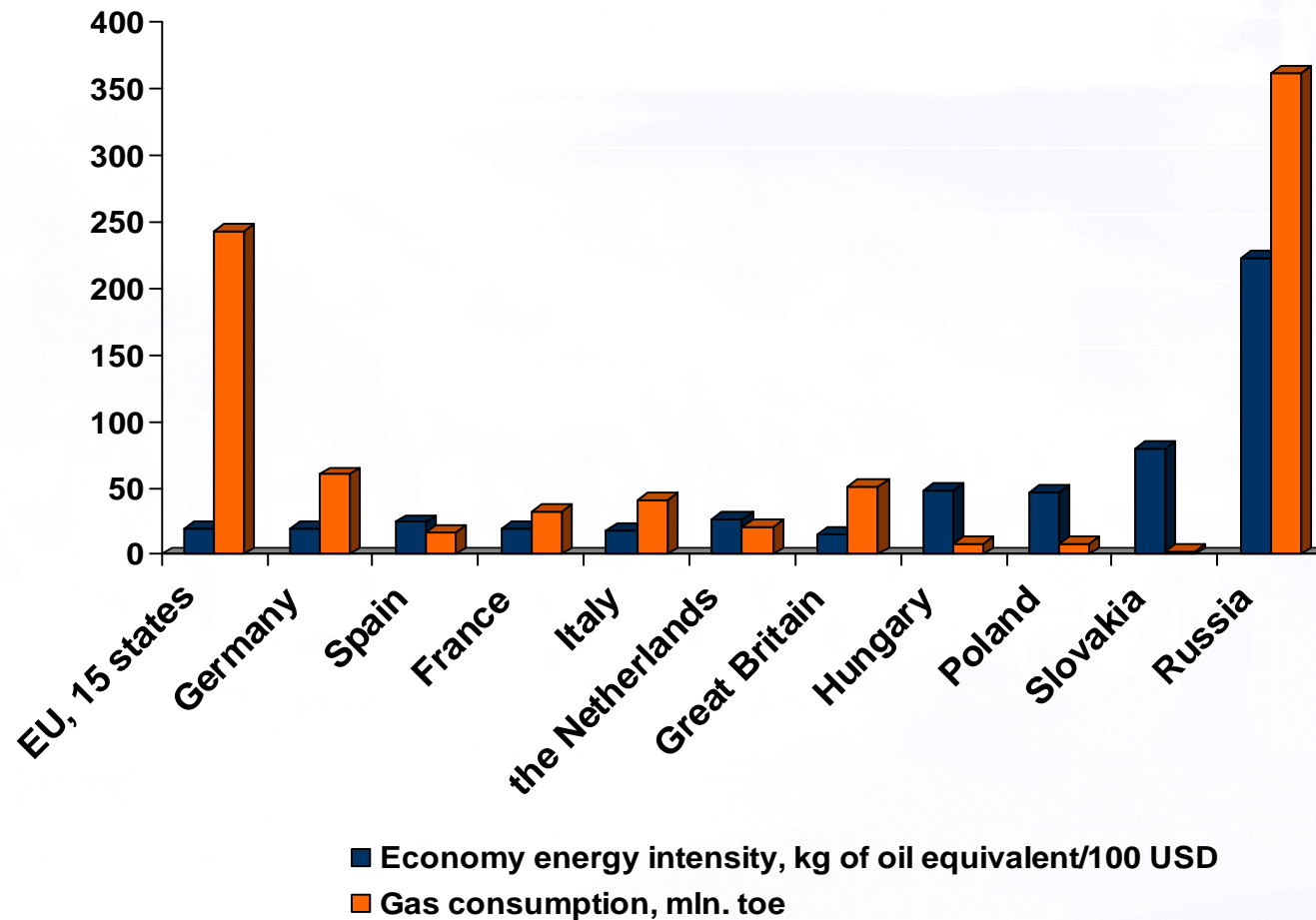




Gas saving potential and the ways of its implementation

