DEPARTMENT OF ENERGY
Philippines

OIL INDUSTRY MANAGEMENT BUREAU (OIMB)

YEAR-END COMPREHENSIVE REPORT

FY 2023

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1 INTRODUCTION

The Oil Industry Management Bureau (OIMB) in pursuant to Republic Act No. 8479 "An Act Deregulating the Downstream Oil Industry, and for Other Purposes", formulates and implements policies, plans, programs and regulations on the downstream oil industry, including the importation, exportation, stockpiling, storage, shipping, transportation, refining, processing, marketing and distribution of petroleum crude oils, products and by-products and monitors developments in the downstream oil industry. The OIMB is comprised of four (4) divisions i.e., the following:

Oil Industry Competition and Monitoring Division (OICMD)

OICMD formulates and implements policies, plans and programs to encourage activities relating to the downstream oil industry particularly on supply, logistics, marketing, distribution, and pricing. The Division has three (3) sections namely, Oil Supply Monitoring and Evaluation Section, Oil Demand & Market Competition Monitoring Section and Oil Price Monitoring and Evaluation Section.

Oil Industry Standards Monitoring Division (OISMD)

OISMD formulates and implements policies, plans and programs related to national standards and environmental regulations affecting quality of fuel and fuel additives, and facilities in the downstream oil industry and ensures effective implementation thereof. The Division has two (2) sections namely, Petroleum Products Standards Section and Petroleum Processes and Facilities Standards Section.

Retail Market Monitoring and Special Concerns Division (RMMSCD)

RMMSCD formulates and implements policies, plans and programs related to the oil retail market and other special concerns affecting the downstream oil industry and ensures effective implementation thereof. It has two sections namely, Liquid Fuels Section and LPG Section.

Natural Gas Management Division (NGMD)

NGMD formulates and implements policies, plans, programs and regulations on the development and promotion of downstream natural gas as well as undertakes product and market development activities. The Division has two (2) sections, namely, Natural Gas Market Development and Monitoring Section and Natural Gas Industry and Infrastructure Development Administration Section.

2 INDUSTRY PROFILE

2.1 Downstream Oil Industry

2.1.1 Liquid Fuel and LPG

2.1.1.1 Background

The passage of R.A. 8479 otherwise known as the "Downstream Oil Industry Deregulation Act of 1998" liberated and deregulated the country's downstream oil industry to ensure a truly competitive market and an adequate and continuous supply of environmentally clean and high-quality petroleum products. To attain the goals, the government continues to encourage the entry of new investors in the downstream oil industry.

Pursuant to RA 8479, the Department of Energy through the Oil Industry Management Bureau (DOE-OIMB) is mandated to monitor the refining, manufacturing, and marketing processes of petroleum products to ensure that clean and safe technologies are applied.

Consistent with our commitment to monitor the Downstream Oil Sector effectively; the DOE, through its bureau OIMB, adopts and implements, Department Circular 2021-09-0029 or the Guidelines on Notices and Reportorial Requirements Pursuant to the Downstream Oil Industry Deregulation Act which applies to the following downstream oil industry (DOI) participants for Crude Oil and Finished Petroleum Products:

- **Refiner** - refers to a DOI Biofuel Participant engaged in refining Gasoline or Diesel for sale in the Philippines. Refiners may opt to supplement its inventory by directly importing Gasoline or Diesel. It may, in addition, import Bioethanol for sale to other Refiners, Importers or Own Users.

- **Importer** - refers to any person, natural or juridical, engaged in importing Crude Oil for refining and/or Finished Petroleum Products for the purpose of bulk distribution. An Importer may likewise engage in other business activities of the DOI.

- **Bulk Distributor** - refers to any person, natural or juridical, who is a non-importer and non-refiner but engaged in bulk distribution and/or retail of locally purchased Finished Petroleum Products sourced from Importer or Refiner.

- **Terminal Operator/Lessor** - refers to any person, natural or juridical, engaged in the business activity of operating for own use or leasing of storage facilities to DOI participants.

- **Bunker Trader** - refers to any person, natural or juridical, engaged in bunkering which is the activity of supplying fuel for use by ships and includes the shipboard logistics of loading fuel and distributing it among available bunker tanks;

- **Hauler** - refers to any person, natural or juridical, engaged in the transport of finished petroleum products, whether in bulk or packed form, from the Importer, Refiner, and Bulk Distributor down to Retailer through a network of transport facilities.

- **Own User** - refers to any person, natural or juridical, engaged in the importation of Crude Oil, Finished Petroleum Products, Base Oils and Lubricating Products for own use.

Further, with the passage of RA 11592, “An Act Establishing the Regulatory Framework for the Safe Operations of the Liquefied Petroleum Gas Industry, Delineating the Power and Functions of Various Government Agencies, Defining and Penalizing Certain Prohibited Acts” , also referred to as the *“LPG Industry Regulation Act*” together with its implementing guidelines, DOE Department Circular No. 2022-11-0037, or the Guidelines on the Registration and Issuance of License to Operate to Qualified DOE-Regulated LPG Industry Participants and Penalizing Certain Prohibited Acts which was signed on November 22, 2022, published on December 22, 2022, and was effective on January 7, 2023, requires the LPG Industry participants to apply for the Registration and Issuance of a License to Operate (LTO) prior to commercial operation (section 24 of the Circular). The LTO replaces the Standards Compliance Certificate (SCC) being issued to the LPG Industry participants, while the Certificate of Registration (COR) shall be issued prior to construction of LPG facilities, trademark or trade name, and other activities specified in Department Circular No. 2022-11-0037.

