

Natural gas wholesale markets in the Energy Community

Gas forum, Vienna, 2025.

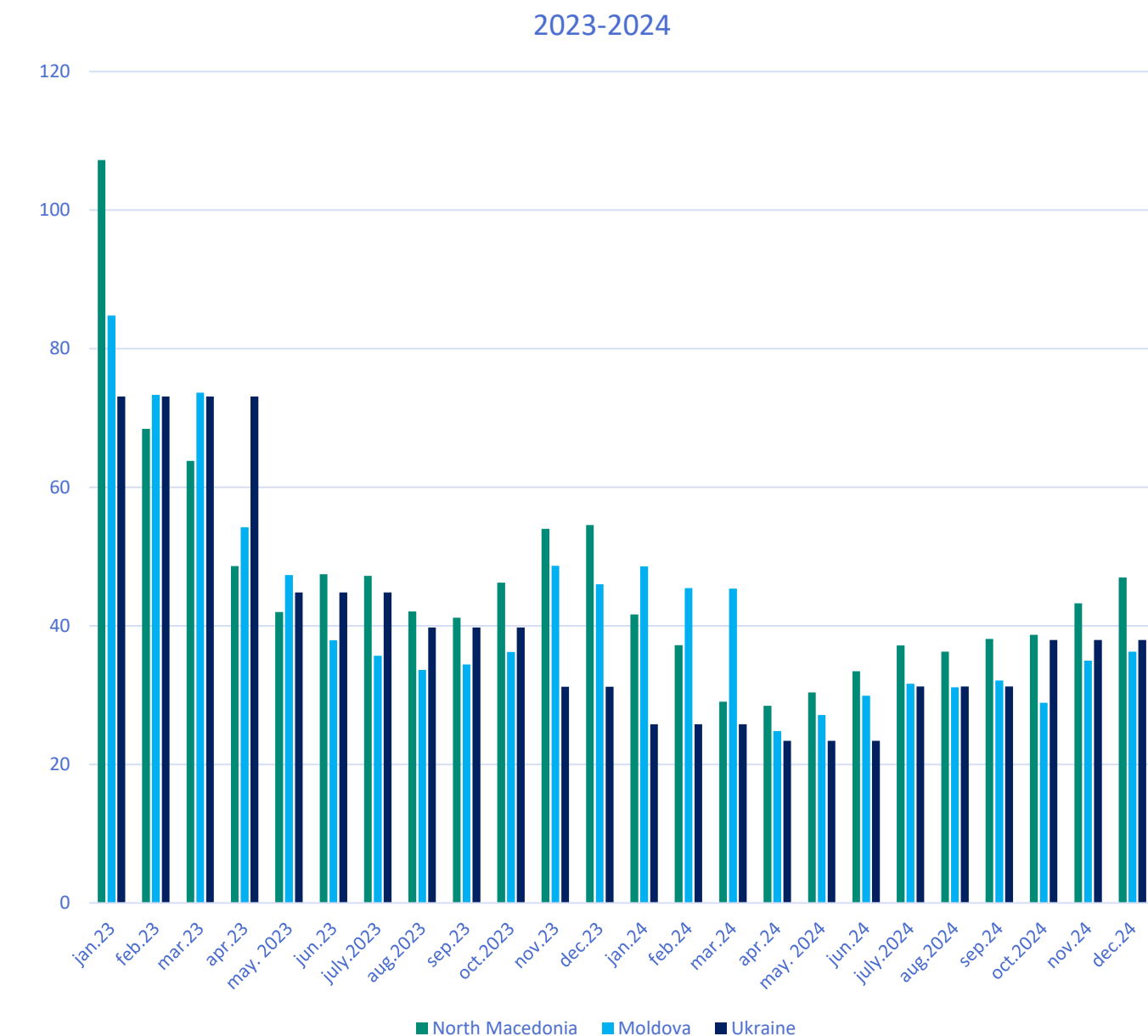
September 2025

ECRB GWG Natural gas wholesale market report

- The information was gathered for the Energy Community Contracting Parties with functioning gas markets, namely **Georgia, Moldova, North Macedonia, Serbia and Ukraine**.
- It describes the status quo of gas markets on wholesale level with the aim to identify potential barriers and discuss recommendations on potential improvements.
- Additionally, two observer countries to the Energy Community, namely **Armenia and Türkiye**, are included in the report, where applicable.
- Data presented refers to **2024**.

