

Bosnia and Herzegovina: Gas price in FBiH to rise by 30 % as of 1 May

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Date : May 9, 2019

The Government of the Federation of Bosnia and Herzegovina (FBiH) approved that new wholesale price of natural gas, which would be valid from 1 May. The new price is around 327 euros per 1,000 cubic meters of gas (without VAT), which is an increase of almost 30 %.

In March, FBiH Government rejected a request filed by gas supplier BH-Gas for a 31.31 % increase of wholesale natural gas price. The Government said that proposed increased wholesale price along with negative socioeconomic aspects will ultimately lead to reduced natural gas consumption in FBiH. The Government suggested BH-Gas to consider to gradually rise the wholesale price instead of such a sharp increase.

The increase was requested in late 2018 on the basis of the rise in the prices of crude oil and oil products in 2018, and the related increase in the prices of gas imports from Russia. Although the price of Russian gas imports rose by as much as 100 % between 2016 and 2018, BH-Gas has maintained its wholesale price on the domestic market over the past 18 months. All this led to the fact that the company is losing about 40,000 euros per day since the beginning of 2019.