

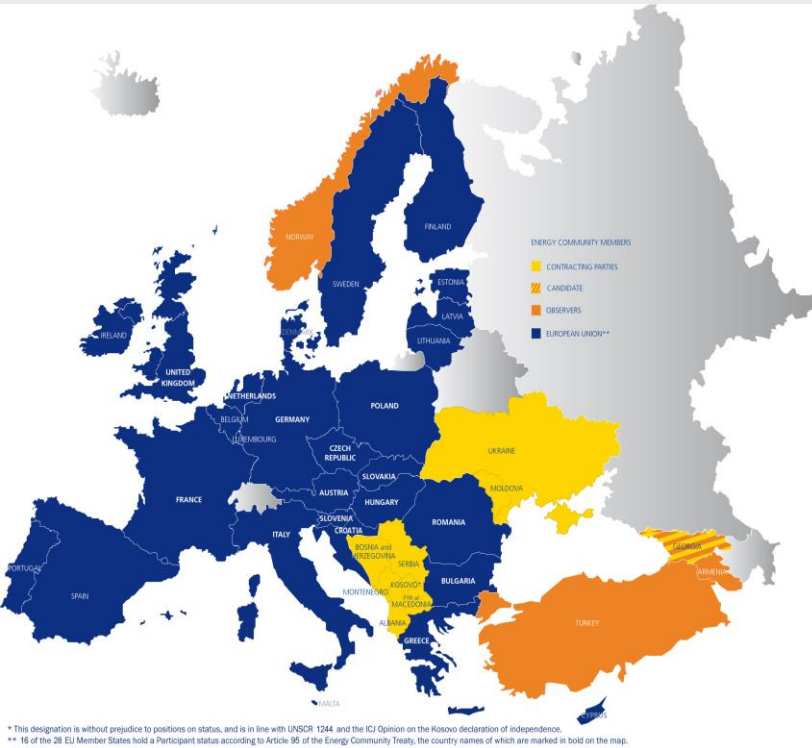


## ***Oil Stockholding Progress in the Contracting Parties***

9<sup>th</sup> Oil Forum

27/28 November 2017, Belgrade

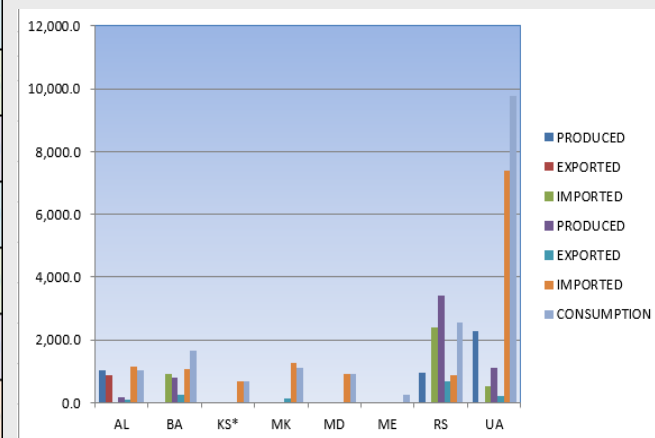
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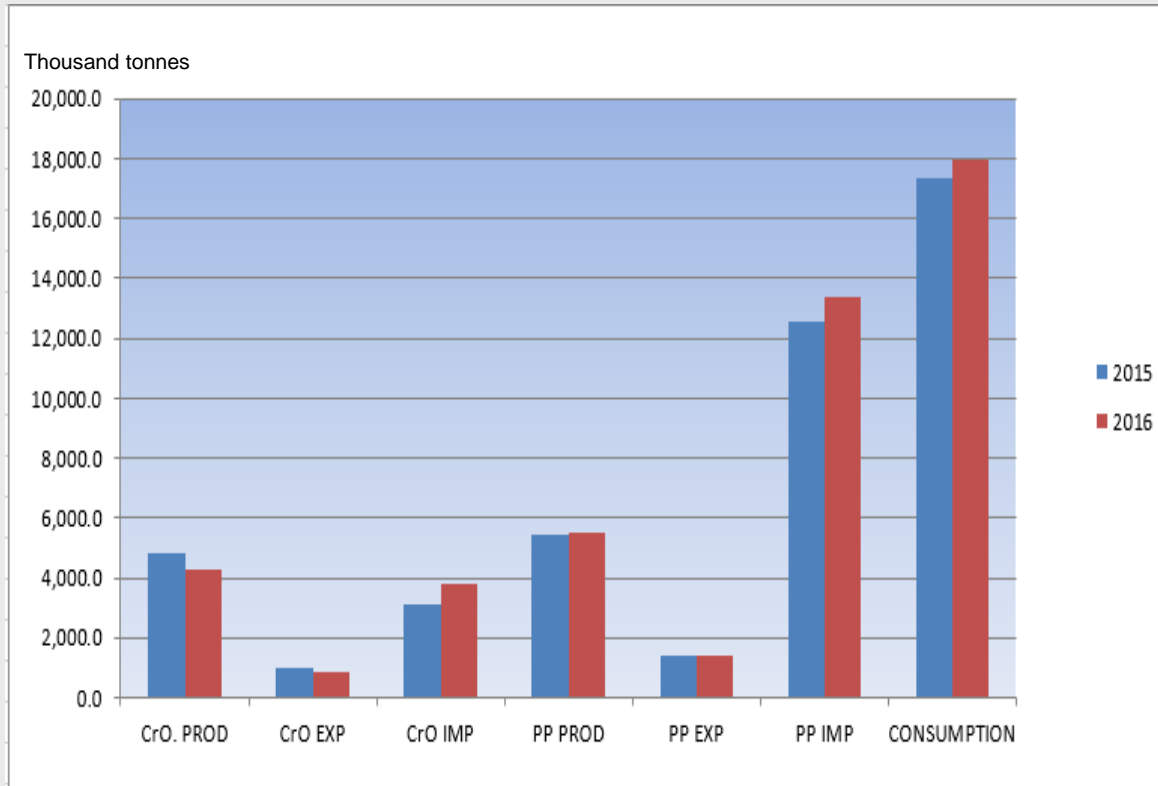
- *Oil Data 2016*
- *Oil Stocks - Individual CPs main findings*
- *Next steps*

# Production/Export/Import/Consumption – 2016

CPs	CRUDE OIL			PETROLEUM PRODUCTS			
	PRODUCED	EXPORTED	IMPORTED	PRODUCED	EXPORTED	IMPORTED	CONSUMPTION
	Thousand Tonnes			Thousand Tonnes			
AL	1,055.7	872.0	0.0	174.6	99.6	1,137.6	1,046.8
BA	0.0	0.0	911.2	814.4	239.9	1,071.0	1,646.0
KS*	0.0	0.0	0.0	9.5	7.1	691.2	683.1
MK	0.0	0.0	0.0	0.0	143.2	1,267.7	1,099.6
MD	7.0	0.0	0.0	15.0	15.0	903.0	904.0
MN	0.0	0.0	0.0	0.0	0.0	0.0	271.9
SR	960.7	6.0	2,405.4	3,421.2	700.0	900.0	2,553.9
UA	2,270.0	0.0	516.0	1,103.0	233.6	7,410.0	9,788.0
<b>Total</b>	<b>4,293.4</b>	<b>878.0</b>	<b>3,832.6</b>	<b>5,537.7</b>	<b>1,438.4</b>	<b>13,380.5</b>	<b>17,993.3</b>



