

Alternative oil infrastructure in Central Europe

doc. PhDr. Tomáš Vlček, Ph.D.
tomas.vlcek@mail.muni.cz

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Energy-related sanctions

2nd package (25 February 2022) sanctions prohibiting the sale, supply, transfer or export to Russia of specific goods and technologies in oil refining, and will introduce restrictions on the provision of related services

5th package (8 April 2022) an import ban on all forms of Russian coal

6th package (3 June 2022) a complete import ban on all Russian seaborne crude oil and petroleum products (exception for countries supplied by Druzhba pipeline and Bulgaria)

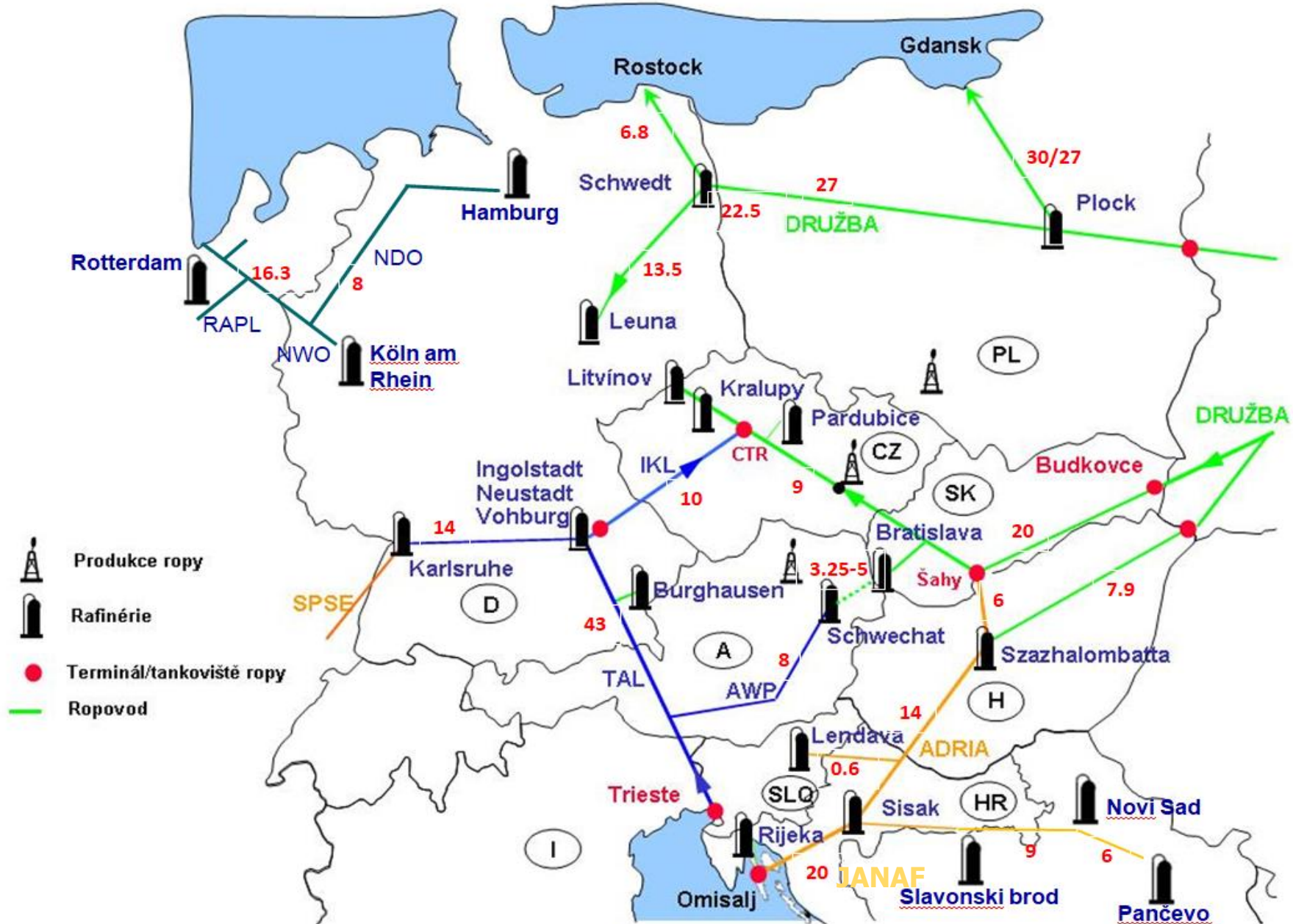
8th package (5 October 2022) implementing the G7 oil price cap

11th package (23 June 2023) end of the possibility to import Russian oil by pipeline for Germany and Poland

Transit contract between UKR and RUS to end as of 31-12-2024, no Russian oil will be transported through Ukrainian territory from 2025.