With this development, the OIMB handles the processing of the Registration and Issuance of LTO in the following LPG Industry Activities:

- LPG Refiner, Importer, Bulk Distributor, Terminal or Depot Owner/Operator, Independent Hauler for Bulk LPG, and Trademark Owner or Marketer and their respective establishments or facilities; and

- Refiller, Dealer, Retailer, Independent Hauler of LPG in cylinder and/or cartridge, Auto-LPG dispensing station owner/operator, Centralized LPG piping system owner/operator, Bulk Consumer, and their respective establishment or facilities located in National Capital Region and Regions IV, and V.

2.1.1.2 DOI Participants and Investments

Table 2.1 Number of DOI Participants with Investments, as of December 2023

Type of Activity	Cumulative No. of DOI Activities	Cumulative Investment
LPP AND LPG	**2**	**₱119.20**
REFINER	1	₱119.20
OWN-USER	1	-
LPP	**5,930**	**₱77.78**
IMPORTER	157	₱47.27
OWN-USER	38	₱0.09
BUNKER TRADER	7	₱2.61
TERMINAL OPERATOR/LESSOR	24	₱16.39
LPP BULK DISTRIBUTOR	212	₱0.46
LPP HAULING SERVICES	119	₱1.23
LIQUID FUEL RETAILER	5,373	₱9.74
LPG	**2,334**	**₱103.00**
IMPORTER	11	₱28.70
TERMINAL OPERATOR/LESSOR	1	₱2.06
LPG BULK DISTRIBUTOR	10	₱0.53
INDEPENDENT BULK LPG HAULER	29	₱2.08
REFILLER/MARKETER	29	₱2.32
REFILLER	74	₱54.57
DEALER	949	₱1.46
TRADEMARK OWNER/MARKETER	66	₱8.95
HAULER IN CYLINDERS	9	₱0.00
LPG RETAILER	1,155	₱2.33
AUTO LPG	1	₱0.00
LUBES	**656**	**₱0.64**
LUBES MARKETER	262	₱0.64
LUBES OWN-USER	391	₱0.00
LUBES BLENDER	3	₱0.00
Grand Total	**8,922**	**₱300.62**

Twenty-Five (25) years after the implementation of RA 8479, the downstream oil industry experienced steady growth. New industry players entered various downstream oil businesses from importation activity down to retailing of petroleum products.

As of end 2023, the DOE has registered a total of 8,922 downstream oil industry participants engage in various downstream oil industry business, with a cumulative investment of ₱300.62 billion. The LPP business were the most active, with 5,930 LPP industry participants with total cumulative investments of ₱77.78 billion while 2,334 participants were engaging in LPG business with total cumulative investment of ₱103 billion. Significant contributions also came from both LPP and LPG importers (168 participants, ₱75.97 billion) and liquid fuel retailers (5,373 participants, ₱9.74 billion). The refining sector, despite having only one participant, made a notable investment of ₱119.20 billion. Terminal operators/lessors and hauling services added ₱18.45 billion and ₱3.31 billion, respectively, highlighting diverse contributions across different industry segments. Table 2.1 shows the cumulative number of DOI participants engaged in various downstream activities and their investments as of end of December 2023.

2.1.1.3 Liquid Fuel Retail Outlets

Table 2.2 Number of Liquid Fuel Retail Outlets, as of December 2023

REGION	CUMULATIVE NO. OF LIQUID FUEL RETAIL OUTLET
Luzon	**5,227**
NCR	1,083
REGION 1	225
REGION 2	92
REGION 3	398
CAR	17
REGION 4A	2,147
REGION 4B	550
REGION 5	715
VISAYAS	**2,379**
REGION 6	924
REGION 7	1,151
REGION 8	304
MINDANAO	**3,118**
REGION 9	394
REGION 10	776
REGION 11	951
REGION 12	546
REGION 13	434
BARMM	17
Grand Total	**10,724**

For Liquid Fuel retailing activity, continuous construction of retail outlets was recorded and at the same time closure and re-branding in 2023 to modernize the facilities and improve the services as part of compliance to Department Circular No. DC2017-11-0011 “Revised Retail Rules”.

In 2023, as shown in Table 2.2, the Philippines had a total of 10,724 liquid fuel retail outlets, with Luzon leading significantly with 5,227 outlets. Within Luzon, Region 4A was particularly prominent, housing 2,147 outlets, indicating a high demand and distribution network in this area. The National Capital Region (NCR) also had a substantial number, with 1,083 outlets, reflecting its dense population and high fuel consumption. Other regions in Luzon, such as Region 5 with 715 outlets and Region 3 with 398, also contributed notably to the total count. In contrast, CAR and BARMM had only 17 outlets each, highlighting a stark difference in fuel retail infrastructure within Luzon itself.

In the Visayas, there were 2,379 liquid fuel retail outlets, with Region 7 having the highest number at 1,151, followed by Region 6 with 924 outlets. This distribution suggests a well-established fuel network catering to the central part of the country. Mindanao had 3,118 outlets, showing a strong presence in the southern regions, with Region 10 leading at 776 outlets. Other regions like Region 11 and Region 9 also had significant numbers, with 951 and 394 outlets, respectively. Overall, the data reveals a concentration of fuel retail outlets in highly urbanized and industrial regions, while more remote and less developed areas have fewer outlets which indicates potential areas for infrastructure development and investment.

