

Targeted consultation on the role of the euro in the field of energy

Fields marked with * are mandatory.

Targeted consultation on the role of the euro in the field of energy

Introduction

Despite being a stable, reliable and globally recognized currency the use of the euro in energy commodity transactions remains modest. With an average annual bill of EUR 300 billion, the EU is by far the largest importer of oil and gas, yet less than 20% of our energy imports are priced and paid in euro. In December 2018, the Commission released a [Communication](#) outlining the benefits of a strengthened international role of the euro and proposed initiatives to enhance its role in key strategic sectors including energy, raw materials, food commodities and transport. It also adopted a [Recommendation](#) on the international role of the euro in the field of energy, accompanied by a [Staff Working Document](#).

The Recommendation is addressed to Member States, Central Stockholding Entities (under Directive 2009/119/EC - minimum stocks of crude oil and petroleum products) and obligated economic operators, participants in European energy markets, price-reporting agencies, commodity exchanges, and European companies providing financial services.

This targeted public consultation aims at gathering stakeholders' views on the practical ways to implement the Recommendation. It targets addressees of the Recommendation as well as consultancies, academia and energy intensive industries.

You are kindly invited to reply by **31 March 2019 at the latest** to a set of about 40 Questions (exact numbers depend on the specific profile of the respondent). Please make sure you use the save button as you proceed with the questionnaire to avoid losing information that was already inserted – especially in the case of Questions with open-ended replies. At the end of the survey you will have an opportunity to provide broader, more general comments and to upload documents for areas which you believe are not sufficiently presented in this survey.

Please note that the Commission is also consulting experts on other aspects related to strengthening of the international role of the euro. Interested parties are invited to respond to these consultations as well, as appropriate:

In the summer of 2019, the Commission will publish an analysis of the results of the various consultations and examine possible follow up actions.

[1] [Consultation on the role of the euro on liquidity in foreign exchange markets](#)

Questions

Information about you

* Your contribution :

The Commission will publish the contributions received from this questionnaire on the [dedicated website](#) of this public consultation.

Note that, whatever option chosen, your answers may be subject to a request for public access to documents under Regulation (EC) N° 1049/2001.

- My contribution can be published. I declare that nothing within my response is unlawful or would infringe the rights of any third party in a manner that would prevent publication.
- My contribution can be published provided that the organisation and myself remain anonymous, i.e. I consent to the publication of any information in my contribution in whole or in part, which may include quotes or opinions I express, provided that it is done anonymously. I understand that nevertheless my answers may be subject to a request for public access to documents under Regulation (EC) N° 1049/2001. I declare that nothing within my response is unlawful or would infringe the rights of any third party in a manner that would prevent publication.

* Please provide a contact e-mail address (this will not be published).

* Are you responding as an individual or on behalf of an organisation?

between 1 and 1 choices

Individual
Organisation

* In case you are replying as an individual, please indicate your name.

* Please indicate the name of the organisation on behalf of which you fill in the questionnaire, your title / position and your name.

* Please indicate the type of organization you work for.

at least 1 choice(s)

National public administration (ministries, regulators, etc)
Central Stockholding Entity set up by Member States under Directive 2009/119/EC or obligated economic operator.
Energy industry – upstream (exploration and production)
Energy industry – midstream (transportation, storage, and wholesale marketing)
Energy industry – downstream (refining, processing, purifying and marketing and distribution of products)
Energy consumer - energy intensive industry
Energy consumer - Other industry
Price reporting agency
Commodity exchange
Energy broker and/or trader
Financial service provider
Other

* If other, please specify.

* In which energy field are you active?

at least 1 choice(s)

Crude oil
Refined petroleum products
Natural gas
Electricity
Other

* If other, please specify.

* Please indicate your country of residence (for individuals) or headquarters (for companies / organizations / authorities).

at least 1 choice(s)

Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece

Hungary
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Other
Poland
Portugal
Republic of Ireland
Romania
Slovakia
Slovenia
Spain
Sweden
United Kingdom

* If other, please specify.

