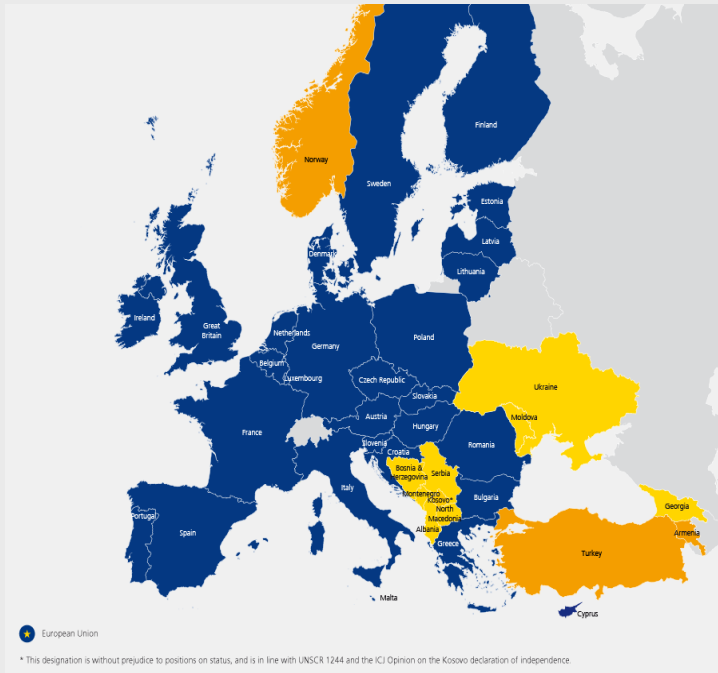




*Current state of play on oil stocks  
transposition/implementation in the  
Contracting Parties*

13<sup>th</sup> Oil Forum  
12 October 2021

# TABLE OF CONTENTS



- *2020 Oil Data*
- *Contracting Parties Oil Activity*
- *Oil Stocks Progress*
- *Next steps/Priorities*