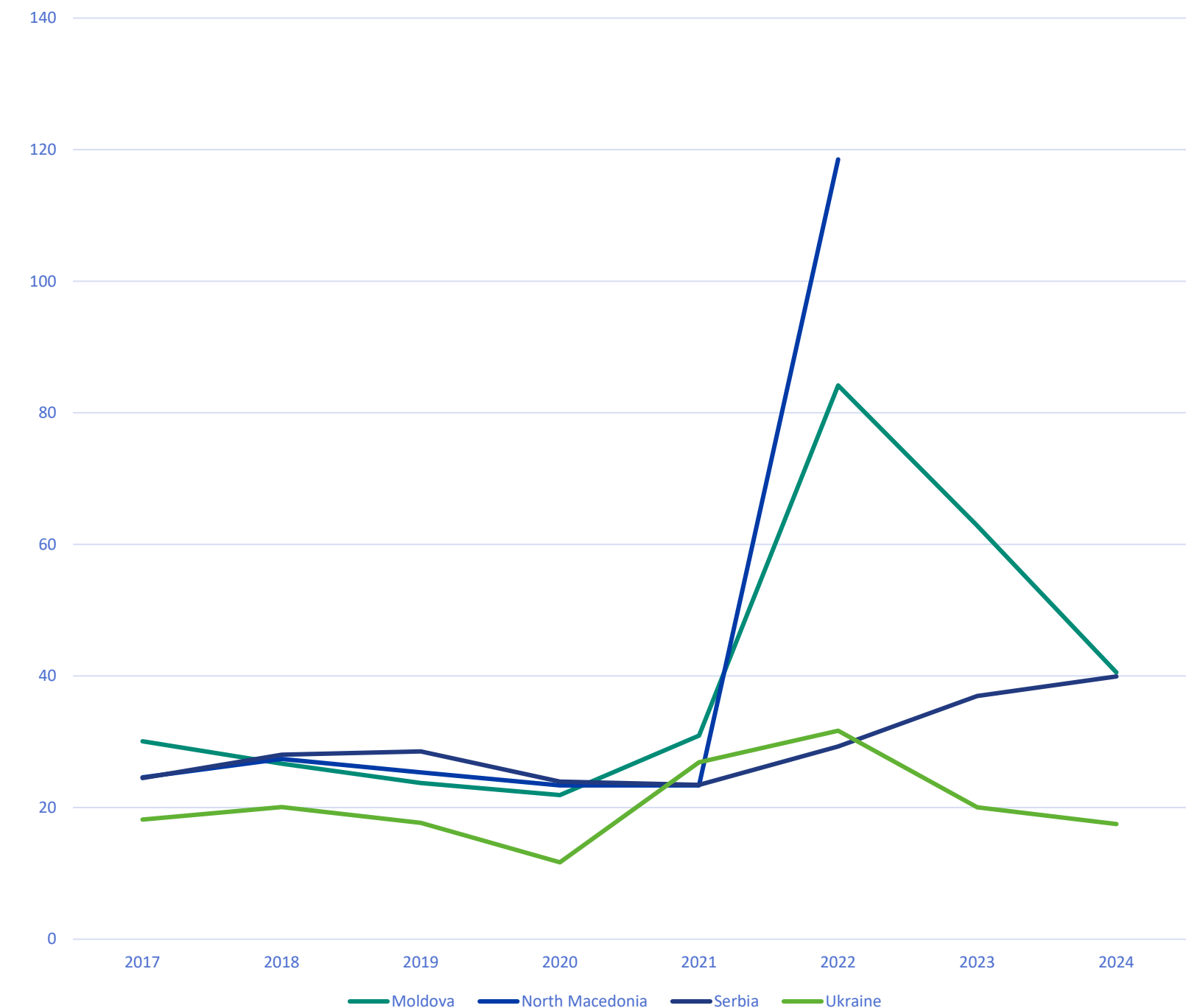
Wholesale import prices

- In 2024 wholesale import prices decreased compared to the previous year but remained higher than pre-crisis levels (the overall trend reflects a decrease from the peaks seen in 2022).
- After in 2023 prices were relatively stable, in 2024 slight increase of prices can be observed towards the end of the year.



