

Abstract

Bachelor thesis discusses the causes of spot gas market development in the UK, covering the period from 1986 to 1998. The first chapter describes pricing mechanism in long-term contracts and spot market pricing. The second chapter traces the transition from long-term contracts to spot trading in the UK. The work maps the legislative process of gas market liberalization, policies of the incumbent government and internal and external factors. The thesis suggests that the success of the liberalization process, which enabled the transition from long-term contracts to an advanced spot market was primarily facilitated by favourable conditions on the supply and demand side.