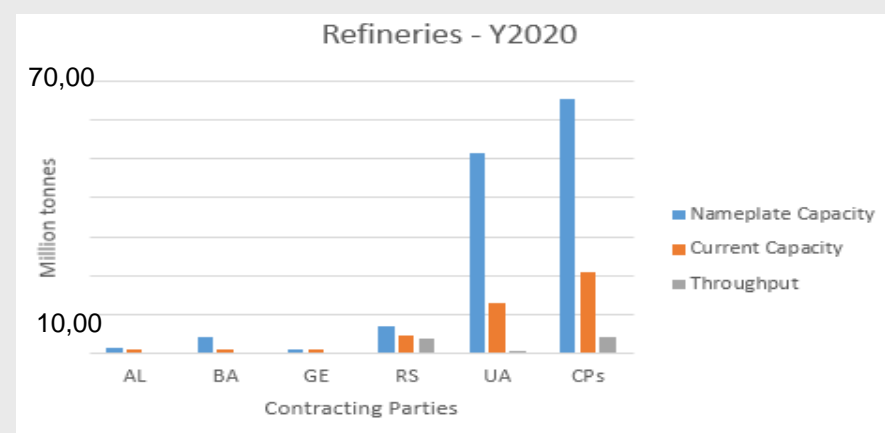
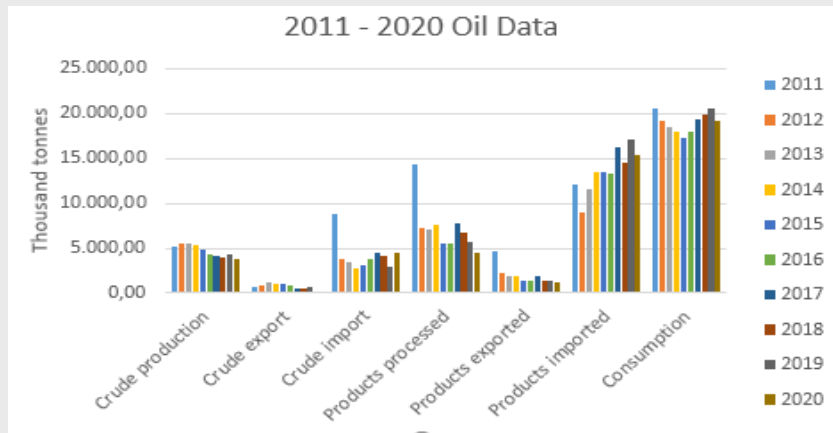
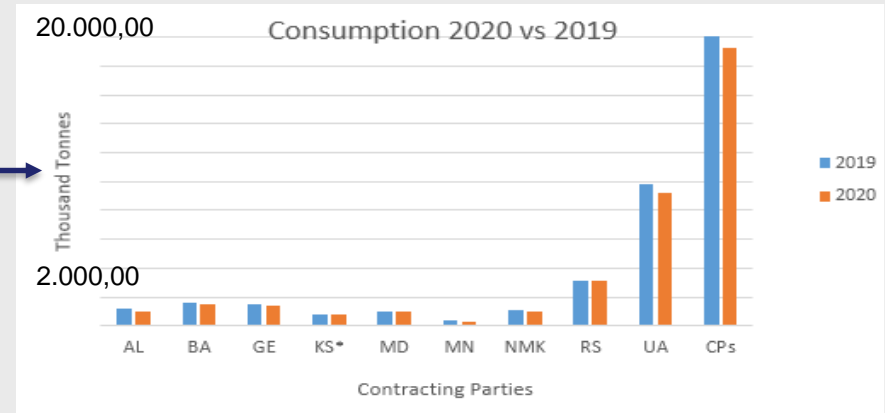
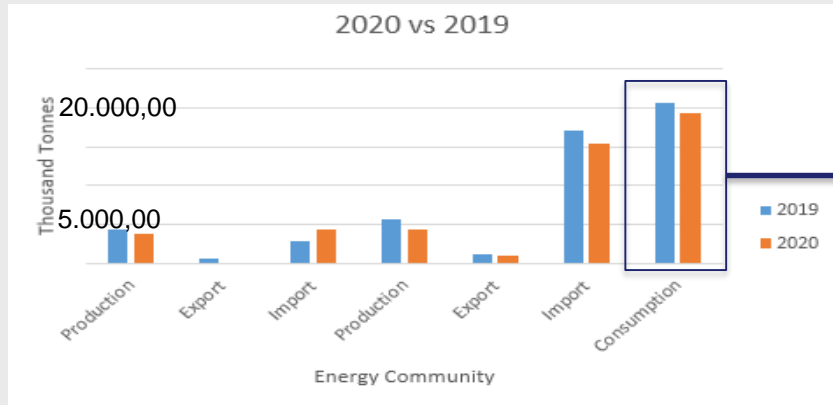
# Oil Data – 2020 vs 2019

CPs	YEARS	CRUDE OIL			PETROLEUM PRODUCTS			
		Production	Export	Import	Production	Export	Import	Consumption
		Thousand Tonnes			Thousand Tonnes			
Albania	2020	564,6	0,0	564,6	125,1	98,8	1.063,3	993,50
	2019	1.005,0	642,0	0,0	332,0	184,0	1.275,0	1.241,00
Bosnia and Herzegovina	2020				0,0	21,7	1.522,3	1.483,50
	2019				0,0	54,1	1.615,2	1.588,10
Georgia	2020	31,3	4,2		37,2	17,1	1.350,4	1.348,60
	2019	35,1	0,0	9,1	36,6	23,5	1.424,0	1.457,90
Kosovo*	2020				12,5	11,2	777,9	768,5
	2019				0,0	0,0	917,3	917,3
Moldova	2020	5,4		4,1	6,3	2,1	983,3	979,70
	2019	4,8	0,0	0,3	5,4	12,0	1.031,6	1.021,00
Montenegro	2020						320,0	320,00
	2019						333,5	357,00
North Macedonia	2020					143,7	1.186,8	1.007,73
	2019					159,3	1.252,0	1.052,00
Serbia	2020	859,2	9,4	2.609,4	3.787,4	885,7	922,9	3.121,87
	2019	918,4	32,4	2.149,8	3.340,0	900,0	1.201,6	3.131,49
Ukraine	2020	2.401,0	80,0	1.245,6	513,9	17,0	8.674,9	9.225,80
	2019	2.433,2	0,0	790,0	1.974,4	0,0	8.062,0	9.766,00
Contracting Parties	2020	3.830,2	89,4	4.423,7	4.445,2	1.180,2	15.451,4	19.249,2
	2019	4.396,5	674,4	2.949,2	5.688,4	1.332,9	17.112,2	20.531,8

