



## EUROSTAT QUALITY PROFILE

<b>Indicator (definition)</b>	<b>Market share of the largest generator:</b> This indicator is defined as the ratio of the annual net electricity production of the largest electricity generator over the total net electricity generation of the country, expressed as a percentage. Net electricity production excludes the electricity used by generators for their own consumption.
<b>Eurostat Unit</b>	Energy Statistics
<b>Other Commission DGs</b>	DG for Energy and Transport
<b>European Statistical System Working Group (WG)</b>	WG on Energy Statistics
<b>Date</b>	May 2009

**1. Overall assessment of accuracy and comparability** (Description of quality grades under the following link: [http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general\\_information/quality\\_profiles/annex\\_enpdf/EN\\_1.0\\_&a=d](http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general_information/quality_profiles/annex_enpdf/EN_1.0_&a=d))

A       B       C       Indicator to be Developed

Data is collected from reliable sources applying high standards with regard to the methodology and ensuring a high degree of comparability.

### 2. Objective and relevance of the indicator:

The indicator is related to the level of electricity market competition in each country. Liberalisation in European electricity market has been a goal of European policy since the early 90's when electricity producers were dominant and usually vertically integrated companies. Related policies referring to vertical unbundling, restructuring and market power were implemented by Member states with various levels of success which is largely reflected in the values of the indicator. However, the indicator does not take into account imported electricity and thus overlooks a main aspect of the single electricity market.

Since 1 July 2007 all European citizens have been able to freely choose their electricity supplier, as this was the final date for the full opening of the electricity markets in the EU. There are a few exceptions to take account of special circumstances where it is not possible to introduce competition yet but the basic rule of freedom of choice for every citizen has become established in the EU.

Promotion of competition and reduction of the general level of State aid are required. The purpose is to improve market under-performance and to ensure the interests of business and consumers. Enterprises should operate effectively on a level playing field in the internal market.

The indicator is also in line with the goal of Renewed EU Sustainable Development Strategy to promote market transparency and prices that reflect the real economic, social and environmental costs of products and services (getting prices right). From an environmental standpoint falling prices due to market liberalisation decreases the incentive for increasing energy efficiency or enlarging the share of renewable energy sources. However, market restructuring also creates incentives for increased efficiency, innovations on eco-friendly power generation and energy storage technologies.

### Restriction of the indicator's relevance and other characteristics which may lead to restrictions in using it in monitoring and reporting

The indicator examines the level of liberalisation from the side of generation and not from the side of supply. Hence, it does not give a complete picture of the electricity market structure. A generator may not be distributor and trader/ retailer as well. There may be markets with few generators and many traders where the latter have also the possibility to import electricity. This parameter refers to the inland market however it is worth noting that the electricity market is in fact a shared wholesale market between Norway, Sweden, Denmark and Finland.

### 3. Data availability: details

( $t_1$ : earliest reference year available;  $t_2$ : latest reference year available in May 2009)

	Member States	Candidate and Acceding Countries	US and Japan	EEA-EFTA <sup>1</sup>
t <sub>1</sub>	1999: BE, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, HU, MT, AT, PL, PT, SK, FI, SE, UK 2002: SI 2003: LU 2004: RO No data for BG, NL	1999: TR 2003: HR	-	1999: NO
t <sub>2</sub>	2001: AT 2004: DE, LU 2007: BE, CZ, DK, EE, IE, EL, ES, FR, IT, CY, LV, LT, HU, MT, PL, PT, RO, SI, SK, FI, SE, UK	2005: TR 2007: HR	-	2006: NO

#### 4. Overall accuracy

High

Data of the indicator is collected on a gentlemen's agreement through a standardised annual questionnaire upon competition indicators on electricity. Data is collected by the competent institutions dealing with energy statistics (usually the National Statistical Institutes).

The main problem of accuracy is due to statistical confidentiality. Data are considered confidential in BG, NL, AT and DE. These countries do not provide individual market shares for individual electricity generators; sometimes an aggregated percentage is given for the largest 3 generators of the country.

No estimated data is entered into the database. Data validation includes the use of other sources (e.g. yearbooks from electricity companies) to check the consistency of the declarations.

Restricted

(sources, errors, methodology, etc.)

#### 5. Comparability across countries

High

Comparability across countries is high. Main statistical concepts including definitions and coverage are harmonised via the use of the common competition questionnaire.

For confidentiality reasons data from 4 countries (DE, AT, BG, NL) is missing. In addition, the amount of electricity imports in a country should be taken into account when making cross country comparisons. A high value of the indicator does not always signify low levels of competition and market liberalisation.

Restricted

#### 6. Comparability over time

High

Comparability over time is considered high. No breaks in time series are reported.

Restricted

#### 7. Development perspective for improving the quality of this indicator (including as far as possible an indication of the burden on Member States and respondents.)

The standardised annual questionnaire on competition indicators of the electricity markets was revised in 2008. In order to avoid restrictions due to confidentiality problems, a new indicator (Hirschmann-Herfindahl index) will be introduced.

#### 8. Contribution to the coherence of the set/potential to qualify for an integrated policy analysis

The indicator can be analysed together with "electricity prices" in order to assess the effect of market

<sup>1</sup> While being a member of the EEA, Liechtenstein has complete or partial exemptions from several statistical requirements due to its size. Thus, Liechtenstein is excluded from this overview as most of the data are missing.

characteristics (increased competition, lack of a dominant company) on electricity prices (for both household and industrial users). Also, the indicator examined along with economic indicators can be used for assessing the impact of electricity market liberalisation on them (e.g. on growth, business development etc.).

**Relevant European legislation**

Council Regulation (CE) No 322/97 of 17 February 1997 (OJ No L 52/1) and Council Regulation (EURATOM, EEC) no 1588/90 of 11 June 1990 on the transmission of the data subject to statistical confidentiality to the Statistical Office of the European Communities (OJ No L 151/ 1).

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