

# Hydrocarbon Transit Transparency in Bulgaria

Istanbul, 29 September 2012  
TANAP Conference

Ruslan Stefanov  
Director, Economic Program



## Content

- Transparency and energy security in Bulgaria: some thoughts
- Overview of hydrocarbon transit
- Result from analysis
- Gas transit: the available information

# Transparency and energy security of Bulgaria

- Complex challenges and a multitude of pressures
- Lack of transparency
- Lack of governance and expert capacity
- Lack of clear and effective decision-making process

LEAD TO:

- Bad governance, incl. financial , public procurement, and state enterprises
- High corruption risk
- Policy issues that are hard to identify and manage
- Low long-term potential, incl. R&D investment erosion

- Energy is a key sector for the Bulgarian economy (1/4 of all public procurement procedures)
- Strategic decisions are pending
- Bulgaria is a key regional player

NEED FROM:

NEED FROM:

- A constant demand/pressure for good governance and transparency
- Expertise
- Independent, data-driven consultancy services
- Benchmarking and use of best international practices

## Overview of Hydrocarbon Transit

- Transit network reserved for one supplier until 2030
- One holding, two companies responsible for transit = limited transparency
  - Bulgartransgas EAD
  - Bulgargas EAD
- No data on transit tariffs, fees and taxes
- Limited oversight from the EC

# Bulgarian Gas Transit and Transmission Network



## Access to Information Regulations

- Access to public information act
  - Third party consent
  - Unfair competition grounds
- Statistics act

## Analysis of Information Availability on Transit: Volumes, Tariffs, Revenues

- Bulgargas and Bulgartransgas: only information on volumes for the internal market
- Inquired for information on transit: technical, contracted and available capacity at cross border entry and exit points
  - Nine requests sent - six replied; two adequate
  - Only information on available capacity is publicly available but not technical and contracted
  - All figures were available until 2010

# Gas Transit Information from Government & Private Companies

<b>Benefit Streams</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Source of information*</b>
<b>Volumes</b>				
Total volume of gas transit (mcm)	16,682	12,313	12,169	FoI
<b>Transit Tariff</b>				
Transit tariff for gas	n.a	n.a	n.a	none
<b>Transit Revenues</b>				
Total revenues from gas transit	n.a	n.a	n.a	none
<b>Taxes &amp; Fees</b>				
Total taxes from gas transit	n.a	n.a	n.a	none



## Oil Sector



High concentration of market power in the crude oil and refining sectors



Low quality of refined products attributed to mixing them with low-quality imports



A significant “grey” segment equaling 1/3 of the market



## Natural Gas Sector

High concentration of imports through a single supply route

A monopoly in the oil and gas sectors

Monopsony (a single buyer) in the transit of gas

Lack of leverage in negotiations with the foreign supplier, who is also the sole user of the transit pipelines

**Thank You!**

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