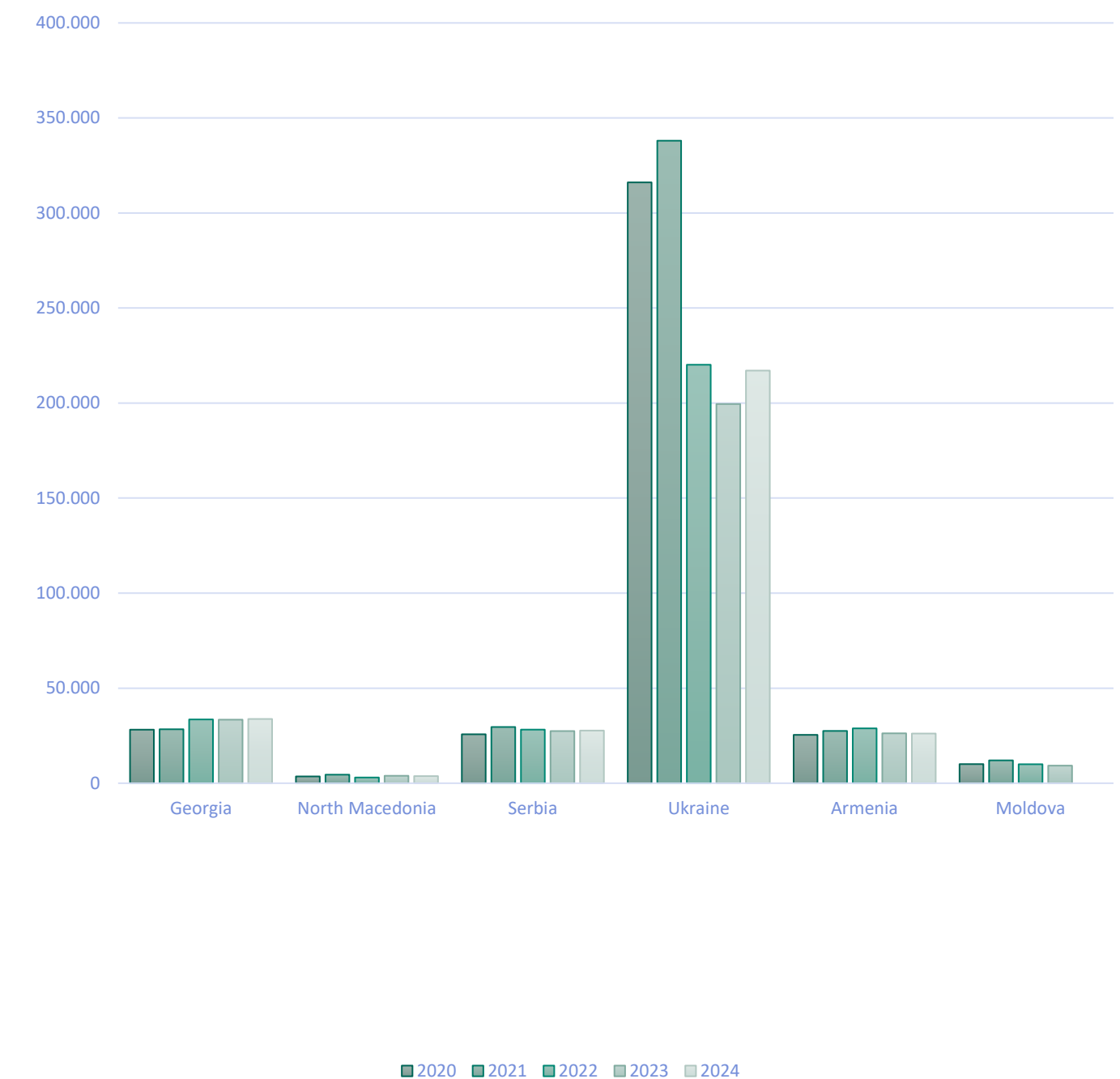
Average wholesale sell prices

The decline in **average yearly gas wholesale sell prices** was **observed** in Moldova and Ukraine comparing to the rise that occurred in 2023, while in Serbia a rise of 8% was recorded.



Gas demand

- Gross Inland Consumption in observed parties, generally shows a slight upward trend in 2024, with figures decreasing in North Macedonia (-4.6%YoY) and Armenia (-0.4% YoY).
- The largest consumption increase can be observed in Ukraine of 8%, then follows Türkiye with 5.6% increase while in Serbia and Georgia consumption stayed close to the level of previous year (increase of 0.9% and 1.1% respectively).

