1998, the first short-term market for natural gas in mainland Europe, the Zeebrugge Hub, was established. For suppliers to the Belgian market, the Zeebrugge Hub means that they have access to an additional source of gas at any time for diversifying their purchase portfolio. Since its creation, the Hub's liquidity has grown steadily, with around 80 traders currently active and a total traded volume in 2009 of some 62 bcm – more than three times Belgium's annual consumption. The index calculated on the basis of the Zeebrugge Hub transaction price, the *Zeebrugge Index for Natural Gas* (ZIG), has become a benchmark in North-Western Europe.

A number of other short-term markets have emerged in North-Western Europe since the Zeebrugge Hub was established, but Zeebrugge has always remained one of the most important. Moreover, the presence of both pipeline gas and LNG in the Zeebrugge area makes the Zeebrugge Hub unique as a natural gas market in Europe. The combination of pipeline gas and LNG allows market players to trade not only on price differences between the short-term market and long-term contracts but also on the price differential between pipeline gas and LNG.

4.3 Active role of the Belgian natural gas transmission infrastructure company

Fluxys has several projects running to further develop Belgium's role as a natural gas crossroads. These include the current capacity increase on the east/west axis and the plan for new capacity between Zeebrugge, the Netherlands and Germany towards France. The European Commission has recognised both initiatives as priority projects for the development of Europe's energy grids and has included them in the European Recovery Plan.

In addition, the Belgian natural gas transmission infrastructure company has started negotiations with other system operators in North-Western Europe regarding various new projects that could attract additional cross-border flows to Belgium and so enhance the country's role as a natural gas crossroads. For example, an open season has been launched with German and Czech system operators for the construction of a transmission pipeline between the Czech-German and German-Belgian borders ("MET pipeline"), which could connect to the new supply entering via the Nord Stream (Russian gas), South Stream (Russian gas) or Nabucco (gas from the Caspian region) pipelines. Talks are also under way with partners regarding natural gas storage projects and with French partners regarding a possible transmission connection between Dunkirk and Zeebrugge. The infrastructure company has also entered into an agreement to acquire a participating interest in the NEL pipeline project, which is to connect the Nord Stream pipeline with the North-Western European market.

4.4 Neutrality vis-à-vis producers

Not being a natural gas producer itself, Belgium is seen by producers as neutral territory. Similarly, Fluxys is independent of natural gas producers and suppliers and the government has developed a special corporate governance framework for Fluxys to fulfil its public service mission in complete independence. Moreover, the public sector (represented by the municipal holding company Publigas) is the majority shareholder in the system operator.

4.5 Solid TSO and tariff framework combining competitiveness and long-term stability

In its dealings on the international stage with producers and suppliers, the Belgian natural gas transmission infrastructure company also has the advantage of having shown over the years that it has the commercial strength needed to negotiate major projects with stakeholders with divergent interests, as well as the ability to finance such projects. For new cross-border capacity projects to be successful, it is also important that negotiations with producers and suppliers can be conducted against a viable long-term backdrop. With that in mind, the legal framework in Belgium provides for the possibility of entering into long-term contracts. For the natural gas transmission infrastructure company, this is an essential prerequisite for financing such projects, while it provides producers with a solid basis for planning the development of their gas fields over the long term.

Experience has shown that long-term contracts are perfectly compatible with competitive prices. For example, the contracts signed in 2004 for using the LNG terminal in Zeebrugge have terms of between 15 and 20 years, yet tariffs at the Zeebrugge facility are among the lowest of any LNG terminal in Western Europe. Likewise, the recently approved transmission tariffs are highly competitive in comparison with those of other system operators and tariff stability has been enshrined in law to enable current and future system users to establish a long-term overview of transmission costs.

5. The way forward

In view of the expected changes to the energy market over the coming decades, safeguarding security of supply in natural gas is absolutely vital. The way to achieve this is to continue to develop Belgium as the natural gas crossroads for the North-Western European market. To this end, the government must develop an optimal approach in consultation with the natural gas industry.

For one thing, policy on the granting of permits relating to the construction of natural gas transmission infrastructure needs to be adjusted. Against the backdrop of the process to integrate the North-Western European natural gas market, the government must also promote the further development of Belgium as a natural gas crossroads and support the natural gas transmission infrastructure company in its international development.

Active natural gas diplomacy is of key importance in this respect. It will enable synergies to be established with producers and other system operators through the process of further developing Belgium as a natural gas crossroads, thereby promoting the potential of a wide range of Belgian companies. To this end, a grouping of common industrial interests must be set up, pooling the forces of government, industry, the port authorities, the natural gas transmission infrastructure company and the Belgian federal energy regulator CREG.