Note: Abbreviations used for the CPs



No	CPs	YEARS	CRUDE OIL			PETROLEUM PRODUCTS			
			CrO PROD	CrO EXP	CrO IMP	PP PROD	PP EXP	PP IMP	CONSUMPTION
			Thousand Tonnes			Thousand Tonnes			
1	AL	2016	1,055.7	872.0	0.0	174.6	99.6	1,137.6	1,046.80
		2015	1,279.0	968.0	0.0	256.0	206.0	1,250.1	1,300.10
		2016/2015	-17.46%	-9.92%		-31.80%	-51.65%	-9.00%	-19.48%
2	BIH	2016			911.2	814.4	239.9	1,071.0	1,646.00
		2015			915.9	887.5	240.4	889.3	1,536.40
		2016/2015			-0.51%	-8.24%	-0.21%	20.43%	7.13%
3	KS*	2016				9.5	7.1	691.2	683.1
		2015				6.0	9.6	704.3	694.0
		2016/2015				58.33%	-26.04%	-1.86%	-1.63%
4	MK	2016				143.2	1,267.7	1,099.60	
		2015				132.0	1,139.0	1,000.00	
		2016/2015				8.48%	11.30%	9.96%	
5	MD	2016	7.0			15.0	15.0	903.0	904.00
		2015				12.4	18.5	797.7	783.00
		2016/2015				20.97%	-18.92%	13.20%	15.45%
6	MN	2016						243.6	243.60
		2015						243.6	243.60
		2016/2015						-100.00%	11.62%
7	RS	2016	960.7	6.0	2,405.4	3,421.2	700.0	900.0	2,553.90
		2015	1,082.9	4.0	1,966.5	3,040.9	600.0	800.0	2,564.70
		2016/2015	-11.3%	50.0%	22.3%	12.5%	16.7%	12.5%	-0.4%
8	UA	2016	2,270.0	0.0	516.0	1,103.0	233.6	7,410.0	9,788.00
		2015	2,472.0	21.0	228.0	1,268.0	202.0	6,750.0	9,219.00
		2016/2015	-8.17%	-100.00%	126.32%	-13.01%	15.64%	9.78%	6.17%
CPs		2016	4,293.4	878.0	3,832.6	5,537.7	1,438.4	13,380.5	17,993.3
		2015	4,833.9	993.0	3,110.4	5,470.8	1,408.5	12,574.0	17,341.2
		2016/2015	-11.18%	-11.59%	23.22%	1.22%	2.12%	6.41%	3.76%

