

## **New Report: Europe's 7 brothers have lost nothing of their power to dominate**

UPDATED REPORT 'Corporate policies in the EU energy sector' by Professor Steve Thomas now available (August 2009)

(3 February 2009) The 7 brothers, Europe's largest electricity and gas companies continue to dominate. They extend their reach and grip over industrial companies as well as household consumers. Misguided European Commission proposals to liberalise the electricity and gas market only benefit the giants. The report was produced by Professor of energy policy Steve Thomas, Public Services International Research Unit (PSIRU) of the University of Greenwich. ([www.psiru.org](http://www.psiru.org))

High lights of the report:

- The trend towards concentration noted in earlier reports, is confirmed. The dominant 7 brothers E.On, EDF and RWE, Vattenfall, Gdf-Suez, Iberdrola and ENEL maintained or strengthened their positions.
- The European Union's policy to force the integrated companies to sell their transmission networks may, far from increasing competition as it was designed to do, reduce it further. The proceeds from selling these networks will be used to buy up more assets in Europe in the competitive activities in energy.
- Without strong backing from government, the major national companies, will struggle to survive as independent companies as the major companies continue to try to increase their grip over European energy markets. Some countries, such as Denmark, Luxembourg, Romania and Czech Republic do seem to be supporting the emergence of 'national champions' but this support can only be limited given EU competition law. In some of the countries where large numbers of companies still exist, such as Italy and Switzerland, mergers and takeovers are rapidly reducing the numbers of companies in the market.
- The major European international companies are increasingly focusing their investments in markets which connect physically with their core businesses. While

the large companies maintain a watching brief in countries on the edge of the EU and which might join the EU, such as Turkey and Ukraine, they appear not to be seeking to expand their position until it is clearer that these countries will become integrated more fully into European markets.

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