2.1.1.4 LPG Facilities

Table 2.3 Number of LPG Facilities, as of December 2023

REGION	NO. OF LPG ESTABLISHMENTS								Grand Total
	REFINERY	IMPORT TERMINAL	DEPOT	LPG REFILLING PLANT	LPG DEALER OUTLET	LPG RETAILER OUTLET	CENTRALIZED LPG PIPING SYSTEM	AUTO-LPG DISPENSING STATION	
Luzon	**1**	**7**	**13**	**139**	**177**	**677**	**2**		**1,001**
NCR	-	-	2	20	60	251	2	-	333
REGION 1	-	2	1	16	14	-	-	-	31
REGION 2	-	-	-	6	-	-	-	-	6
REGION 3	1	2	4	41	4	-	-	-	47
CAR	-	-	1	3	1	-	-	-	4
REGION 4A	-	3	3	40	86	326	-	-	454
REGION 4B	-	-	1	4	-	27	-	-	32
REGION 5	-	-	1	9	12	73	-	-	94
VISAYAS	**-**	**11**	**4**	**37**	**786**	**263**	**-**	**4**	**1,097**
REGION 6	-	4	2	8	139	54	-	-	205
REGION 7	-	6	-	20	538	182	-	4	745
REGION 8	-	1	2	9	109	27	-	-	147
MINDANAO	**-**	**10**	**3**	**38**	**956**	**790**	**5**	**-**	**1,794**
REGION 9	-	1	1	4	131	46	-	-	182
REGION 10	-	5	1	11	198	114	2	-	327
REGION 11	-	4	-	13	302	377	1	-	694
REGION 12	-	-	1	7	195	186	1	-	390
REGION 13	-	-	-	3	129	66	1	-	199
BARMM	-	-	-	-	1	1	-	-	2
Grand Total	**1**	**28**	**20**	**214**	**1,919**	**1,730**	**7**	**4**	**3,892**

By end of 2023, the DOE has issued License to Operate (LTO) to 3,892 LPG facilities, with Luzon holding 1,001 of these facilities (see Table 2.3). Among Luzon's regions, Region 4A had the highest concentration with 454 establishments, followed by NCR with 333. The rest of Luzon, including Region 1, Region 2, CAR, and Region 4B, had fewer facilities, indicating a less developed LPG facilities. Comparatively, the Visayas region had 1,097 LPG establishments, with Region 7 standing out with 745 facilities, including a significant number of dealer outlets and retailer outlets. Region 6 and Region 8 had fewer establishments, highlighting regional differences in LPG facilities.

Mindanao had the most extensive LPG network with 1,794 establishments, significantly higher than both Luzon and the Visayas. Region 11 and Region 12 were particularly prominent, with 694 and 390 facilities, respectively. In contrast, Region 9 and Region 13 had fewer facilities, showing a varied distribution across Mindanao. The presence of centralized LPG piping systems and auto-LPG dispensing stations was minimal, found only in specific regions like NCR, Region 10, Region 11, Region 12, and Region 13. Overall, Mindanao and the Visayas had more extensive LPG facilities compared to Luzon.

The data shown above is still partial, as the DOE continues to process pending applications for the issuance of License to Operate (LTO) and Certificate of Registration (COR).

2.1.1.5 Total Country Storage Facility

Table 2.4 Summary of Total Country Storage Capacity of LPP and LPG in the Philippines

Facility Type	No. of Facility	Working Capacity, ML	% Share
REFINERY	**1**	**1,541**	**22.50%**
MAJOR	1	1,541	22.50%
IMPORT TERMINAL	**62**	**4,397**	**64.22%**
MAJOR	9	1,441	21.05%
OTHERS	52	2,588	37.80%
ENDUSER	1	368	5.37%
DEPOT	**88**	**909**	**13.27%**
MAJOR	34	433	6.33%
OTHERS	52	422	6.16%
ENDUSER	2	54	0.79%
Grand Total	**151**	**6,846**	**100.00%**

Note:
Major refers to major DOI players which are Petron Corporation, Shell Corporation, and Chevron Corporation.
Enduser/Own User refers to DOI players who are importers of petroleum products for their own use.
Others refer to DOI players who are neither major players nor end-users / own users.

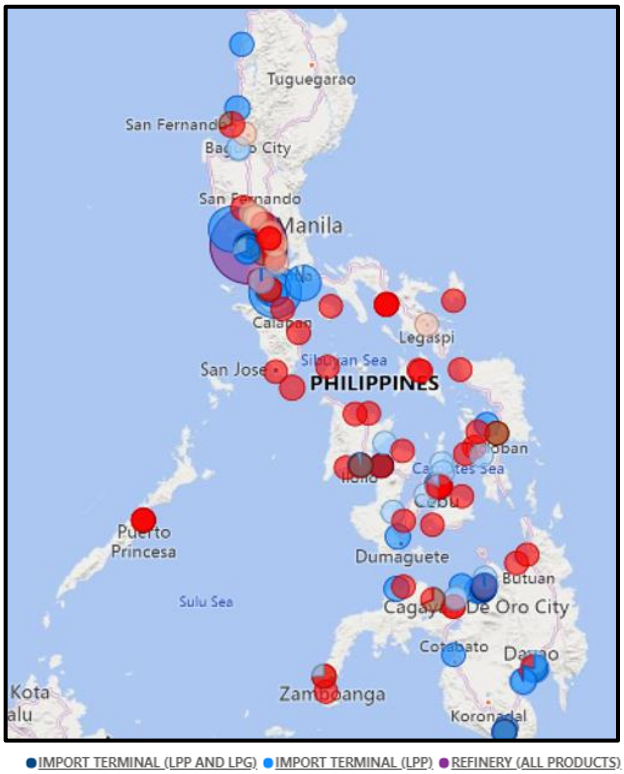


Figure 2.1 Location of Storage Facilities, with bubble sizes indicating the storage capacity

The country has a total number of 151 storage facilities located in various regions of the country with a total country storage capacity of 6,846 million liters (ML) (refer to Figure 2.1). Among these, 63 serve as import terminals (including the storage facility of Bataan Refinery), while the remaining 88 depots are distribution facilities/networks. All depots are privately owned by downstream oil industry participants.