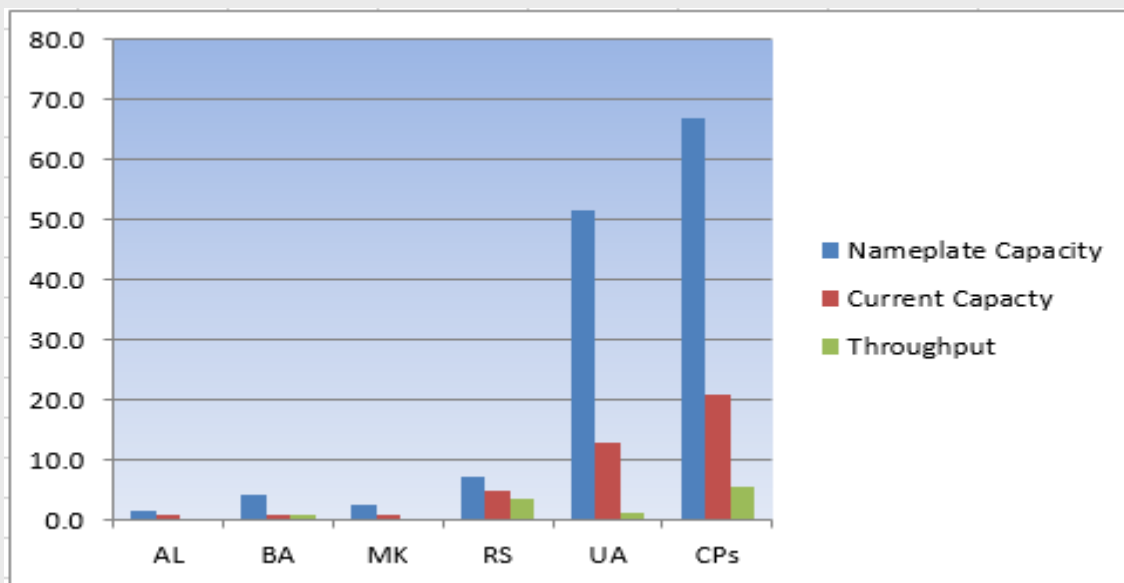
# REFINERIES IN 2016

Million tonnes/Year

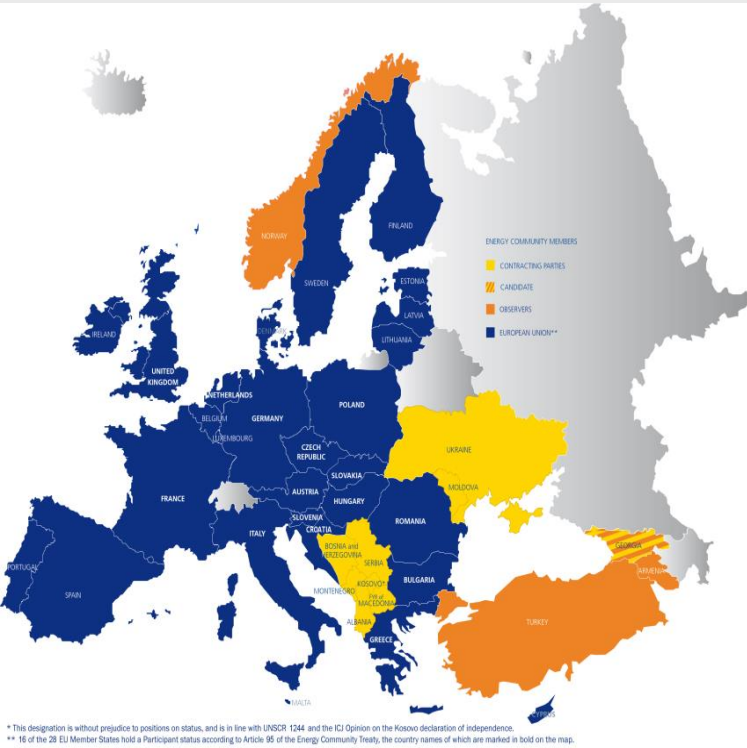
CPs	Nameplate Capacity	Current Capacity	Throughput
AL	1,5	1,0	0,2
BA	4,3	1,0	0,8
MK	2,5	1,0	0,0
RS	7,2	4,8	3,4
UA	51,5	13,0	1,1
CPs	67,0	20,8	5,5

Note: Abbreviations used for the CPs

Million tonnes/Year



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- **Currently - Entire emergency oil stockholding obligation is on industry**
- *Two slightly different draft Law relevant to emergency oil stockholding are ready. The second one foresees the formulation of the shared obligations between the administration and the oil industry.*
- **However, definitive decisions on the most suitable draft Law have not been yet taken**
- *A detailed model was developed to make the key calculations necessary to be included in Albania's Action Plan*
- **Monitoring and control mechanisms for ensuring that the industry meets emergency stockholding requirements are formally in place but not compliant with Directive 2009/119/EC**
- *For the second year in a row no progress with regard to priorities identified even in last year's Oil Forum*
- **Albania's main priority should be to take a decision on the final Law on Emergency Oil Stockholding and the intention of the Ministry is to finalize it by the end of 2017**

- Currently - no legislation on compulsory stocks of oil and petroleum products in place
- *Both entities have adopted laws which are not in compliance with the Directive*
- Technical assistance was provided in 2016 in formulating a model for an emergency stockholding system but also workable in the specific and complex case of the country
- *There has been no progress with regard to last year's priorities. None of the suggested actions have been followed up*
- It is thus not possible for the Secretariat to move on with the necessary steps for further elaboration of the emergency stockholding policy and the relevant legislation (primary and secondary) necessary for transposition of Directive 2009/119/EC
- *The Secretariat considers the agreement on further elaboration of the emergency stockholding scheme and the transposition of Directive 2009/119/EC on the state level as top priority*



- The draft Law on emergency oil stockholding prepared in March 2014 is not yet adopted
- Many promises that the draft Law will be adopted within the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2016; 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> quarter of 2017 and .....
- None of the suggested actions from last OF have been followed up
- *Kosovo\* should prioritize:*
  - Drafting an action plan for building up emergency oil stocks to 90/61 days*
  - Adopting the new draft Law on Compulsory Oil Stockholding*

