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## **Report Summary**

*This 106 page report covers the physical and commercial aspects of the Dutch natural gas market, and its role in the wider European gas market. Key market trends, including the growth of trading liquidity, are highlighted in 27 tables, 25 charts and six maps. The report is structured as follows:*

❖ **Chapter 1 – The Trading Market:** this chapter reviews the development and state of trading liquidity in the Dutch gas market, at the title transfer facility (TTF) and other trading points. It assesses the total volume of trading on both exchanges and in the broker and bilateral trading markets. The traded contracts and instruments, both physical and financial, are reviewed, along with the exchange platforms and over-the-counter market. The chapter concludes with a review of price formation in the Dutch market, and the development of both wholesale and end-user gas prices.

❖ **Chapter 2 – Gas Market Fundamentals:** this chapter provides an introduction to the fundamentals of Dutch gas supply and demand. The production of gas from Dutch onshore and offshore reserves is reviewed, and policies and prospects for future gas production are discussed. The chapter reviews the consumption of gas within the Netherlands, including analysis of new gas-fired power projects. It concludes with a review of import and export flows.

❖ **Chapter 3 – Infrastructure:** this chapter describes the infrastructure for gas import, transmission and storage in the Netherlands, including new and planned LNG terminal development projects. The chapter also describes the system of tariffs and balancing requirements for third party access to the infrastructure. It concludes with a discussion of the Dutch gas system's crucial role in seasonal flexibility for north-west Europe.

❖ **Chapter 4 – Energy Policy:** this chapter reviews Dutch energy policy and legislation. The regulatory regimes applying to upstream and downstream gas industries are described. The history of the Dutch gas industry, including the role of the state in the industry, is briefly described. The chapter also reviews the European gas directives and energy regulation, including the third legislative package, and the Dutch experience in implementation of gas market liberalisation.

❖ **Chapter 5 – Market Participants:** this chapter provides profiles of the key players in the Dutch gas market, and includes a review of important mergers and acquisitions over the past few years

*In 2008 the Netherlands was home to the most active gas trading market in mainland Europe. The total volume of all trading transactions more than doubled from the previous year, and new annual records were set on the TTF trading hub and on both the Dutch gas exchanges (APX and Endex). For the first time, the total volume of nominations for title transfer of gas on the Dutch network exceeded the volume of title transfers at Zeebrugge in Belgium, making the Dutch market the most active outside the UK.*

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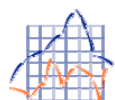
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