

3rd International Conference and Expo on

OIL AND GAS

July 13-14, 2017 Berlin, Germany

Structuring a sustainable, fully competitive and liberal natural gas market in Turkey: The perception of the Turkish private sector

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In Turkey, natural gas was first introduced in 1986. Following that, the use of natural gas has become rapidly widespread and started to be used for electricity generation, residential heating and industry, together with the increasing energy needs resulting from the rapid economic and population growth. Especially in the last 15 years, Turkey has become one of the leading countries with fastest-growing natural gas demand. Over the last 30 years, Turkey's annual natural gas consumption growth rate is 18%, tripling its total energy consumption growth rate in the same period. However, it comes with a burden. The decision of increasing the use of natural gas in Turkey makes it highly import dependent, 99%, decreasing the level of security of supply. Hence, Turkish natural gas consumption has already reached to 4635 bcm as of the end of 2016 in Turkey, doubling the 2003 levels, representing 30% of Turkey's primary energy consumption. However, Turkey was not successful in establishing a liberal natural gas market. Turkish Petroleum Pipeline Corporation (BOTAS) is responsible for almost 80% of the natural gas imports, much higher compared to private sector's share. In addition, it subsidizes the gas prices, preventing the formation of a competitive market. Requiring a fundamental transformation of the natural gas market, Turkey is in the process of restructuring and liberalization. Therefore, during this process, it is important to reveal the insights from the private sector players in the Turkish natural gas market related to the successful formation and implementation of a sustainable, fully competitive and liberal natural gas market. Consequently, the primary aim of this study is to gain insight into the private sector's view related to the restructuring process of Turkish natural gas market, through a qualitative inquiry, including an industry-wide survey and a SWOT analysis. This study reveals the internal and external factors, the degree of importance of these factors for the future of the industry and the level of consistency between these assessments.

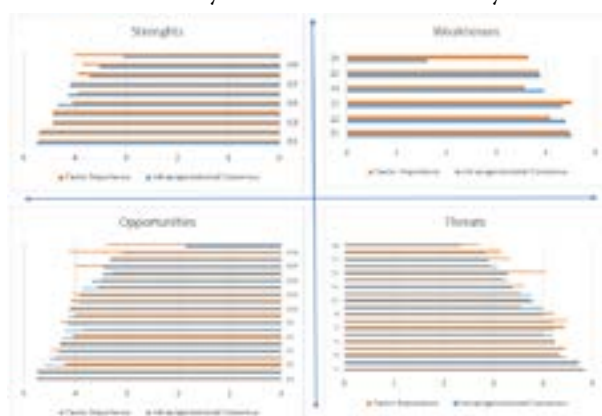


Figure: Pictorial explanation of market analysis of natural gas in Turkey

Biography

Mehmet Efe Biresselioglu is an Associate Professor of Energy Security and Policy in the Department of Political Science and International Relations and Head of Sustainable Energy Division at Izmir University of Economics, Turkey. He is also acting as the Steering Committee Member of European Energy Research Alliance's (EERA) "e3s" Joint Program and the Head of Izmir Circle of Mediterranean Citizens' Assembly (ACIMEDIT). He has completed his PhD at IMT School for Advanced Studies Lucca, Italy. He has received his MA in European Studies from Jean Monnet Center of Excellence at University of Turku, Finland and his BA in Political Science and Public Administration from Bilkent University, Turkey. His research interest is in the area of energy security, energy policy analysis and energy economics. He has published several articles in the leading journals such as *Energy Policy*, *Renewable Energy*, *Energy and Energy Research & Social Science*.

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