

GME'S NEWSLETTER – Issue no. 198 now online

Rome, 12 December 2025 – The new issue of the newsletter of Gestore dei Mercati Energetici (GME) is now available at www.mercatoelettrico.org.

The newsletter opens with an article by Gian Paolo Repetto (*Ricerche Industriali Energetiche – RIE*), who takes stock of the situation of the European gas market at the beginning of the 2025–2026 winter period. Repetto states that, *after the major supply crisis of 2022–2023, the European natural gas market moved towards a new, gradual, painstaking, and partial equilibrium. This trend became increasingly evident in 2025, with prices showing an almost steady decline since February, though remaining well above historical levels. Nevertheless, compared with previous years, volatility diminished, particularly in summer and autumn, pending the anticipated expansion of liquefaction capacity in the coming years, expected to enhance supply security and to improve both accessibility and affordability of gas.* Repetto stresses that, *after increasing by 2.8% last year, global natural gas demand slowed down in the first nine months of 2025. Preliminary data indicates a growth in the main markets of only 0.5%, driven primarily by Europe and North America, while consumption in Asia remained practically stable. Indeed, in contrast to previous years, EU demand grew by roughly 4% (+10 bcm) in the January-October period. Thus, the year 2025 is likely to end with a 3-4% increase vs. a 1% global increase.*

Repetto points out that, *from January to November, the EU imported about 280 bcm, up by 6% on the same period of last year. This growth was sustained by both higher consumption and stronger demand for volumes to be injected into storage systems (+12 bcm from April to October vs. the same months of 2024). LNG accounted for 46% (129 bcm), nearly matching pipeline gas deliveries, recording a 28.5% increase (+29 bcm) compared with 2024. With regard to pipeline gas imports, during the period under review, EU volumes dropped by 7.5%. Their origin was distributed as follows: 55% from Norway, the leading supplier of the EU with volumes nearly unchanged from 2024 (+0.5%); 18% from Algeria (-0.9%); 10.5% from Russia (-46%); 7% from Azerbaijan (-1.9%); 8,6% via the United Kingdom (+10.5%), and less than 1% from Libya (-30%).*

Repetto emphasises that, with regard to incoming LNG, *the United States further increased its market share in the EU in 2025, reaching approximately 61% (as against 50% in 2024). The US was followed by Africa with 14%, Russia with 13.5%, and the Middle East with nearly 8%. Overall, when considering both pipeline gas and LNG supplies, the US gas holds the second largest share of the EU market (26%), after Norway at 30%. Russia maintains a significant 12% share (about 32.5 bcm), evenly divided between pipeline gas and LNG.*

As a result of the halt of Russian gas flows through Ukraine and of increased gas withdrawals from storage systems (due to weather conditions compared with the previous season), prices continued to rise until mid-February, reaching a yearly peak of 58 €/MWh at the TTF. Subsequently, prices started to decline, although the PSV–TTF spread in 2025 reached higher levels than in previous years. The yearly average in 2025 is 2.4 €/MWh (2.0 and 1.6 €/MWh in 2024 and 2023, respectively), though in some months it hit 3.5€/MWh. For Italy, reduced pipeline gas imports from the South and the East may have led to greater inflows through the Gries Pass, which typically represent marginal volumes for covering gas requirements. Hence, a higher supply of LNG is playing a key role in rebalancing global gas markets, enhancing supply security and flexibility. However, this may also generate greater volatility in a context where Europe and Asia compete in the same market for LNG shipments, to the extent that specific Asian dynamics (such as cold waves and increased industrial demand) can influence European prices and vice versa. Repetto adds that, by 2030, global gas liquefaction capacity will rise by about 300 bcm. In conclusion, this new wave of production capacity could significantly reshape the dynamics of the global gas market, enhancing supply security and influencing prices.

This issue of the newsletter comes with the usual technical commentaries about European and national power exchanges and environmental markets, a section focused on the analysis of Italian gas market trends, and a section with insights into the trends of the main European commodity markets.



As has become customary, the publication also reports the summary data of the Electricity Market for November 2025.

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Press Release