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# **The Energy Sector and its Macroeconomic Importance in the CIS**

**(CASE's study for ECFIN/D/2007/005)**

**Presentation prepared for the Conference on “The Economic Aspects of the  
Energy Sector in CIS Countries”, EC Delegation, Moscow, June 27, 2008**

# Objectives of the study

- To analyze the macroeconomic aspects of the energy sector in CIS countries, which
  - rely heavily on energy production, trade and transportation
  - represent high energy intensity and (in some CIS) high dependency on imports from limited number of sources
  - have distortions in the economies (under-pricing, etc.)
- Focus on macroeconomic issues:
  - role in the real economy, and trade and balance of payment flows
  - impact on monetary and fiscal policies and monetary, fiscal and balance of payment management



## Oil production and proven reserves, 2006

Country	Oil production		Proven reserves	
	Million tons	share of world total, %	Billion tons	share of world total, %
Azerbaijan	32.5	0.8	1.0	0.6
Kazakhstan	66.1	1.7	5.5	3.3
Russia	480.5	12.3	10.9	6.6
Uzbekistan	5.4	0.1	0.1	<0.05
Turkmenistan	8.1	0.2	0.1	<0.05

*Source* BP (2007).



## Gas production and proven reserves 2006

Country	Production		Proven reserves	
	bcm	% of world total	tcm	% of world total
Azerbaijan	6.3	0.2	1.35	0.7
Kazakhstan	23.9	0.8	3.0	1.7
Russia	612.1	21.3	47.65	26.3
Turkmenistan	62.2	2.2	2.86	1.6
Ukraine	191	0.7	1.1	0.6
Uzbekistan	55.4	1.9	1.87	1.0

Source: BP (2007).



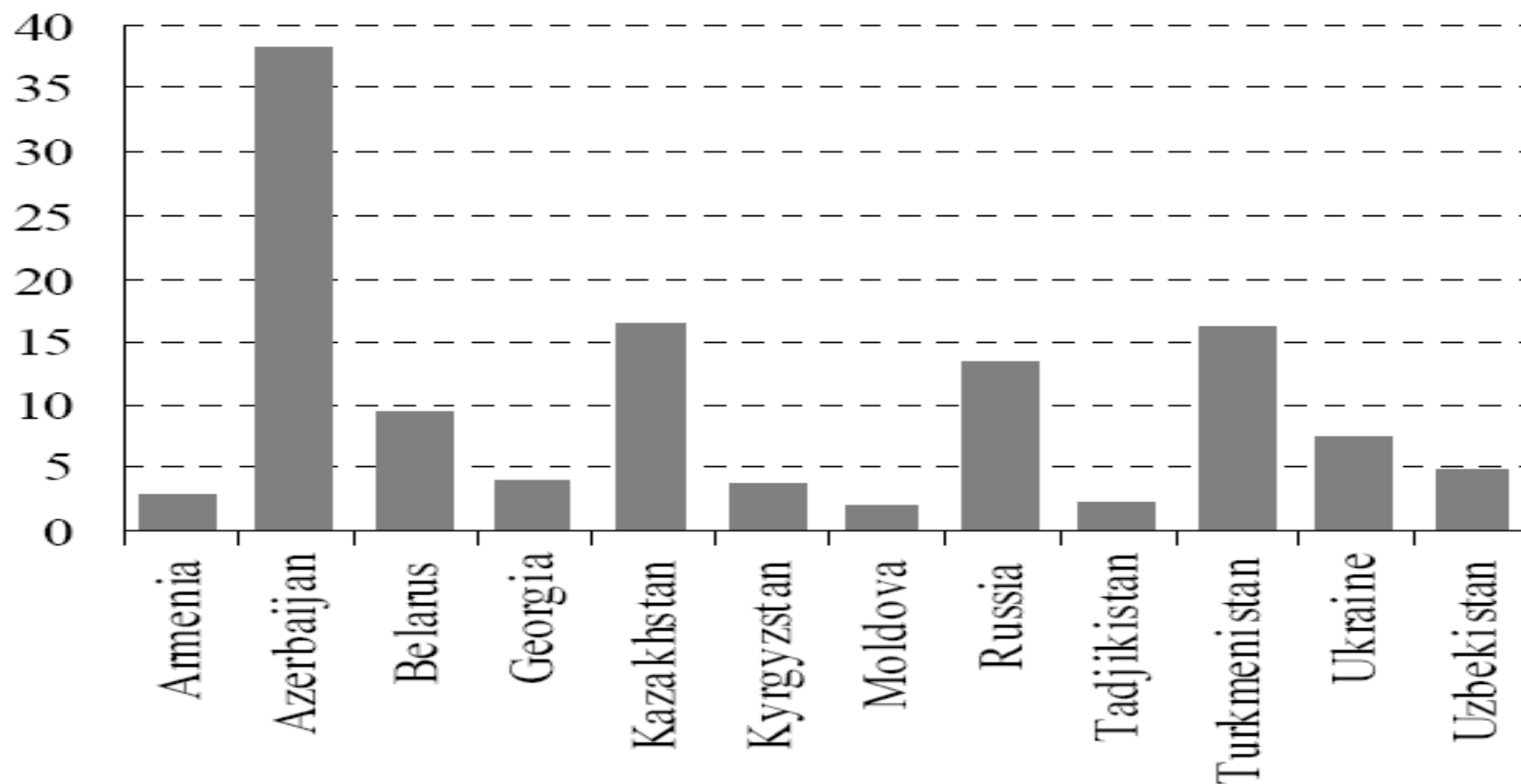
## Share of energy sector in GDP – differing estimates