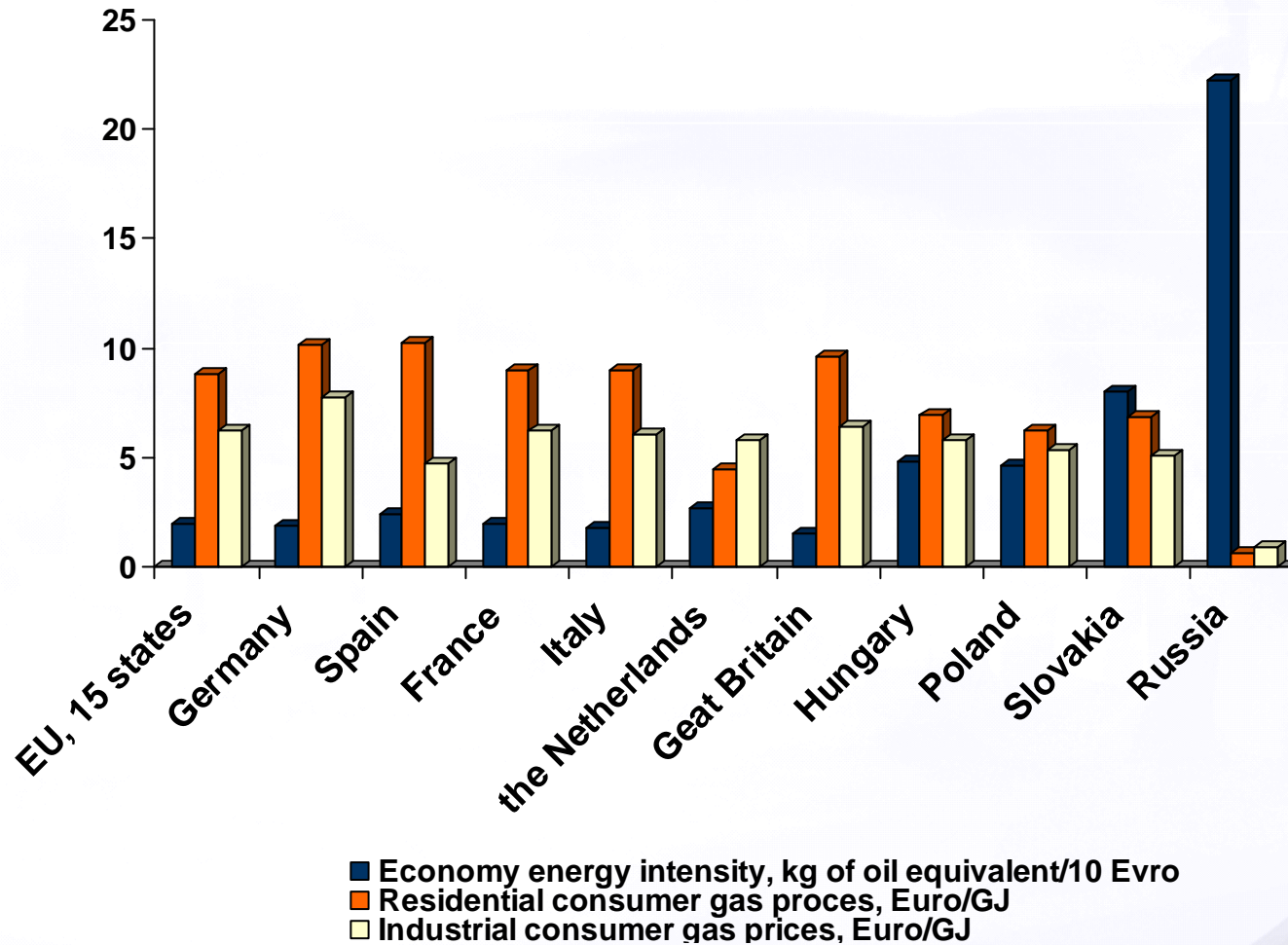


Gas Consumption and Energy Efficiency in European Countries Economics (2005)