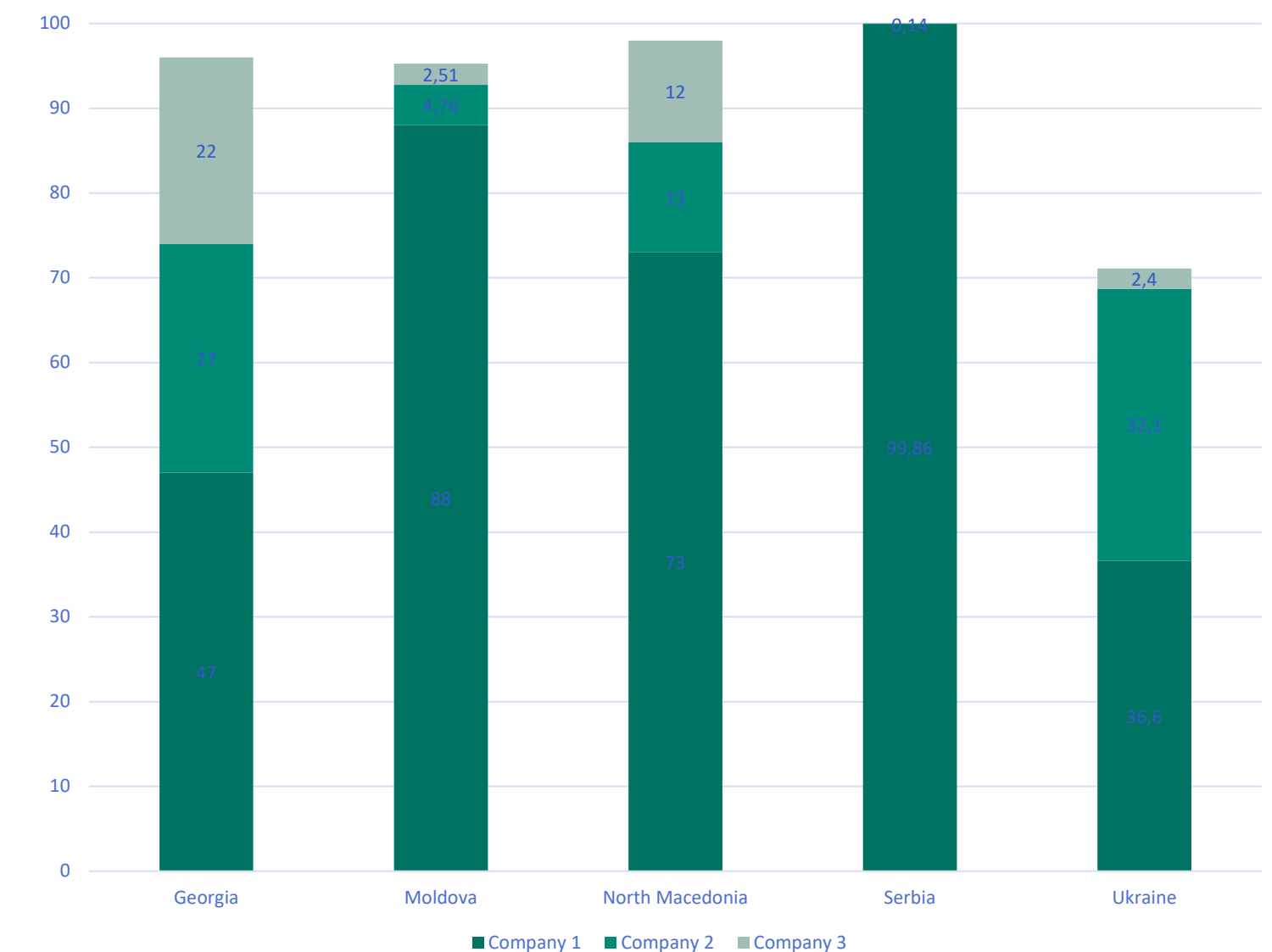


Sources to cover demand

- Moldova and North Macedonia rely entirely on **imports** to meet their natural gas demand.
- Georgia is highly import dependant, with 99.5% of gas consumption being imported, (majority of 74% coming from Azerbaijan, 25% from Russia).
- In Serbia, 93.3% of gas consumption was imported, with domestic production contributing to 6.7% of demand, showing a steady decrease over time.
- Ukraine stands apart, relying predominantly on domestic production, whose share in total demand increased significantly from 66.3% in 2020 to 90.68% in 2024. Pipeline import quantity decreased sharply to 1.256 GWh comparing to 2023 when import quantity was 12.769 GWh
- In Armenia, 100% of gas demand was covered by imports, of which 83.7% from Russia and 16.3% from Iran.
- The increasing demand for natural gas in Türkiye and the inadequacy of domestic production to meet this demand (although production increased from 1.6% to 4.27%) necessitated the import in 2024. Türkiye imported natural gas from three sources (Russia, Azerbaijan, Iran) and is the only country that reported the import of LNG as a source to cover it's consumption.

Wholesale market dominance

1. Gas markets in the Contracted Parties are highly concentrated.
2. Georgia and North Macedonia have the highest number of companies selling at least 5% of available gas, namely three (in Georgia 47%, 27%, 22% in North Macedonia 73%, 13%, 12%).
3. In Ukraine, two companies sell more than 5% of available gas with market shares of 36% and 32%.
4. In Moldova, a single company controls 88%, which is improvement in the reduction of former 94% of the largest market share, while in Serbia a single company controls over 99% of market share.