Of the total country's storage capacity, 1,541 ML or 22.50% are refinery storage capacity owned by Petron Corporation located in Limay, Bataan. The total storage capacity of 1,541 ML is comprising of crude oil (intermediate stocks and finished petroleum products).

The remaining country storage capacities of 4,397 ML or 62 import terminals are capable to receive imported finished petroleum products while the 909 ML or 88 depots are distribution facilities/networks and owned by various downstream oil industry participants. Table 2.4 shows the summary of total country storage capacity of LPP and LPG in the Philippines.

2.1.2 Base Oils and Lubricating Products

2.1.2.1 Background

Department Circular 2021-09-0029 or the Guidelines on Notices and Reportorial Requirements Pursuant to the Downstream Oil Industry Deregulation Act applies also to Blenders, Marketers and Own Users of Base Oils and Lubricating Products under the Philippine Downstream Oil Industry.

A lubricant is any substance that controls friction, heat, and wear by the introduction of a friction-reducing film between moving surfaces in contact. The types of lubricant products included in this report are listed below:

a) Automotive Lube Oil – lubricating oil used for both diesel-powered and gasoline-powered vehicles, both off-highway and over-the-road types.
b) Industrial Lube Oil – lubricating oil used for the lubrication of industrial machines, such as hydraulic systems, turbines, compressors, bearings, open and closed gears, machine tool slideway, cutting machines, pneumatic tools and industrial transmissions.
c) Aviation Lube Oil – lubricating oil tailor-made to meet the high standards for safe and unobstructed operation of aviation engines, whether it is a piston or jet engine.
d) Marine Lube Oil – lubricating oil used for seafaring, bunker-burning diesel engines.
e) Base Oil – oil typically boiling in the range 390 °C to 600 °C, obtained from petroleum by refining, or of synthetic origin, serving as a base for finished lubricants, usually after the addition of additives.
f) Grease – a lubricant composed of oils thickened with soaps or other thickener to a semisolid or solid consistency. Its main function is to remain in contact with and lubricate moving surfaces without leaking out under the force of gravity, centrifugal action or being squeezed out under pressure.
g) Other Lubricant/Specialty Product – petroleum products having specialized functions other than lubrication such as protective coatings, cleaning agents, or processing of materials used in cordage, glass, leather, plastic, rubber, steel, textile, and other industries.

2.1.2.2 Lube Business Industry Profile

The lubricating product industry in the Philippines is a very competitive business and has continuously grown. It is, however, limited to three (3) player categories, the Marketers which are direct importer and distributor of finished lubricating products, the Blenders which are mostly oil companies, and the Own Users which are private industrial/manufacturing plants. The business in lubricating products in the country mostly involved importation of raw materials or finished products. Base oils, especially the major types were previously produced locally but for decades now, all types of base oils have been imported. Few Blenders exist but Marketers and Own Users comprise majority of the industry players operating in various parts of the Philippines.

The categories of lubricant importers engaged in business with DOE are the following:

a) Blenders – are entities which are engaged in the importation of base oils, production of lubricating products and sale of both lubricating products and base oils to consumers.

b) Marketers – are entities which are engaged in the importation of local purchased and selling of lubricating products to consumers.

c) Own Users – are entities which are engaged in the importation of base oils and lubricating products for their own consumption.

2.2 Downstream Natural Gas Industry

2.2.1 Background

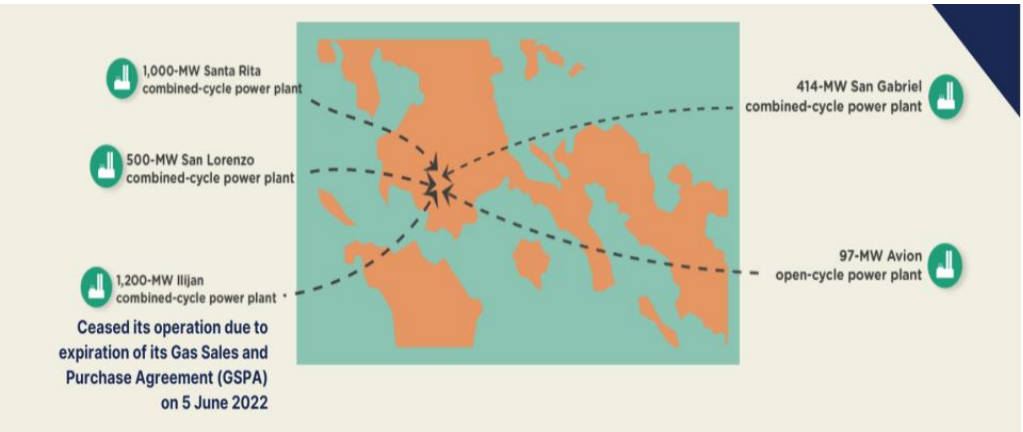


Figure 2.2 Existing Gas Fired Power Plants in the Philippines

Executive Order No. 66 signed on January 18, 2002, designated the Department of Energy (DOE) as the lead agency for the country's natural gas industry's development. In fulfilling this mandate and to ensure that the benefit from the industry's development accrue to the Filipino people, the DOE has drawn up this policy and regulatory framework for the development of the Philippine natural gas industry, particularly its downstream sector.

The natural gas industry in the Philippines is emerging, with supply source essentially and solely sourced from the Malampaya gas field in offshore of Northern Palawan. Natural gas is mainly utilized by the existing gas fired power plants with aggregate capacity of 3,200 MW, as shown in Figure 2.2, providing the requirements of the five (5) contracted Gas Sales Purchase Agreements (GSPA). However, the GSPA of Ilijan Gas Fired Power Plant was terminated due to the expiration of its GSPA on June 5, 2022. Likewise, Ilijan Power Plant was under Build-Operate-Transfer scheme also expired on June 5, 2023. NPC/PSALM, the owner of Ilijan Power Plant is not allowed under the EPIRA law to operate a power plant transferred the ownership and operatorship of the said power plant to South Premiere Power Corporation. The remaining 2,000 MW power plants in operation of FGEN are generating the much-needed electricity requirements of the Luzon grid while Ilijan plant is on economic shutdown.