East European countries have a potential to release extra volumes of gas

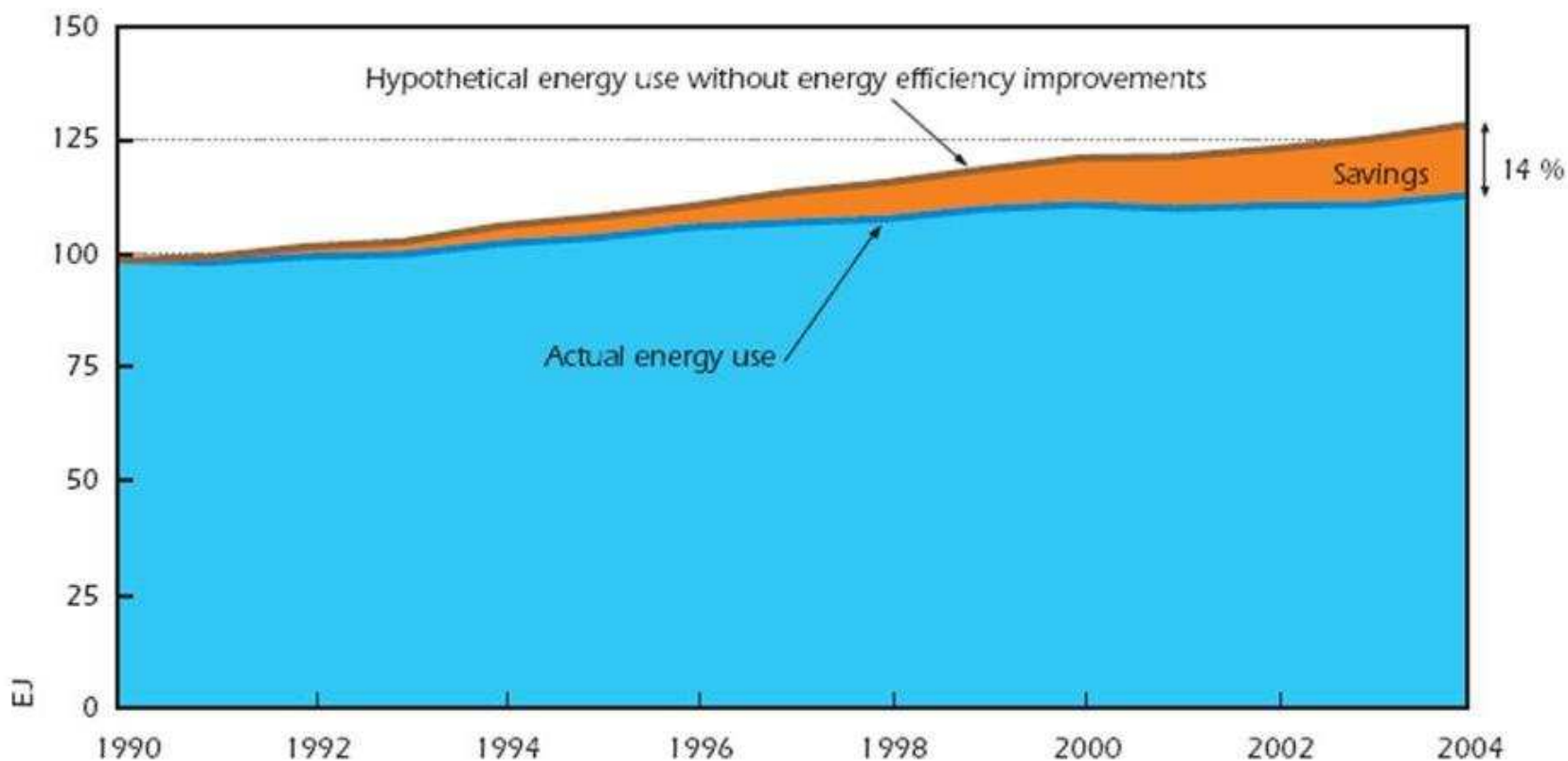
Gas Prices and Energy Efficiency in European Countries Economics (2005)



There is a direct link between the energy prices and energy intensity of the economy



Energy saving and energy economy potential (IEA data)



According to IEA, the implementation of energy saving measures allowed the countries with developed economics to reduce the energy demand by 370 Mtoe.



