

Gas Supply and Distribution - UK - March 2018

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“As competition in the energy retail market continues to heat up, suppliers are branching out into other utility services, such a broadband, and bundling their multi-utility offering to gain a competitive edge. The trend towards multi-utility brands is set to continue, with more suppliers offering diversified services to broaden their appeal to customers.”

– Claudia Preedy - B2B analyst

This report looks at the following areas:

- What have been the patterns in gas consumption by key end-use industries in recent years?
- What are the projections for annual gas demand by key end-use industries up to 2042?
- What are the drivers for capital investment in the gas supply and distribution industry?
- How do environmental legislation and regulations affect the industry?
- What are the key issues facing the gas supply sector?

In 2017, around 4.1 million of domestic energy consumers switched gas supplier. This implies a switching rate of 19%, the highest since 2008. Around 54% of all gas supplier switches over the last year were to independent suppliers, continuing a sustained, long-term movement away from the six largest suppliers.

The recent rise in switches reflects a growing number of new suppliers entering the market, increased price competition, a quicker and simpler switching process, as well as increased public awareness about the potential savings offered by switching supplier. However, despite the uptick in switching rates, over half of energy consumers are still stuck on more expensive standard variable rates. To further free up competition and encourage switching, especially among disengaged households, Ofgem is set to introduce further measures, while the government has introduced legislation that compels the industry regulator to implement a temporary price cap on standard energy tariffs over the coming winter. While the price cap is designed to protect the 11 million households that are on the highest energy tariffs, it may have the unintended consequence of discouraging some energy consumers from switching due to a sense they are on a decent deal.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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