The Malampaya gas field has notably reduced its production in 2022 and its concession will expire in 2024. While the field still able to produce natural gas, it is not considered sufficient beyond 5 years to supply the requirements of the existing gas fired power plants and for further expansion as well as to provide the future natural gas requirements particularly on the plan to expand the application of natural gas in industrial, commercial, residential and transport sectors. On the other hand, the government continued its efforts to promote the development and exploration of the country's indigenous resources, yet no domestic commercial production will likely come online in time to replace the Malampaya decline.

The Philippines still has constraints in LNG importation, as there is yet no Import Receiving Terminal in operation that would receive, store and regasify the LNG. Also, gas pipeline infrastructure is limited that would be essential in delivering LNG to end-users.

To attain the goal of bringing in LNG to the country, the DOE is encouraging entry of players from the private sector and ensuring their continued stay in the business to stimulate the development of the natural gas industry. In the meantime, the legal and regulatory framework to govern investments in the downstream natural gas industry is the DOE Department Circular 2017-11-0012 otherwise known as the Rules and Regulations Governing the Philippine Downstream Natural Gas Industry or PDNGR. To date, the DOE has issued a total of seven (7) permits from the Notice to Proceed status (NTP) to Permit to Construct phase of the proposed LNG Import Terminal Project (refer to Figure 2.3 and Figure 2.4). Two (2) of the LNG terminal projects such as the FGEN LNG Corporation and Linseed Field Corporation issued with Permit to Construct are expected to operate its LNG terminal in the first and second half of 2023 and the other two (2) LNG Terminal projects of Energy World and Luzon LNG Terminal have their respective COD from 2024 to 2025. The remaining three (3) proposed LNG Terminal Project issued with NTP are expected to have commercial operation from 2025 to 2027.

Figure 2.3 LNG Terminal Projects issued with Permit to Construct

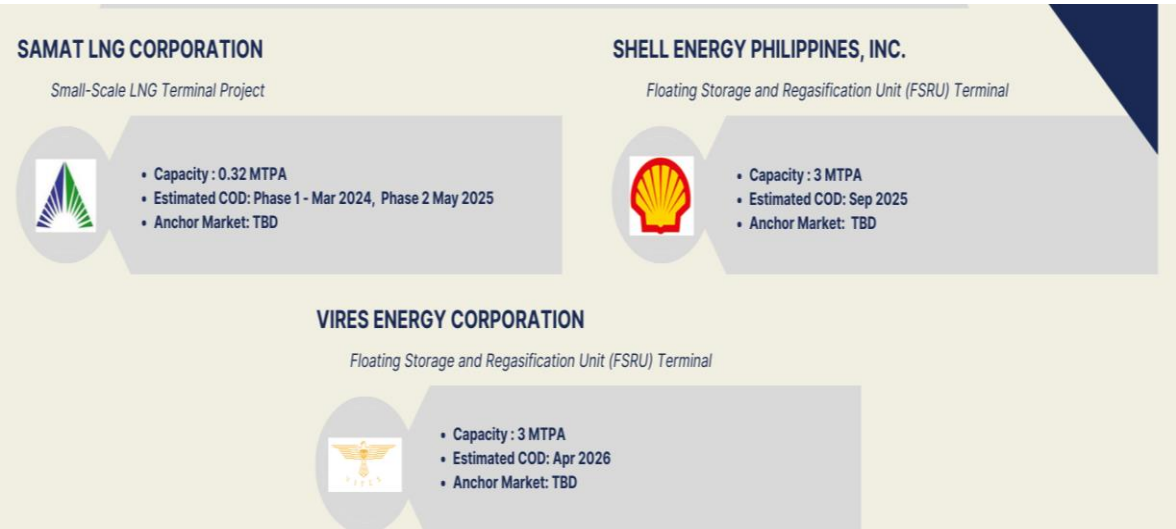


Figure 2.4 LNG Terminal Projects Issued with Notice to Proceed (NTP)

The commercial operation of the LNG Import Terminal in the country by 2023 will allow entry of imported LNG making the Philippines a member of the LNG import club. Also, this will ensure supply security of natural gas and sustained the operation of the existing 3,200 MW gas fired power plants when the GSPAs of the respective power plant expires in 2024.

3 SUPPLY AND DEMAND SITUATION (FY2023 vs. FY2022)

3.1 Downstream Oil Industry

3.1.1 Liquid Fuel and LPG

With the enduring risks faced by the downstream oil industry sector, including logistics problems in areas affected by calamities such as typhoon, flood, earthquake, volcanic eruption, etc., the Department of Energy (DOE) continued its close monitoring and updating of its database and information of the various activities of the downstream oil sector such as crude and product imports and costs, local refinery production and capabilities, product exports, industry demand, inventory levels, distribution and marketing facilities, and other downstream industry statistics.

To ensure a continuous, adequate, and stable supply of oil in the country, the DOE enforces the compliance of downstream oil industry participants to Minimum Inventory Requirement (MIR). Moreover, the DOE constantly coordinates with other government agency responders to ensure the sufficient supply of petroleum products in areas affected by calamities.

Current MIR for refiners stands at in-country stocks equivalent to 30 days of crude and finished products, while an equivalent of fifteen (15) days stock of finished products is required for the bulk marketers/importers and seven (7) days for LPG importers.