Current tendencies of gas demand growth



- Gas demand is constantly growing. Gas becomes the strategic fuel of the twenty first century
- There is a significant disproportion in gas consumption and its use efficiency between the Western European and East European countries
- In order to satisfy the growing gas demand at limited gas reserves its crucial to increase gas use efficiency



Study on efficiency of gas and energy use



Major purposes

- Achieving public awareness on the matter of gas economy and its efficient use
- Examining of experience and mechanisms of effective energy and gas use in Western Europe countries
- Development of recommendations of effective gas and energy use increase for Eastern Europe.



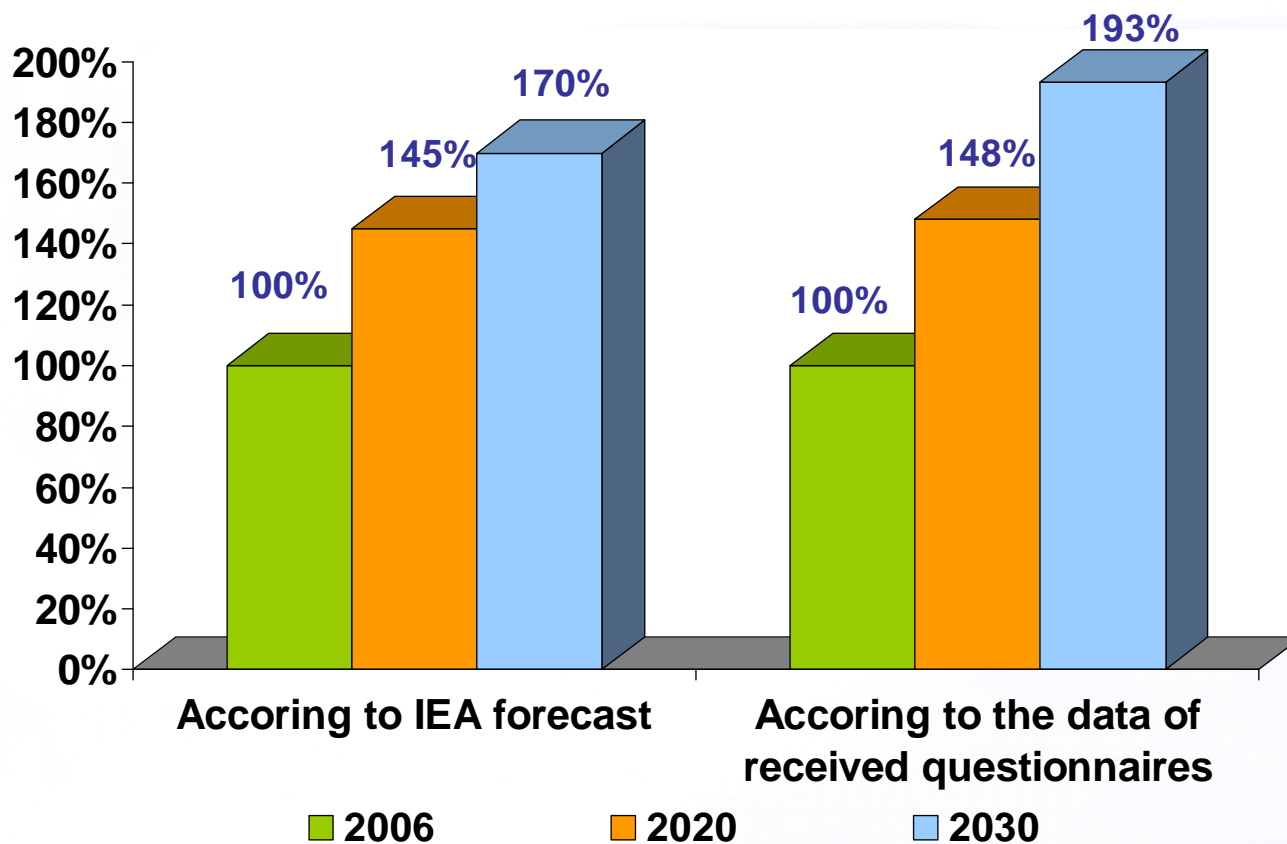
Fulfilled Work



- Program of study and questionnaire discussed at the meeting of UNECE Working Party on Gas in Moscow in March 2007
- Consultations with experts
- Distribution of questionnaires among UNECE members and IGU experts, leading international energy companies, scientific research institutes and state organizations
- Processing of the obtained information, preparation of a report on results



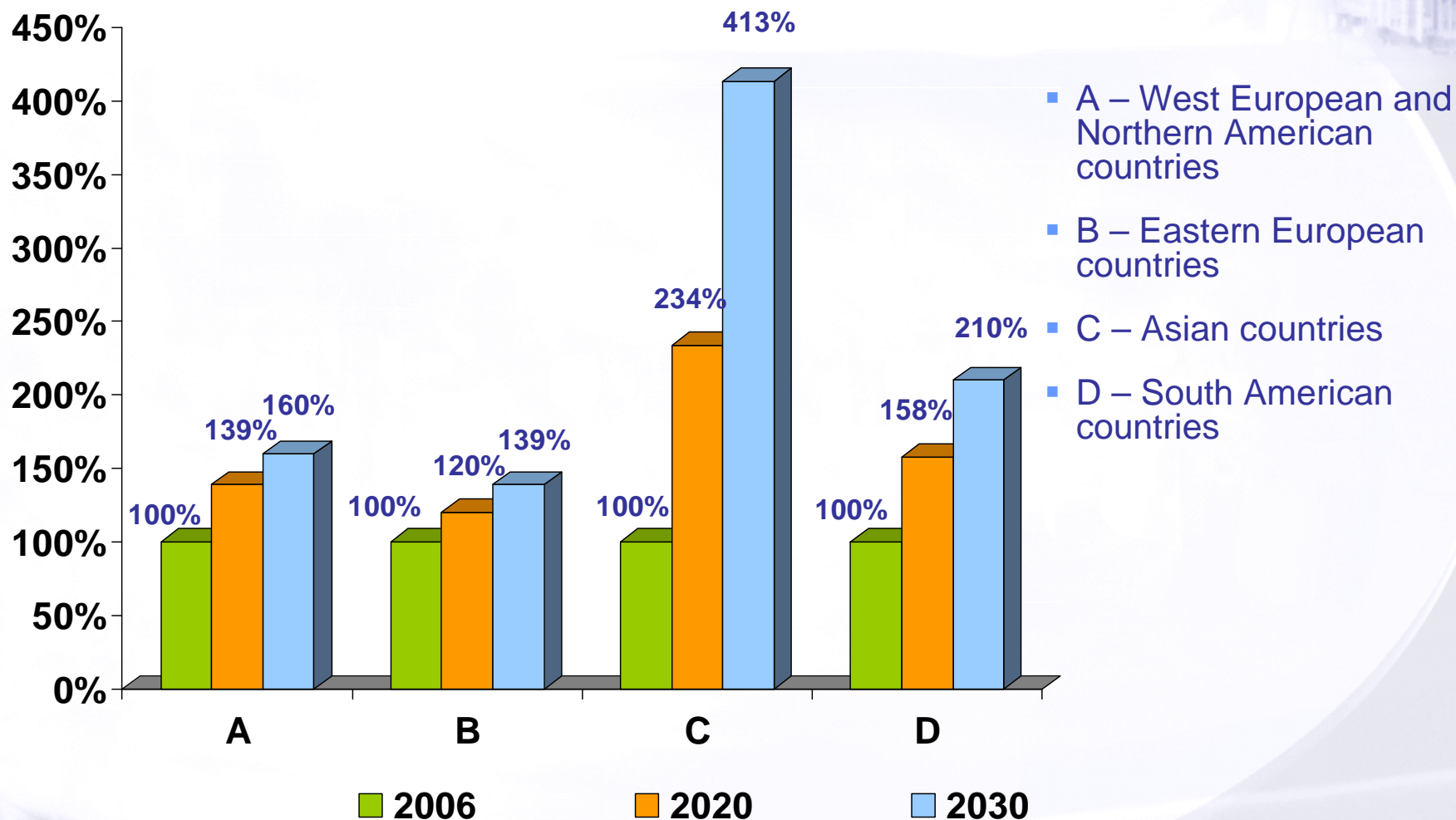
International Gas Demand Expected Increase