- The Law on Compulsory Oil Reserves entered into force in September 2014 - Applicable as of 1 January 2015
- *Amended twice postponing the application of the Law - envisaged to begin to apply only as of 1 January 2018*
- In the meantime - preparation and approval of by-laws are essential in order to fulfil the requirements under the Law
- *While the adoption of the Law on Compulsory Oil Reserves represents a significant step forward, the delays of its application and the approval of the necessary by-laws are not justified*
- The Secretariat was approached by the oil industry with concerns about holding emergency oil stocks without adequate monetary compensation
- *The new Law and the approval of the necessary by-laws will address all oil industry concerns*

- Legislation presently does not foresee mandatory requirements with regard to emergency oil stocks and no emergency oil stockholding exists;
- *The Georgian oil product supply market is highly liberalized, with no formal requirements/barriers to entry for market participants despite that oil products account for around 30% of energy consumption in Georgia*
- 100% dependent on foreign imports of crude oil and refined petroleum products to satisfy its domestic demand
- *After the ratification of accession agreement by the Georgian Parliament, the implementation of Oil Stocks Directive 2009/119/EC by 1 January 2023 is a legally binding obligation*
- A technical assistance is currently going on - to assist the Ministry of Energy of Georgia to prepare:
  - Long term Action Plan for oil stockholding in Georgia (2018 - 2022)
  - Primary and secondary legislation by end - Q4 2017

- Moldova has drafted a law on creating and maintaining a minimum level of oil products stocks. The draft is in compliance with Directive 2009/119/EC
- *The draft law prescribes intermediate obligations to be fulfilled by economic operators in order to create and maintain emergency stocks at the level of:*
  - *30 days of average daily net imports by 31 December 2020*
  - *60 days by 31 December 2021*
  - *90 days by 31 December 2022*
- Drafting the oil stocks law in compliance with Directive 2009/119/EC is a major step forwards
- *Moldova should focus on:*

*Adopting the new draft law within this year*

*Drafting secondary legislation in line with the law within Q1 2018*

- A new draft Law, which regulates the manner of establishing and managing emergency oil stocks and the procedure in case of disruption of supply of petroleum products, was finalized during the third quarter of 2016
- *The draft law transposes all provisions of Directive 2009/119/EC*
- However, the Government of Montenegro has indicated that its target date for adoption is the last quarter of 2018
- *If this is the case, Montenegro will not meet the deadline set by the Ministerial Council in October 2016*
- Priority:

**Adoption of the new draft law on security of supply of oil products**

**Drafting subsequent secondary legislation in line with Directive 2009/119/EC**

- **Serbia has adopted nearly all secondary legislation necessary to implement and bring into operation its emergency stockholding system apart from the Emergency Response Plan**
- ***Several by-laws have been adopted during this reporting period between two Fora, namely:***
  - *Decree on the plan and procurement criteria for the formation of emergency reserves*
  - *Decree on the methodology for determining the price of storing emergency reserves in publicly-owned storages*
  - *Instruction on additional requirements for storing emergency reserves and means for securing the stored reserves required from the energy subjects*
- **Serbia is also planning to undertake a study on investment in storage capacities**
- ***The current estimated number of days of emergency reserves is around 10 of average daily consumption***
- **Approving the Emergency Response Plan remains a commitment to be fulfilled**

- There is no legal framework in place for the establishment of emergency oil stocks
- *A legal act on a model for oil stocks was planned to be developed and approved in cooperation with the Secretariat by the end of 2016. This deadline has not been met*
- A dedicated law on emergency oil stockholding, which would prescribe all relevant terms and conditions for establishment, storage and maintenance of emergency stocks, was not prepared by 2016 as originally foreseen
- A draft stockholding model is finalised and ready to be submitted to the Government within this year.
- *The main priorities for Ukraine during 2017 - 2018 should be:*
  - *Approving the oil stockholding model and the action plan for building up emergency oil stocks to 90/61 days (expected in Nov/Dec 2017)*
  - *Drafting of an emergency oil stockholding law and relevant secondary legislation by the end of 2017*
  - *Approval by Parliament and President of Ukraine of the Law on Emergency Oil Stocks in compliance with the Council Directive 2009/119/EC by Q2/2018*
  - *Approval of secondary legislation required under the Law by Q2/2018*