Note: Abbreviations used for the CPs

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

# Oil Data – 2020



Note: Abbreviations used for the CPs

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

## Oil Activity:

- *Shell Upstream Albania activity on blocks 2, 3 & 4 has been limited*
- *ENI did not conduct any field exploration activity in Dumrea Block*
- *Bankers Petroleum, despite the pandemic situation and significant reduction in the price of crude oil, reached production of 674,255 tons crude oil – a decrease by 44% compare to 2019. Consumption decreased by 20% too*
- *Albania is currently not connected to any international oil pipeline*

## Oil Stocks progress:

- *Albania's current emergency oil stockholding system is assigned to the oil industry - at least 90 days of average annual sales.*
- *For the fourth year in a row, Albania failed to adopt the draft Law on the establishment, maintenance and management of security minimum stocks of crude oil and petroleum products*
- *The draft Law continued to be discussed by stakeholders, but no progress was achieved during this reporting period between two FORA*
- *The current oil stockholding system is not compliant with Directive 2009/119/EC*

## Oil Activity:

- *Oil refinery Brod - shut down since October 2018. No domestic petroleum products processed in the country. All products are exported*
- *The overall consumption in 2020 was around 1,48 mt – a decrease of around 6.5% compared to 2019. Export and import of petroleum products decreased by 60% and 6 % respectively*

## Oil Stocks progress:

- *No progress on State level between to FOR A. Both entities have adopted/amended their respective laws*
- *MFTR continued to support a working group tasked to deliver concrete proposals or actions for an oil stocks model at the state level in compliance with Oil Stocks Directive 2009/119/EC, but this did not result in any outcomes*
- *A draft Decision on the Quality of Liquid Petroleum Fuels for alignment with the provisions of Directive 98/70/EC on the quality of petrol and diesel fuels was finalised in August 2021.*

## Oil Activity:

- *Oil production - insignificant – around 31kt for 2020*
- *Almost 100% dependent on imports of crude oil and petroleum products*
- *2020 import of oil products was around 1.35 mt a decrease by around 5.2%*
- *2020 consumption was roughly 1,35 million tonnes, a decrease by 7,5% compared to 2019*

## Oil Stocks progress:

- *On emergency oil stocks - no progress during the reporting period of two Oil FORA*
- *The current draft of Oil Stockholding Act is under consultation with the economic operators.*
- *The remaining open issues:*
  - *Identification of the commercial operators which should be required to maintain the stocks*
  - *Lack of storage facilities*
- *In order to have a chance to at least partially meet the obligations of the Oil Stocks Directive, the draft Law should be finalized as soon as possible and submitted to the Parliament by the end of 2021 at the latest*



## Oil Activity:

- *Net importer of petroleum products – No domestic oil production or a refinery*
- *Petroleum products imported in 2020 amounted to around 778 kt a decrease by 15% compared to 2019. The same goes for the overall consumption of petroleum products in 2020*
- *The oil market is fully liberalized*

## Oil Stocks progress:

- *The main law governing the oil sector is the Oil Market Law of 2005, as amended in 2009*
- *The draft Law on emergency oil stockholding prepared in March 2014 (revised in 2016) is not yet adopted*
- *The draft Law should be adopted asap as the current legislative framework imposes an obligation on the industry to keep oil stocks in the amount of 5% of the company's oil storage capacity but not for emergency oil stocks purposes*

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.



## Oil Activity:

- *Oil production - insignificant – around 5.5 kt for 2020 and completely reliant on imports of petroleum products to meet domestic oil demand*
- *Imported and consumed petroleum products in the amount of 980 kt a decrease by 4% compare to 2019*

## Oil Stocks progress:

- *Moldova does not maintain emergency oil stocks as required by the Oil Stocks Directive*
- *The country has drafted a Law on creating and maintaining a minimum level of oil product stocks in 2017*
- *The draft Law was also adapted to meet the new requirements of Directive (EU) 2018/1581 as regards the methods for calculating stockholding obligations*
- *It is expected that the draft Law will be submitted for adoption to the Government and subsequently the Parliament during Q4 2021 or Q1 2022*