Gas demand growth is exceeding the forecasts, which increases the gas saving need.

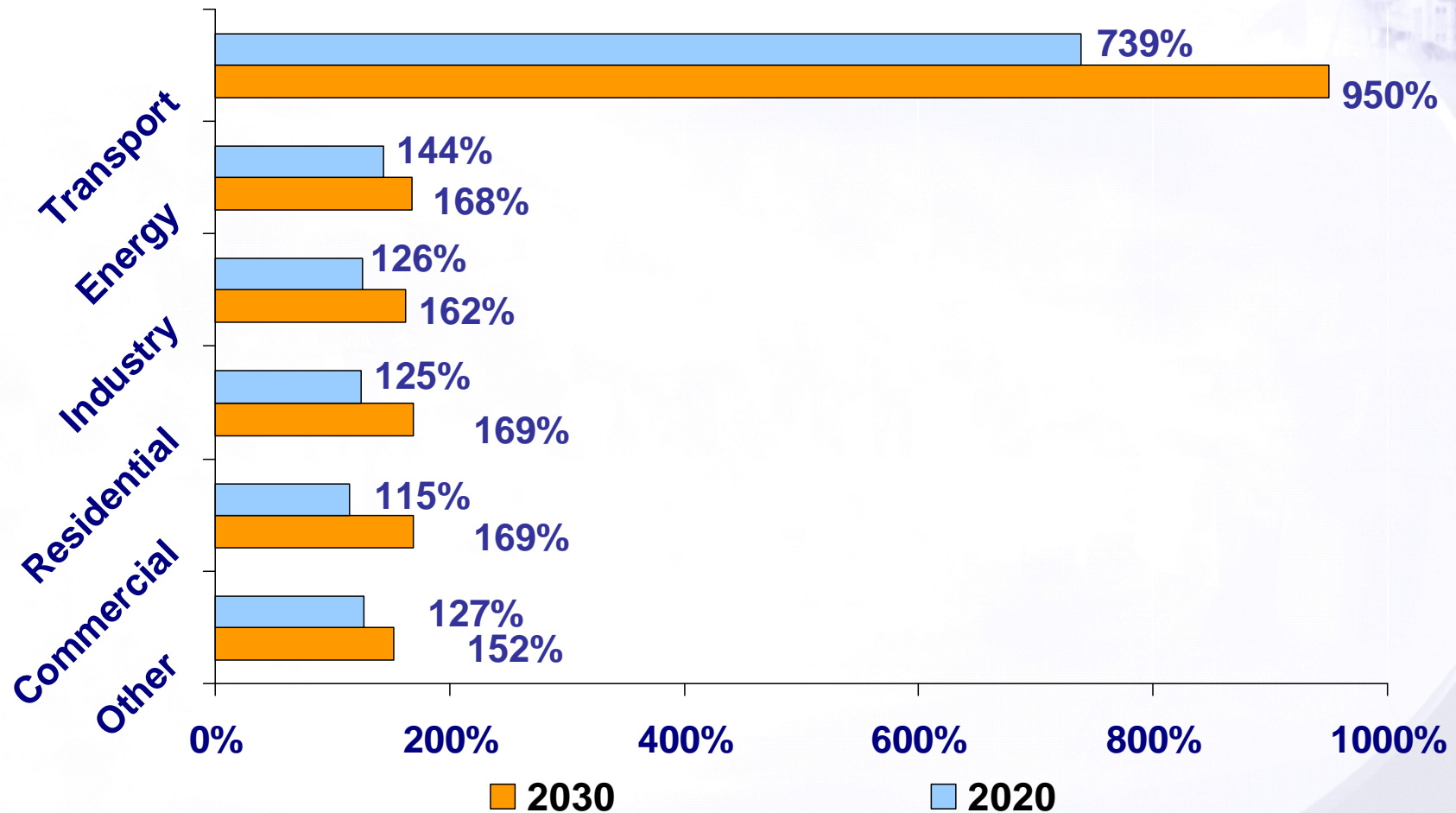


International Gas Demand Expected Increase





Gas Demand Growth by Different Industries by 2020 and 2030 (comparing to 2006)



Gas use as a motor fuel for transportation is the most rapidly growing gas consumption sector

Main Factors Influencing Gas Consumption



Factor	Rank	Effect			
		West European and Northern American countries	Eastern European countries	Asian countries	South American countries
Changes of prices of different types of fuel	1	Strong	Strong	Strong / Moderate	Moderate
Governmental policy in the energy sector	2	Strong / Moderate	Strong / Moderate	Moderate	Strong
Environmental requirements	3	Strong / Moderate	Moderate	Low / Moderate	Low
Guarantee of supply	4	Strong / Moderate	Moderate	Moderate	Moderate
Energy markets liberalization	5	Moderate	Moderate	Moderate	Moderate
Energy-saving	6	Moderate	Low	Moderate	N/A



Main Factors Influencing Reduction of Energy Intensity of Economics



Factor	Rank	West European and Northern American countries	Eastern European countries	Asian countries	South American countries
Equipment modernization and the introduction of new technologies	1	2	1	1	1
State programs aimed to reduce the energy intensity of economy	2	4	3	2	3
Public promotion of energy conservation	3	1	4	3	4
Growth of fuel and energy tariffs and prices	4	5	2	4	5
Activities of energy service companies (ESCO)	5	7	7	5	2
Growth of the environmental concerns of society	6	3	6	6	6
Fuel crises in the 1970-s	7	6	5	7	7

Possible Reaction of Consumers in Case of Gas Prices Increase



Possible increase of prices		Consumers reaction
Countries with high gas prices	Countries with low gas prices	
10%	30%	Increase in prices for produced products
20%	50%	Implementation of energy saving projects
30%	150%	Switching of production process to alternative fuel(s)
50%	300%	Closure of the business or move to another country with lower energy prices

Current low gas prices do not motivate consumers to save energy!



Obstacles for Energy Conservation Increase



- Low public awareness regarding the issues of energy conservation
- Low prices and tariffs of energy resources, particularly gas
- Insufficient Governmental measures towards energy conservation
- Weak institutional development and imperfection of legislative basis, standards and norms for implementation of energy conservation policy
- Difficulties with raising finance for energy conservation projects



Recommendations for Energy Conservation Problems Solution



- Governmental support of technical equipment modernization, development and introduction of new energy efficient technologies
- Formation of public awareness of the energy saving issues
- Gas prices increase
- Improvement of energy saving legislative and normative base
- Sharing of the leading international expertise in the field of development of legislative acts, use of economic and financial energy saving tools.



THANK YOU!

СПАСИБО!