# Stockholding Policies in brief

Albania: Entire emergency oil stockholding obligation is on industry; 2 slightly different draft Law relevant to emergency oil stockholding are ready

BiH: Currently - No legislation; Both entities have adopted laws which are not in compliance with the Directive; Secretariat provided a model for an emergency stockholding system but also workable in the specific and complex case of the country

Kosovo\*: The draft Law on emergency oil stockholding prepared in March 2014 is not yet adopted; It will be practically very difficult for Kosovo to establish the full amount of physical emergency oil stocks within the given deadline (end-2022)

FYR of MK: The Law on Compulsory Oil Reserves entered into force in September 2014; Amended twice postponing the application of the Law - envisaged to begin to apply only as of 1 January 2018; Concerns raised from Oil Industry; 70 days

Georgia: Legislation presently does not foresee mandatory requirements with regard to emergency oil stocks and no emergency oil stockholding exists; A technical assistance is currently going on; Draft primary and secondary legislation by end-Q4 2017

Moldova: has drafted a law on creating and maintaining a minimum level of oil products stocks. The draft is in compliance with Directive; It is foreseen 90 days by 31 December 2022; Drafting secondary legislation in line with the law within Q1 2018

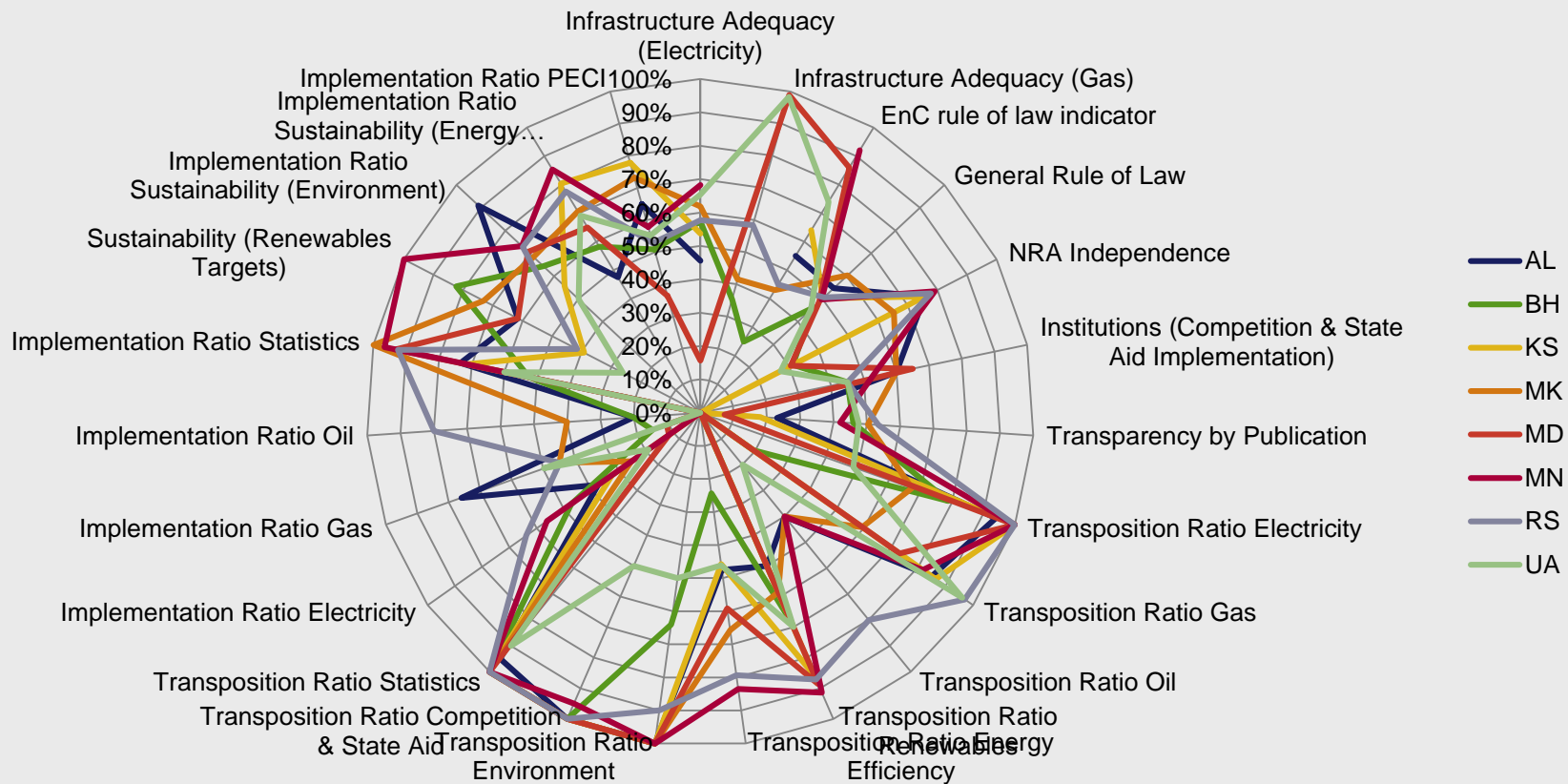
Montenegro: A new draft Law was finalized during the third quarter of 2016 which transposes all provisions of Directive 2009/119/EC; Government of Montenegro has indicated that its target date for adoption is the last quarter of 2018

