

## Single price for gas for citizens and entities

Pursuant to the Resolution of the Cabinet of Ministers of Ukraine No. 315 dated 27 April 2016, the new tariff price for gas for citizens is established in the amount of UAH 6879 per thousand cubic meters as of 1 May 2016. The same price was established for sale of gas for the needs of communal heat energy providers.

Taking into account that the prices for gas for citizens were subsidized from the state budget, and they did not correspond to the market prices, such increase significantly affects the households, as it will result in growth of cost of heating and hot water supply.

Following increase of tariffs for gas for citizens such tariffs now correspond to the price of gas for the entities, which has been established in the amount of UAH 6800-7500 for quite a long time. Alignment of prices for gas should trigger more economical and effective use of energy resources as well as implementation of energy efficiency systems and use of alternative sources of energy. The latter is especially important in relation to potential development of biomass energy given the fact that Ukraine has vast volumes of agricultural land.

The widely unpopular move of the Government of Ukraine is aimed at, inter alia, gradual encouragement of population to economical use of energy resources. Therefore, along with increase of gas prices, the Government also seeks to secure implementation of 100% accounting for all energy resources, to fund measures regarding reduction of energy consumption via implementation of energy efficiency as well as to establish the Fund for Energy Efficiency.