3.1.1.1 Supply

3.1.1.1.1 Inventory

As of end-December 2023, the reported stock of crude oil was at 221 million liters (ML), while the reported finished petroleum products were at 2,462 ML, excluding biofuels. On a per-product basis, the stocks of petroleum products were as follows: (a) gasoline at 604 ML (equivalent to 28 days' supply); (b) diesel oil at 959 ML (equivalent to 32 days of supply); (c) kerosene at 11 ML (equivalent to 68 days of supply); (d) jet A1/avturbo at 186 ML (equivalent to 27 days of supply); (e) fuel oil at 150 ML (equivalent to 50 days of supply); (f) LPG at 150 ML (equivalent to 16 days of supply); (g) other products at 403 ML (equivalent to 86 days of supply).

3.1.1.1.2 Crude Oil Supply

Table 3.1 Crude Imports, in Million Liters (2023 vs. 2022)

Origin	YTD DEC 2022		YTD DEC 2023		% Change
Crude	Volume	% Share	Volume	% Share	
Middle East	6,892	100.0%	7,550	100.0%	9.5%
Total	6,892	100.0%	7,550	100.0	9.5%
MLCD	18.9		20.7		

As of YTD December 2023, the country's imports volume of crude oil totaled to 7,550 ML, equivalent to an increase of 9.5% vis-à-vis YTD December 2022 volume of 6,892 ML (refer to Table 3.1).

All crude oil imported for YTD December 2023, were sourced from the Middle East, 50.76 percent of it came from Saudi Arabia at 3,832 ML, the country's major supplier of crude oil. While 30.74 percent equivalent to 2,321 ML came from UAE, 12.59 percent or 950 ML was from Iraq, 2.12 percent equivalent to 160 ML from Oman, 2.10 percent equivalent to 159 ML from Qatar and the remaining 1.68 percent, equivalent to 127 ML, was imported from Kuwait (refer to Figure 3.1).

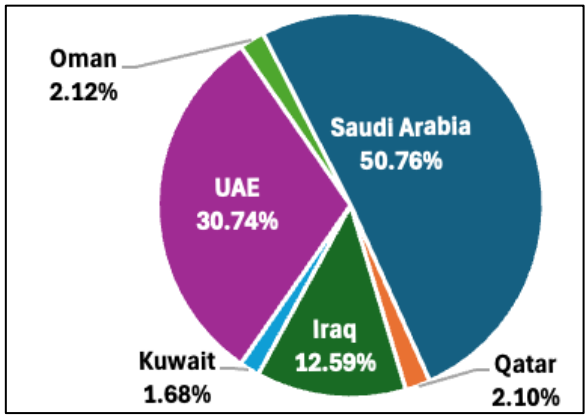


Figure 3.1 Crude Oil Import by Origin, FY 2023
(7,550 million liters)

3.1.1.1.3 Petroleum Product Imports

Table 3.2 Product Imports, in Million Liters (2023 vs. 2022)

Product	VOLUME		PERCENT MIX (%)		PERCENT CHANGE
	YTD Dec 2022	YTD Dec 2023	YTD Dec 2022	YTD Dec 2023	
Gasoline	4,929	5,235	25.2%	25.7%	6.2%
Diesel	8,105	8,120	41.4%	39.8%	0.2%
Kerosene	31	27	0.2%	0.1%	-14.4%
Avturbo	1,129	1,331	5.8%	6.5%	17.9%
Fuel Oil	1,133	1,119	5.8%	5.5%	-1.3%
LPG	2,988	2,977	15.3%	14.6%	-0.4%
Other Products	1,271	1,583	6.5%	7.8%	24.6%
Naphtha	867	1,028	4.4%	5.0%	18.5%
Avgas	4.2	6	0.0%	0.0%	32.2%
Asphalts	122	105	0.6%	0.5%	-14.1%
Condensate	228	240	1.2%	1.2%	5.3%
Solvents	29	16	0.2%	0.1%	-46.7%
Mixed Xylene	1.10615	-	0.0%	0.0%	-100.0%
Propylene	18.428477	-	0.1%	0.0%	100.0%
Total	**19,587**	**20,392**	**100.0%**	**100.0%**	**4.11%**
in MLCD	**53.7**	**55.9**			

For January to December 2023, petroleum product imports slightly rose by 4.11 percent to 20,392 ML from 19,587 ML of last year's level. On a per product basis, importation of Avturbo significantly increased by 17.9 percent, which may be attributed to travel and tourism closing in on its pre-pandemic peak nationwide. The same with importation of gasoline and slim increase in diesel products, which grew by 6.2 percent and 0.2 percent, respectively. The increase in importation of petroleum products may be attributed to normality in the economic activities and lifting of the state of public health emergency throughout the country due to COVID-19. In contrast, kerosene substantially decreased by 14.4 percent, while fuel oil and LPG declined by 1.3 and 0.4 percent, respectively (refer to Table 3.2).

Majority of imported finished petroleum products in the country were sourced from China with an import share of 24.5 percent, followed by South Korea with a 23.2 percent share. Next was Singapore with import share of 21.3 percent, followed by Malaysia with a 12.5 percent share. Ranked fifth was Japan with an import share of 3.2 percent (refer to Figure 3.2).