* Please indicate the countries or regions you are familiar with, for matters relevant to the functioning of energy markets. These will be the jurisdictions you will refer to while answering this consultation. You may select as many countries and regions as you consider relevant.

at least 1 choice(s)

Austria
Belgium
Greece
Cyprus
Bulgaria
Romania
Croatia

Slovenia
Hungary
Slovakia
Czech Republic
Poland
Italy
Malta
Spain
Portugal
France
Germany
Luxembourg
Netherlands
Denmark
Sweden
Finland
United Kingdom
Estonia
Latvia
Lithuania
Republic of Ireland
Other Europe
Africa
Asia and Oceania
Americas

* In case you represent a company, please specify the approximate number of full-time employees in 2018?

- More than 250
- Between 51 and 250
- Between 10 and 50
- Less than 10

* In case you represent a company, please specify the approximate turnover in euro for 2018.

- More than EUR 50 million
- Less than EUR 50 million

* In 2018, what was the share in value terms of euro-denominated contracts within the scope of the Recommendation in your company's portfolio.

- less than 5%
- between 5% and 20%
- between 20% and 50%
- more than 50%
- I don't know

If relevant, please detail your answer per activity.

*From contacts with stakeholders, we understand that the euro still holds a modest role in energy commodity trading due to the reasons listed below. Please tick the boxes linked to the reasons you consider most relevant.

between 1 and 6 choices

- The role of the US dollar as the dominant currency facilitating global transactions and comparisons across energy commodities.
- The US dollar-pegged exchange rate regime of the national currencies of several energy producing countries.
- Certain trader inertia and/or first mover disadvantage from an un-coordinated switch to trading in other currency.
- Shipping and insurance costs denominated in US dollars.
- The denomination of derivatives exchange contracts in US dollar.
- Other

If other, please specify.

Please explain your answer.

Further strengthening the euro's role

To what extent do you agree with the following statements on the stronger international role for the euro:

	strongly agree	agree	neutral	disagree	strongly disagree	don't know
* A wider international role of the euro will lower cost and lower risk of trading internationally for European businesses	<input type="radio"/>					
* A wider international role of the euro will expand the choice for market operators across the globe	<input type="radio"/>					

* A wider international role of the euro will lower interest rates paid by European households, businesses and Member States	<input type="radio"/>					
* A wider international role of the euro will bring more reliable access to finance for European businesses and governments, even in periods of external financial instability	<input type="radio"/>					
* A wider international role of the euro will ensure stronger autonomy of European consumers and businesses and reduce exposure to legal actions taken by third country jurisdictions (for example, extraterritorial sanctions)	<input type="radio"/>					
* A wider international role of the euro will improve the resilience of the international financial system and economy	<input type="radio"/>					
* A wider international role of the euro will reduce risk of disruption of energy supplies	<input type="radio"/>					
* A wider international role of the euro will imply increased global responsibilities	<input type="radio"/>					

Please explain your replies.

Wider use of the euro in energy-related international agreements and non-binding instruments

Point 1 of the Recommendation reads as follows: *“Member States should promote the wider use of the euro in relations with third countries in the field of energy, including in contracts within the framework of bilateral and multilateral international agreements or non-binding instruments such as memoranda of understanding.”*

In **Point 2 of its Recommendation**, *“The Commission calls on Member States to include in their intergovernmental agreements with third countries a model clause, developed by the Commission, related to the use of euro as a default currency.”*

* In addition to the model clause, what would be the other key concrete measures and/or tools through which the Member States could promote the wider use of the euro in relations with third countries in the field of energy be?

* What could be done to maximise the opportunities stemming from Member States promoting the wider use of the euro in relations with third countries in the field of energy?

* Where Member States promote the wider use of the euro in relations with third countries in the field of energy, what would be the challenges?

* What should be the concrete measures to overcome these challenges?

Wider use of the euro in energy-related transactions of European market participants

Point 4 of the Recommendation reads as follows: *“Member States should encourage and facilitate a wider use of the euro by European market participants in transactions in the field of energy”.*

* What would be the key concrete measures through which the Member States could encourage and facilitate a wider use of the euro by European market participants in transactions in the field of energy?

* What could be done to maximise the opportunities stemming from Member States encouraging and facilitating a wider use of the euro by European market participants in transactions in the field of energy?

* If Member States encourage and facilitate a wider use of the euro by European market participants in transactions in the field of energy, what would be the challenges?

* What should be the concrete measures to overcome these challenges?

