

In Turkey, there is an apparent progress in the electricity market liberalization, but not in the gas market.

The liberalization of the gas market takes place more slowly than in the area of electricity, said Cengiz Soysal, director of Institute for energy markets and policies.

“Although the electricity and gas markets in Turkey are closely linked, the liberalization of the gas market has been slow, while there have been significant improvements in the liberalization of the electricity market”, said Soysal.

During this process, the private sector was reluctant to invest in capital-intensive areas, with long-term repayment of investments, such as the construction of underground gas storage. Regulators such as EMRA and the Agency for Protection of Competition were on the criticism target because of doubts about the effective rules implementation. Also, it has been criticized the insufficient political will of the Government and the unwillingness of state company BOTAS to implement the liberalization process.

Soysal stressed that mature gas demand, new investments and opportunities arising from the global gas market could accelerate the development of competitive gas market in Turkey in the near future.

He pointed out that the privatization of state-owned enterprises provided the market liberalization.

“Before privatization, the Governments used state owned enterprises to achieve social and economic goals by subsidizing their losses, while after the privatization, the Government seeks effective competition and regulation that will enable the realization of the benefits of the liberalization process”, concluded Soysal.