5. In Türkiye, the sales shares of three biggest companies selling the most natural gas is 78,66%, 4,56% and 3,67% respectively. Namely only one company sells more than 5% of available gas.



Conclusions

- The gas wholesale markets of the Energy Community Contracting Parties, except for Ukraine, stabilized in 2024 compared to 2023
- Weighted average import prices slightly decreased from higher prices in January to lower prices in the spring months of 2024
- As import prices declined, gas **demand** in the Contracting Parties also displayed a slight upward trend in 2024, but without significant changes
- **Gas markets** in the Contracted Parties are still **highly concentrated**
- Network codes (CAM, BAL, TAR) still not fully applied-Moldova, Ukraine and Serbia being advanced in their application
- Significant improvement in NC TAR transposition and application in Serbia and Moldova
- Taking into account commitment of the Energy Community to decarbonize its economies, the ECRB recommends that efforts are increased towards demand reduction and more efficiency.

Conclusions

- In parallel, further diversification of supply sources and better market integration, achieved through full implementation of gas network codes, with notable progress in application of NC BAL in Ukraine and NC TAR in Moldova and Serbia, would reduce the risks of gas supply disruptions and extreme price increases.
- A special attention should be given to the expected rise in gas transmission costs due to the significant reduction of volumes and change of routes.
- The regulators are invited to design tariffs so not to jeopardize the functioning of the gas transmission systems, but also to allow gas suppliers to enter the markets at reasonable prices.



THANK YOU!