Infrastructure

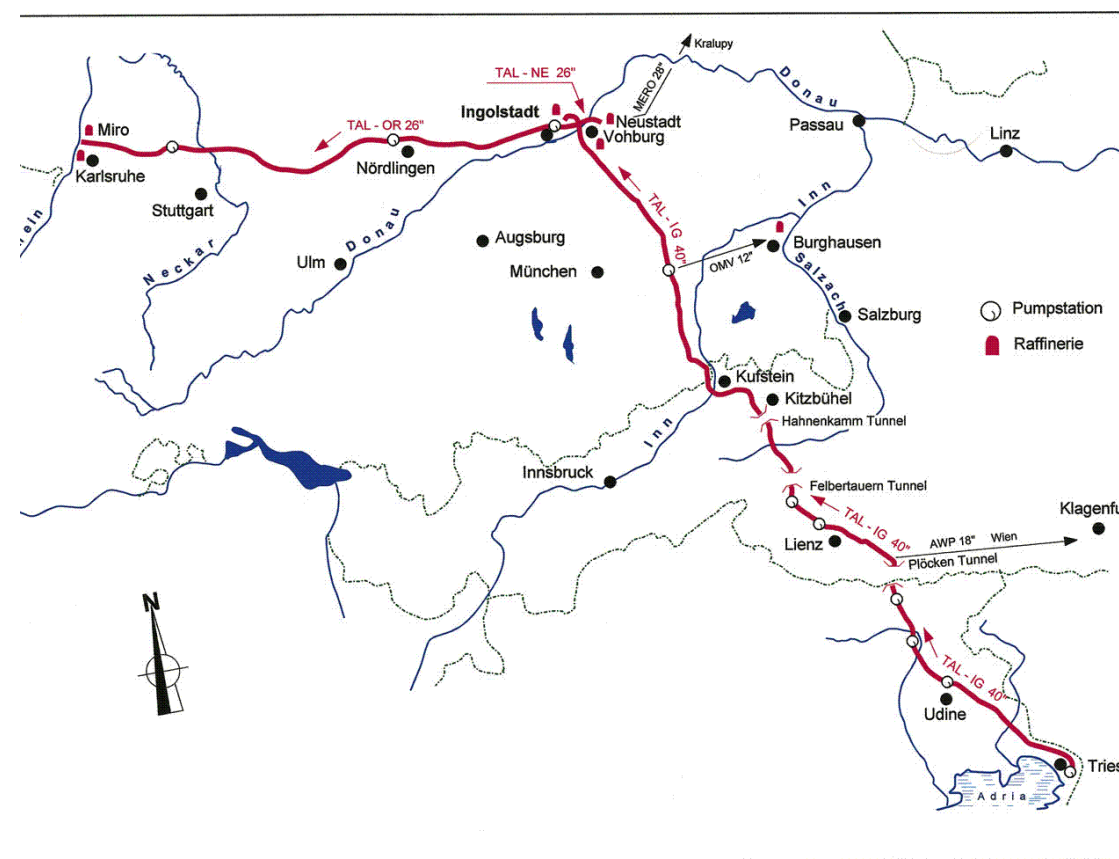
- Druzhba Pipeline
- Ingolstadt-Kralupy-Litvínov (IKL)
- Adria
- Bratislava-Schwechat-Pipeline (BSP) and Adria-Wien Pipeline (AWP)
- Odessa-Brody-Adamowo-Płock-Gdańsk
- Spergau-Litvínov



Impact of war/sanctions on Eastern EU

Czech Republic in most difficult situation

- IKL capacity 10 Mta
- Continuation of TAL with the capacity of 43 Mta, and of TAL-NE with the capacity of 14 Mta, problem with capacity at TAL
- In 2012 MERO bought 5% from Shell Deutschland Oil GmbH



Impact of war/sanctions on Eastern EU

- CZ negotiations with TAL and Germany about expansion of the pipeline (+ 4 Mta, refurbishment of pressure stations along the route)
- Approved by Bavaria in July 2022 and by TAL consortium in November 2022
- 7/2024 - start of work on installations of new pumps and other refurbishment of equipment, price CZK 1.6 billion
- 12/2024 - expectation of completion and start of operation at maximum capacity
- 6/2025 - completion of the project (back-up pumps installation at the beginning of 2025)
- By 12/2024, all Czech crude oil needs could be transported through IKL/TAL
- Important changes in traditional long-term supply-demand relations not only in CZ but in majority of Europe

Thank you for your attention.

tomas.vlcek@mail.muni.cz