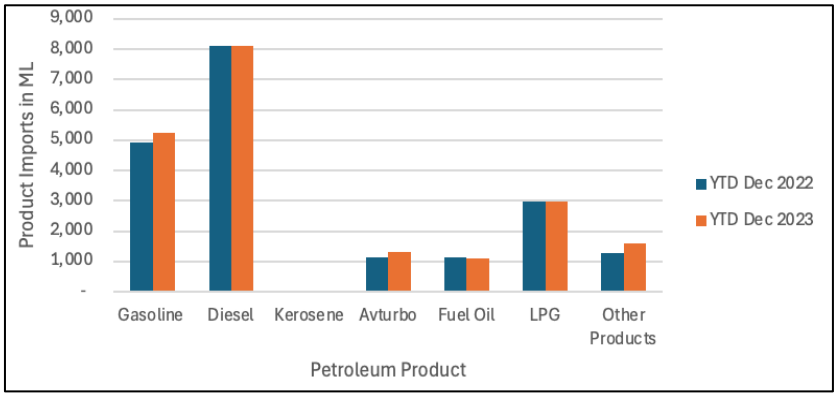


Figure 3.2 Comparison of Product Imports, in Million Liters (2023 vs. 2022)

The country also imported its finished petroleum products from the following countries: Taiwan (2.8%); Brunei (2.7%); Thailand (2%); India (1.5%); Qatar and Kuwait (1.4%); USA (1.0%); Saudi Arabia (0.9%); Vietnam and UAE (0.5%); Algeria and Australia (0.2%); and other countries (0.15%) (refer to Figure 3.3).

Product import mix comprised mostly of diesel oil at 39.8 percent, gasoline at 25.7 percent, LPG at 14.6 percent, avturbo at 6.5 percent, fuel oil at 5.5 percent, kerosene at 0.1 percent, and other products at 7.8 percent share.

Total gasoline imports met 65.4 percent of the total country's gasoline demand while diesel oil imports were 73.2 percent of the total diesel demand. On the other hand, LPG imports supplied 86.5 percent of the total LPG demand. Of the country's total product demand, 73.1 percent were sourced from importation of finished petroleum products and the remaining 26.9 percent of demand was augmented through local refinery production.

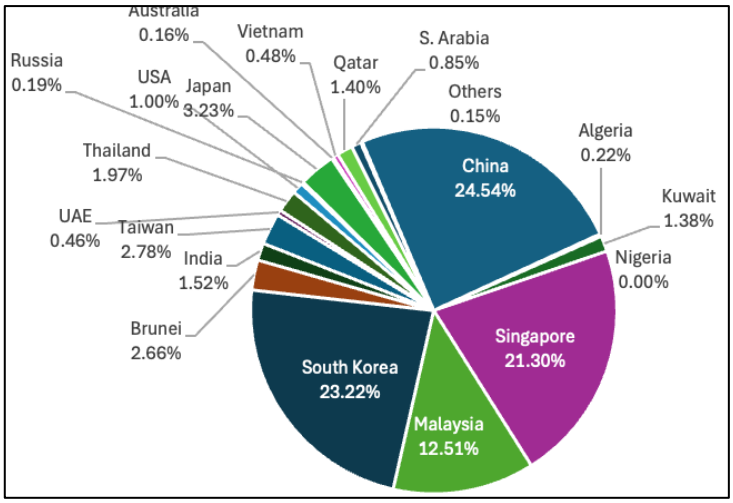


Figure 3.3 Product Imports, FY 2023
(20,392 million liters)

Ethanol imports increased by 23.6 percent equivalent to 342.3 ML for YTD December 2023 as compared to 276.8 ML of the same period in 2022. Republic Act No. 9367 of 2006 mandated that all gasoline to be sold in the country should be E-10 (gasoline with 10% bioethanol content).

3.1.1.1.3.1 Historical Petroleum Product Imports

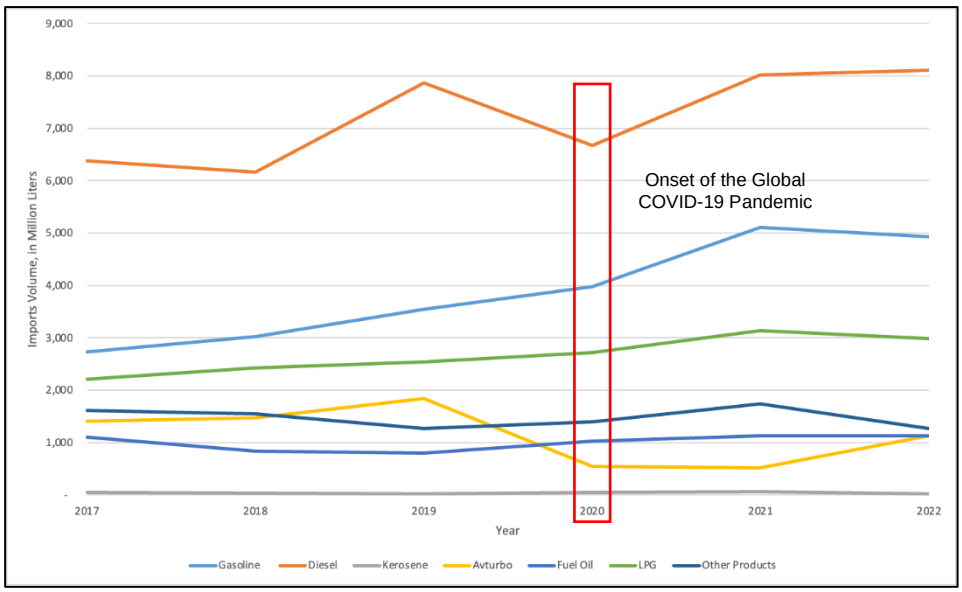


Figure 3.4 Historical Product Imports (2017-2022)

Over the past years, the Philippines' petroleum product imports have shown a generally increasing trend, with some fluctuations among specific products as shown in Figure 3.4. The total imports rose from 15,489 in 2017 to 19,586 in 2022. Notably, gasoline and diesel imports have seen significant increases, with gasoline peaking in 2021 and diesel consistently rising except for a dip in 2020. Kerosene and Avturbo imports experienced

volatility, with Avturbo showing a notable decline in 2020 and 2021 before recovering in 2022. Fuel oil and LPG imports steadily increased, while naphtha imports showed a decreasing trend, especially in 2022. Other products such as solvents, propylene, and toluene had minimal but present entries in the later years. Table 3.3 shows the detailed data.

