



Actual Development of the Ukrainian Gas Industry in 2012

Natural gas covers 40% plus of the overall primary energy consumption in Ukraine. During last year gas consumption decreased – from 59.3 Bcm in 2011 to 54.8 Bcm in 2012. The structure of natural gas consumption almost has not changed. The residential/municipal/commercial consumption totaled 49.6%, the the rest (or 50.4%) was delivered to the industrial enterprises, including the fuel gas for the transmission system.

The domestic gas production remained at the stable level of 20.5 Bcm. The missing gas (33 Bcm) was imported from Russian Federation and Central Asia.

Gas prices for residential and municipal consumers are regulated by National Commission on Energy Regulation (NERC); they amounted from US\$91 to US\$336 per 1000 m³ – depending on consumption volume. For industrial enterprises gas prices (excluding transportation tariff and VAT) amounted around US\$448 per 1000 m³.

The transit deliveries of natural gas to the countries of Western, Central and Eastern Europe were 84.3 Bcm or almost 20% below of 2011 year figures – because of putting into operation Nord Stream pipeline and also by total decrease of gas consumption in Europe. It should be noted that the actual transit capacity of the Ukrainian gas transmission system to Europe is 146 Bcm, with around 60 Bcm of reserved capacity.

For several years Ukraine had significant reserves of gas storage capacity. In 2012 the underground gas storage facilities (UGSF) were filled up only to 63% of their 32.0 Bcm working capacity.