- Russian Federation: the range between 10 and 30% of GDP; taking account on transfer pricing gives 20-25% of GDP
- Kazakhstan – between 15 and 30% of GDP
- Azerbaijan – between 35 and 50% of GDP



# Share of energy sector in GDP in %, 2005

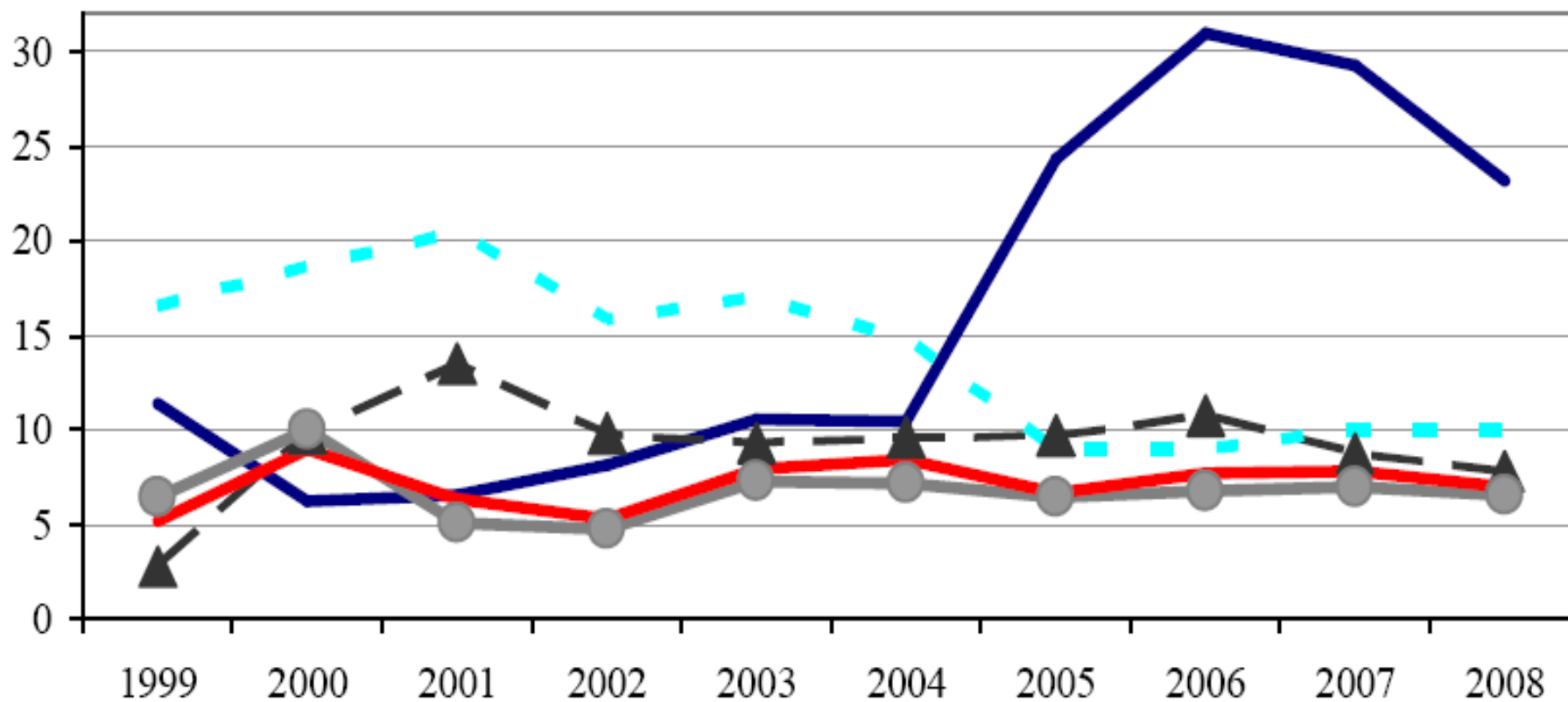
according to lowest estimates



Source: estimates based on data of national statistical agencies

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Note: 2007-2008 figures are IMF forecasts.

Source: IMF, World Economic Outlook database, October 2007