## Oil Activity:

- ***No domestic crude oil production. There are also no refineries for crude oil processing or oil pipelines.***
- ***Oil market is highly dominated by one company – owned by Hellenic Petroleum***
- ***The import and consumption of petroleum products in Montenegro was at a level of around 320 kt in 2020 decreased by 10% compared to 2019***
- ***Eni and Novatek operators 50%:50% each got in 2018 the geophysical data for identifying the best prospects in the area and in 2021 plan to begin drilling two exploratory wells***
- ***The environmental NGOs - against oil drilling as they believe this exploration could endanger the environment and the tourism industry***

## Oil Stocks progress:

- ***No emergency oil stockholding policy is in place***
- ***Unfortunately no progress during the reporting period between two FORA***
- ***The adoption of the draft Law on Security of Supply of Oil Products is pending since 2016***

## Oil Activity:

- *North Macedonia has no domestic crude oil production. No refinery in operation and therefore no import of crude oil for 2020*
- *The export of petroleum products has decreased by around 10% to 144 kt (preliminary data)*
- *The import of petroleum products has also decreased by 4% to a level of around 0,98 mt in 2020. The overall consumption of petroleum products in 2020 was around 1 mt – decreased by 4,2% compared to 2019*

## Oil Stocks progress:

- *The Law on Compulsory Oil Reserves, which transposes Directive 2009/119/EC, was adopted and its implementation started on 1 January 2021*
- *In June 2021, the Law was amended in order to transpose Commission Implementing Directive (EU) 2018/1581*
- *The Directorate of Compulsory Reserves of Oil and Oil Derivatives became the Compulsory Oil Reserves Agency (MACORA), as the central body responsible for the formation and maintenance of compulsory oil reserves.*
- *In the reporting period, activities on the preparation of draft by-laws, including those transposing Annexes I - IV of Directive 2009/119/EC, continued.*
- *In practice, oil stocks corresponded to 52 days of average daily consumption in September 2021, a decrease from September 2020 when stocks stood at 80 days.*

## Oil Activity:

- Oil production in 2020 was 0,92, mt an increase by less than 1% compared to 2018
- Oil export in 2019 was 32,4 kt in total. Import of petroleum products was around 1.2 mt and domestic production processed by NIS Pančevo Refinery was 3.34 mt. The export of petroleum products was 0.9 mt, whereas its consumption was around 3.1 mt - a decrease by 5.4% compared to 2018
- **Oils Stocks progress:**
  - ***A long-term plan for the establishment and maintenance of emergency stocks was adopted by the Government in May 2021***
  - ***Preparation of PPP arrangements has begun and market research on exploring the oil companies' interest in such partnerships was conducted***
  - ***The current estimated number of days of emergency reserves is 21, calculated based on inland consumption, and expected to rise to 25 by the end of 2021***

## Oil Activity:

- ***Crude oil production was around 2,4 mt in 2020 – the same like in 2019. Crude oil exports in 2020 was around 80 kt. Import of crude oil increased by 58% to 1.3 mt in 2020***
- ***Domestic production of petroleum products was around 0,5 mt–decreased by around 74% compared to 2019. The export of petroleum products was also very low – around 17 kt whereas the import was increased by 7,6% compared to 2019 – 8.67 mt***
- ***The overall consumption of petroleum products in 2020 was 9,23 mt – a decrease by 5.5 % compared to 2019***

## Oil Stocks progress:

- ***Draft Law: “On minimum stocks of crude oil and petroleum products”– pending***
- ***Draft Law is being reviewed by experts of the Ministry of Energy***
- ***No final decision has been yet made on a specific model for emergency oil stockholding***

No real progress in the Contracting Parties and it would not be enough time to ensure a quick transposition of the oil stocks directive

Top priority for all Contracting Parties should be considered the transposition of primary and secondary legislation in compliance with the Oil Stocks Directive 2009/119/EC (as amended)

It will be very difficult for all CPs to fulfill the oil stocks implementation deadline by 1 January 2023

Extending deadlines set by the Ministerial Council in 2012 would be in breach of the *acquis*

The primary purpose of the requirement to hold oil stocks is to enable all CPs to respond to major disruptions to the oil market and each CP must deal with this issue as a legally binding obligation

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this is a complex network of glowing blue lines that connect various points across the globe, representing a global energy or communication network.

*Thank you  
for your attention!*

adrian.jasimi@energy-community.org  
www.energy-community.org