5.1 Efficient permitting policy

Experience shows that Belgium's permitting policy is making it increasingly difficult to meet the need for new natural gas transmission infrastructure in a timely fashion. Industries wishing to establish new facilities or electricity producers wishing to build a new power station generally have a business plan that provides for a new site to be operational within one to three years. Likewise, under new border-to-border transmission contracts, producers and suppliers increasingly want capacity to be available as soon as possible, but permitting lead times force Fluxys to impose a timeframe of four to five years, which hampers commercial negotiations. However, even with such an extended timeframe, it is virtually impossible under the current permitting policy to make the new capacity available on time.

In consultation with the Regions, permitting policy must be adjusted to take account of the fact that the infrastructure in question is of public service and makes an essential contribution to security of supply. A number of factors must be looked into:

- The number of procedures (land-use plan, environmental impact assessment (EIA) at plan level, EIA at project level, declaration of public utility, transmission licence, planning permission and various other permits) must be reduced.
- The lead times of procedures should be reduced, with attention being paid to proper coordination between the various procedures and structural consultation between levels of power in order to make permitting policy more efficient.

At federal level, the Federal Public Service Economy is investigating the possibility of streamlining and simplifying administrative procedures, in particular by setting up a one-stop shop that would act as a competence centre (at federal level in collaboration with the Regions) and also as a single interface coordinating all permitting procedures, among other things.

An efficient permitting policy would not only make the TSO more capable of taking the decisive action expected of it, it would also enable the chemical industry to expand its pipeline networks more rapidly in Belgium and to establish international links with Rotterdam and the Ruhr Basin in Germany.

5.2 Coordinated Belgian approach to integration of the North-Western European natural gas market

The strategy of further developing Belgium's role as a natural gas crossroads in order to enhance security of supply and market functioning must be the foundation for consultation between the government and the natural gas industry. Following this shared long-term vision, policymakers, administrations, the regulator and the natural gas transmission infrastructure company can act in a coordinated manner. A key priority is ensuring coordination in the North-Western European region over investment in new infrastructure for additional cross-border flows, with care taken to ensure that the approach adopted by each country is geared towards mutual strengthening rather than competition. International development opportunities for the natural gas transmission infrastructure company are another area for consideration. The actions taken in the framework of the Gas Platform are important in this connection. The Gas Platform is a forum that seeks to

remove the barriers to an integrated North-Western European gas market and thereby safeguard the region's security of supply.

Fluxys is also studying the option of making long-term storage capacity available to the market as this would make Belgium more attractive as a natural gas crossroads in Europe. It would also contribute to diversification and security of supply in Belgium.

5.3 Change to the shareholder structure of the Belgian TSO

The government has resolutely opted for an independent Belgian TSO and for autonomous management of the natural gas transmission system. This has been achieved through reducing, gradually and by consultation, the suppliers' stake in the company to under 25% and by ensuring that the public sector is substantially represented in the shareholder structure (in the shape of Publigas). This change holds out the opportunity to enhance Belgium's role as a hub by entering into international cross shareholdings at industrial and shareholder level with other gas sector players; this would benefit Belgium, in terms of both market functioning and security of supply.

Since May 2010, the public sector has held an 89.97% stake in the system operator. Against this backdrop, Fluxys has adapted its structure into a new arrangement that takes into account recent evolutions in Belgian legislation regarding the independence of system operators vis-à-vis natural gas suppliers. The new structure also paves the way for the international development of the natural gas infrastructure company, a prerequisite for enhancing Belgium's role as a crossroads on the North-Western European natural gas market.

5.4 Natural gas diplomacy

In its diplomatic relations with neighbouring countries and especially with gas producing countries, Belgium must highlight its role as an end user market and crossroads for the North-Western European market.

Contacts with neighbouring countries are important in order to develop a coordinated approach to the integration of the North-Western European natural gas market. Contacts with Norway, Russia, Qatar, Algeria and the Netherlands are particularly vital given the importance of natural gas flows from those countries for Belgium's infrastructure, either now or in the near future. However, other countries representing potential future sources of gas must also be considered, especially those that produce LNG.

