

Gaz de France and Suez merge

European energy market reform has taken a step back with the boards of Gaz de France and Suez approving a merger between the two energy companies, creating GDF Suez, an entity with a market capitalisation of €90 billion. The transaction will close as early as possible in 2008, according to a statement from the two companies. The French Government, which will directly hold more than 35 per cent of the merged company, supports the deal. “GDF Suez has made the strategic choice to become a major player in the gas and electric sector, with an energy supply portfolio that is secure, diversified and flexible,” the companies say. The tie-up will create the number one buyer and seller of gas in Europe, a global leader in liquefied natural gas and Europe’s biggest importer and buyer of LNG with a 25 per cent market share. The new company will also become the number five and number two European and French power producers respectively, the largest gas transmission and distribution network operator in Europe and the second biggest LNG storage and terminal operator in Europe.

[Source esaa news]