Serbia: Transposed primary and secondary legislation; Approving the Emergency Response Plan remains an obligation to be fulfilled; The current estimated number of days of emergency reserves is around 10 of average daily consumption

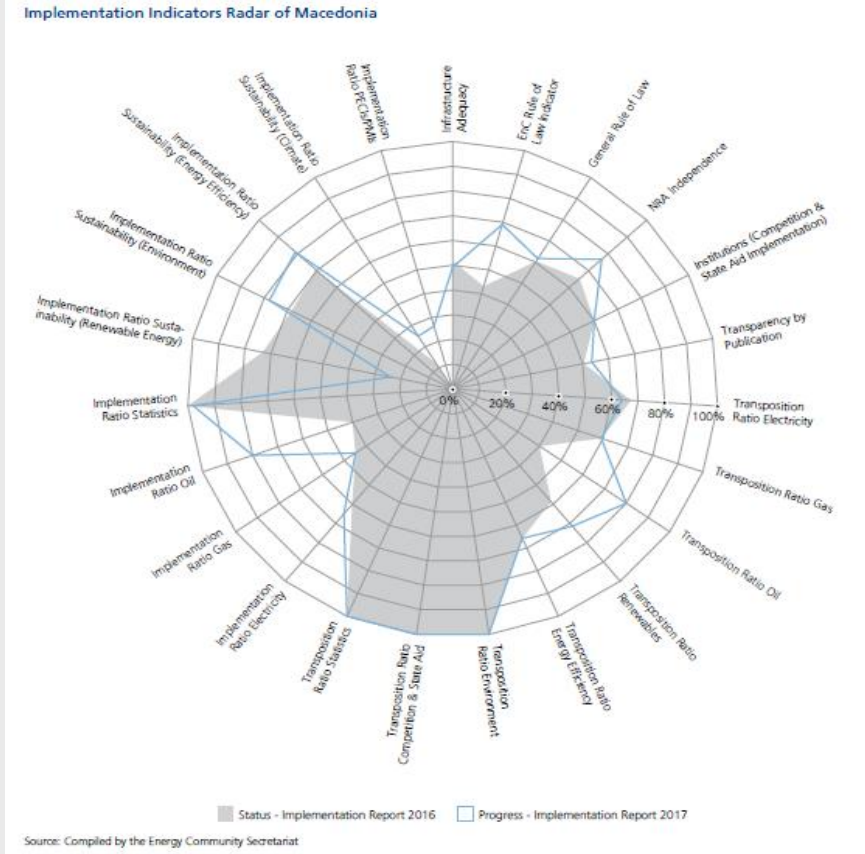
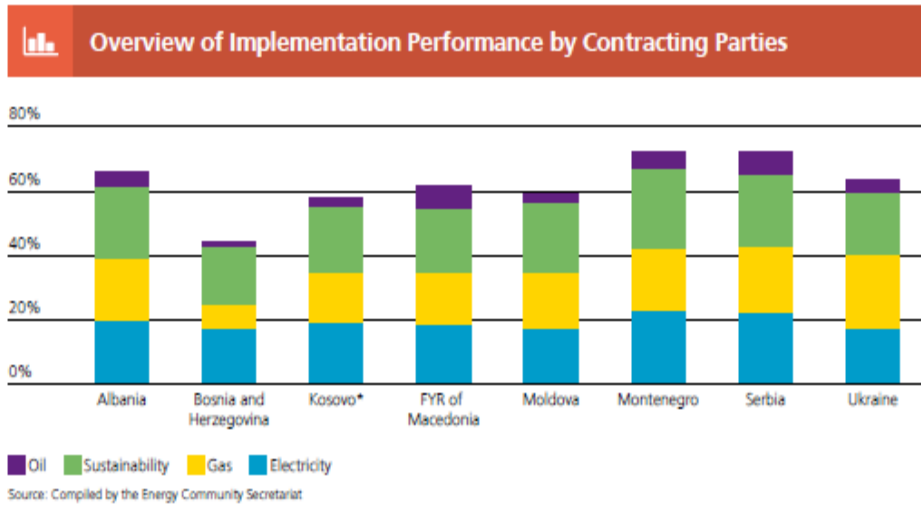
Ukraine: No legislation; Development of emergency oil stockholding model & Governmental decision on this model within 2017; A technical assistance is currently going on; Draft primary and secondary legislation by Q1 2018