Contacts with gas-producing countries are also important as a means of expanding Belgium's economic relations. Many Belgian companies in the construction, engineering and process technology sectors, as well as a number of research institutions, have valuable expertise in the development of natural gas production infrastructure. Moreover, the interests and economic priorities of the countries in question are often a sound basis for raising the international profile of Belgian know-how in other fields such as water supply, renewable energy and various associated specialist areas.

6. Summary and action plan

6.1 Ambitious objective in a North-Western European context

Belgium: further developing its role as a natural gas crossroads

- Because of its environmental advantages, natural gas will remain a key component in Belgium's future energy mix
- As operator of the transmission system and of the Zeebrugge Hub, the Fluxys Group plays a pivotal role in the North-Western European natural gas market
- Benefits of further developing Belgium's role as a natural gas crossroads:
 - enhanced security of supply
 - positive effect on market functioning and natural gas prices
 - major investment programme

Point of attention: other countries are looking to develop a similar role in the North-Western European natural gas market

- Coordinated consultation is needed with the countries concerned: coordination of infrastructure projects is vital in order to avoid over-investment. This type of consultation can take place in the Gas Platform.
- Aim for cooperation rather than competition

6.2 Belgium: significant comparative advantages on the North-Western European natural gas market

Belgium is already the natural gas crossroads par excellence in North-Western Europe:

- High ratio of border-to-border transmission: east/west (both directions) and north/south
- Zeebrugge LNG terminal: proven track record and capacity recently doubled
- The Zeebrugge Hub is one of the leading spot gas markets in mainland Europe
- Operational services and software for system users across North-Western Europe
- International investments: Interconnector pipeline between Belgium and the UK (15%), BBL pipeline between the Netherlands and the UK (20%) and agreement to acquire a 19% stake in the NEL pipeline (Germany)

Active prospecting for new projects:

- Belgium: new capacity enhancement project at the Zeebrugge LNG terminal
- Germany: MET pipeline with possible connection to Nord Stream (Russian gas), South Stream (Russian gas) and Nabucco (gas from the Caspian region)
- Netherlands and Germany: storage possibilities
- France: possible link between Dunkirk and Zeebrugge

6.3 Further developing Belgium's role as a natural gas crossroads: support needed for the Fluxys Group as natural gas infrastructure company

The Fluxys Group is an important Belgian company

Development of Fluxys in Belgium:

- Fluxys must be able to make new capacity available when the market demands it
- Therefore: need for coordinated permitting procedures with shorter lead-times

International development of the Fluxys Group:

- Fluxys must be active internationally in order to attract new cross-border natural gas flows to Belgium
- Therefore: need for active natural gas diplomacy

6.4 Strengthening cooperation between Belgian companies in order to develop industrial synergies at international level

This action must be implemented by the Federal Public Service Economy. Because of their know-how, many Belgian companies and institutions are involved in natural gas projects and related schemes around the world:

- Natural gas industry: expertise in natural gas and LNG
- Public works: civil engineering, dredging
- Engineering
- LNG shipping
- Research centres
- Public authorities

6.5 Active natural gas diplomacy: lines of force

An active natural gas diplomacy demands coordination between administrations, in particular those responsible for Energy and Foreign Affairs. Three types of action could be undertaken: active participation in trade missions led by Prince Philippe, strengthening of bilateral contacts with key countries, and awareness raising among diplomats in the capitals of strategic countries.

Natural gas diplomacy vis-à-vis gas-producing countries as current and future users of Belgian infrastructure (pipelines, storage and LNG terminal)

- Russia
- Norway
- Qatar
- The Netherlands
- Algeria

Natural gas diplomacy vis-à-vis neighbouring countries as operators of neighbouring grids

- The Netherlands (Gasunie)
- Germany (Open Grid Europe, Wingas Transport, Thyssengas)
- Luxembourg (Creos)
- France (GRTgaz)
- The UK (National Grid and Interconnector (UK) Ltd)

6.6 Action plan to develop synergies with system operators in neighbouring countries and natural gas producers

Develop active natural gas diplomacy:

- Greater promotion of Belgium's natural gas industry and infrastructure among gas producing countries and producers
- Greater cooperation with neighbouring countries and neighbouring system operators

Major investment programme: financial support in the form of venture and/or borrowed capital

- Participation in European subsidy programmes
- Reflection on the method of regulation and its impact on the long-term investment opportunities of the gas system operator

Support from shareholders, the government, the Minister for Climate and Energy, the relevant administrations, industry representatives (FEB and Agoria) and Belgian federal energy regulator CREG

- Establishment of a grouping of common industrial interests, pooling the forces of government, industry, the port authorities, Fluxys and CREG



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