Point 5 of the Recommendation reads as follows: *“Central Stockholding Entities set up by Member States under Directive 2009/119/EC and obligated economic operators should widen the share of euro-based contracts related to acquiring, maintaining, managing and selling emergency oil stocks and specific stocks, including those related to stocks held under bilateral agreements, or under contractual rights to purchase certain volumes of stocks (tickets).”*

* What would be the other key concrete measures and/or tools through which the Central Stockholding Entities and obliged economic operators could incentivise their trading partners to accept more payment in euros?

* What could be done to maximise the opportunities stemming from Central Stocking Entities and obliged economic operators widening the share of euro-based contracts related to acquiring, maintaining, managing and selling emergency oil stocks and specific stocks?

* If Central Stocking Entities and obliged economic operators widen the share of euro-based contracts related to acquiring, maintaining, managing and selling emergency oil stocks and specific stocks, what would be the challenges?

* What should be the concrete measures to overcome these challenges?

Point 7 of the Recommendation reads as follows: *“Market participants should facilitate the emergence of and promote liquid gas hubs in the EU, with prices for underlying and derived products denominated in euro, to support the wider use of hub-indexed prices and, as a consequence, the denomination of such contracts in euro”.*

* What could be done to maximise the opportunities stemming from the market participants promoting gas hubs and euro-denominated prices?

* What are the challenges of market participants facilitating gas hub pricing and euro denominated contracts?

* What should be the concrete measures to overcome these challenges?

* To help in establishing a euro-denominated benchmark in the globalising gas market, please propose concrete set of measures:

at European level:

at Member States' level

at price-reporting agencies level

* What are the specific gas-related challenges to overcome to extend the role of the euro globally in gas exploration and production, supply agreements, infrastructure projects and transportation?

* What could be the specific gas-related incentives to extend the role of the euro globally in gas exploration and production, supply agreements, infrastructure projects and transportation?

Point 8 of the Recommendation reads as follows: *"Price-reporting agencies should facilitate the launching of euro-denominated price benchmarks for crude oil."*

* For the price-reporting agencies to facilitate the launching of euro-denominated price benchmarks for crude oil, please propose concrete set of measures and/or tools:

at European level:

at Member States' level

at company level

* How to maximise the opportunities stemming from price-reporting agencies facilitating the launching of euro-denominated price benchmarks for crude oil?

* If the price-reporting agencies facilitate the launching of euro-denominated price benchmarks for crude oil, what would be the challenges?

* What should be the concrete measures to overcome these challenges?

Point 9 of the Recommendation reads as follows: *“Commodity exchanges should facilitate the further development of euro-denominated derivative contracts on crude oil and refined products.”*

* To facilitate the further development of euro-denominated derivative contracts on crude oil and refined products, please propose concrete set of measures and/or tools:

at European level:

at Member States' level

at commodity exchanges level

* What could be done to maximise the opportunities stemming from the commodity exchanges facilitating the further development of euro-denominated derivative contracts on crude oil and refined products?

* If commodity exchanges facilitate the further development of euro-denominated derivative contracts on crude oil and refined products, what would be the challenges?

Wider use of the euro for energy related projects and transactions by companies providing financial services

Point 10 of the Recommendation reads as follows: *“Member States and European companies providing financial services should encourage a wider use of the euro for energy related projects and financial transactions.”*

* To encourage a wider use of the euro for energy related projects and financial transactions, please propose concrete set of measures and/or tools:

at European level

at Member States' level

at European companies providing financial services level

* What could be done to maximise the opportunities stemming from Member States and European companies providing financial services encouraging a wider use of the euro for energy related projects and financial transactions?

* If Member States and European companies providing financial services encourage a wider use of the euro for energy related projects and financial transactions, what would be the challenges?

* What would be the concrete measures to overcome these challenges?

* Are euro-denominated lending and financing tools currently available and sufficient?

- They are available and sufficient
- They are available but not sufficient
- They are not available

Please explain your answer.

* What are the main challenges to overcome to extend euro-denominated financing to investment projects along the entire value chain of oil and natural gas?

* What could be the incentives to extend euro-denominated financing to investment projects along the entire value chain of oil and natural gas?

Additional information

Further to your replies of the questionnaire, you may provide below any additional comments, observations, information, or suggestions you deem relevant to share with us.

You may also upload a file in relation to your response here:

The maximum file size is 1 MB

Thank you for your participation.