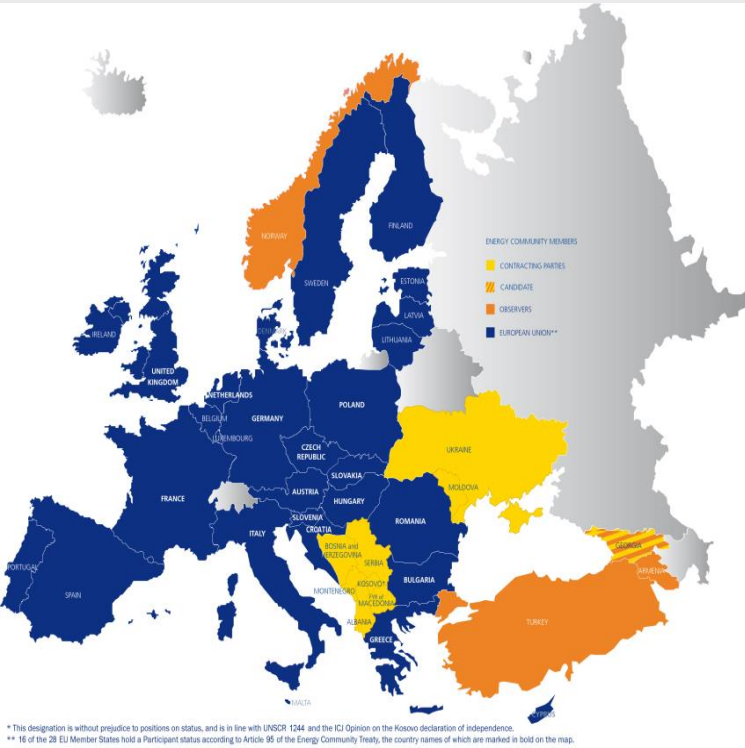
# Overall Implementation Indicators Radar



# Implementation Performance and FYR of Macedonia



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## Following the 2016 MC General Policy Guideline:

- CP's that have not yet communicated to the Secretariat by 31 March 2017 the text of the main provisions of the national law which they intend to adopt in the field covered by Oil Stocks Directive and Action Plan on Establishment of Oil Stocks – are invited to send them by the end of this year
- Contracting Parties are invited to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 31 December 2017/ Q1 2018
- For the purpose of fulfilling the data reporting requirements CP's are invited to:
  - Begin regular monthly participation in the submissions of JODI Oil Questionnaire before 1 January 2018
  - Communicate to the Secretariat by 31 March 2018 the proposed legal basis and Action Plan for collecting all oil data necessary to submit the Monthly Oil Statistics (MOS) Questionnaire



*Thank you  
for your attention!*

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