Table 3.3 Historical Petroleum Product Imports (2017-2022)

Product	2017	2018	2019	2020	2021	2022
Gasoline	2,729	3,022	3,539	3,981	5,102	4,929
Diesel	6,377	6,167	7,864	6,674	8,023	8,105
Kerosene	50	42	21	48	63	31
Avturbo	1,413	1,478	1,845	541	526	1,129
Fuel Oil	1,100	834	805	1,031	1,129	1,133
LPG	2,212	2,421	2,537	2,720	3,134	2,988
Other Products	1,608	1,551	1,271	1,399	1,742	1,271
Naphtha	1,418	1,309	936	1,190	1,320	867
Avgas	5	6	17	1	3	4
Asphalts/Bitumen	140	196	126	87	103	122
Condensate	45	40	89	52	293	228
Solvents			14	20	22	29
Mixed Xylene						1
Propylene			78			18
Petroleum Coke				43		
Toluene			10	6		
SLOP OIL			1			
Total	**15,489**	**15,514**	**17,883**	**16,394**	**19,719**	**19,586**

3.1.1.1.4 Refinery Production

Table 3.4 Refinery Production, in Million Liters (2023 vs. 2022)

Product	VOLUME		PERCENT MIX (%)		PERCENT CHANGE
	YTD Dec 2022	YTD Dec 2023	YTD Dec 2022	YTD Dec 2023	
Gasoline	1,787	2,080	25.6%	25.7%	16.4%
Diesel Oil	2,748	3,058	39.4%	37.7%	11.3%
Kerosene	30	28	0.4%	0.3%	-8.3%
Avturbo	844	1,186	12.1%	14.6%	40.6%
Fuel Oil	8	51	0.1%	0.6%	562.4%
LPG	383	409	5.5%	5.0%	6.9%
Other Products	1,169	1,290	16.8%	15.9%	10.4%
Asphalts	-	-	0.0%	0.0%	0.0%
Naphtha	94	171	1.4%	2.1%	100.0%
Mixed Xylene	128	165	1.8%	2.0%	28.9%
Propylene	324	244	4.6%	3.0%	-24.7%
Benzene	23	30	0.3%	0.4%	26.5%
Toluene	92	115	1.3%	1.4%	100.0%
Petroleum Coke	458	511	6.6%	6.3%	100.0%
Sulfur	49	55	0.7%	0.7%	100.0%
Total	**6,968**	**8,101**	**100.0**	**100.0**	**16.3%**
in MLCD	**19.1**	**22.2**			

The country's refinery production output for YTD December of 2023 posted an increase of 16.3 percent with a total volume of 8,101 ML from 6,968 ML volume of same period of previous year. The average refining output for the period was at 22.2 ML per day (refer to Table 3.4).

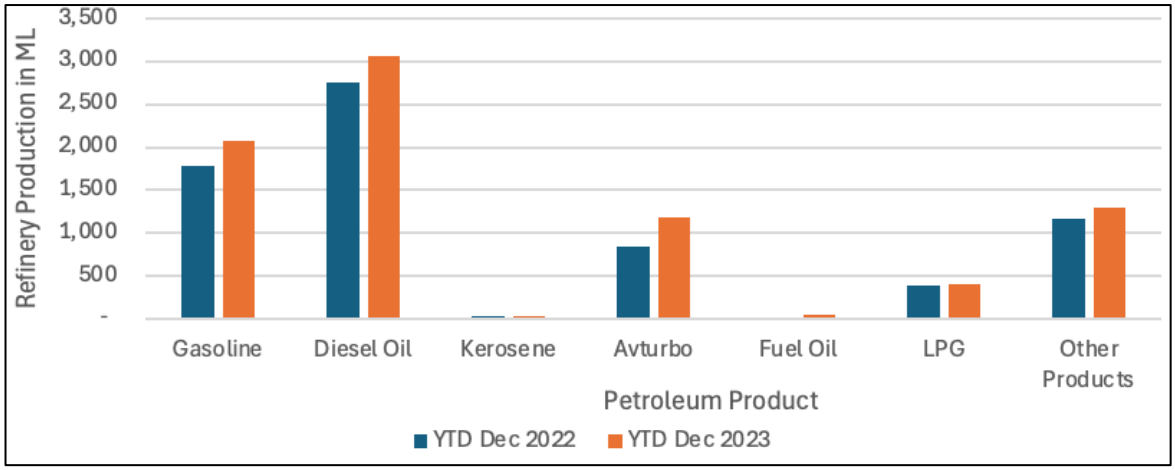


Figure 3.5 Comparison of Refinery Production, in Million Liters (2023 vs. 2022)

On a per product basis, refinery production output recorded a double-digit growth of 16.4 percent for gasoline, 11.3 percent for diesel, 40.6 percent for avturbo and a remarkable increase of 562.4% for fuel oil. Meanwhile, LPG posted a growth of 6.9 percent. For other products produced from the refinery for YTD December 2023, it posted a growth of 10.4 percent other products includes naphtha, toluene, benzene, propylene and petroleum coke. On the other hand, kerosene production output declined by 8.3 percent (refer to Table 3.4 and Figure 3.5).

The refinery's diesel oil production continued to dominate the production mix with a share of 37.7 percent, followed by gasoline and avturbo with 25.7 and 14.6 percent share, respectively. Meanwhile, LPG, fuel oil and kerosene had 5.0, 0.6 and 0.3 percent share, respectively. The remaining 15.9 percent is the share of other products (naphtha, mixed xylene, propylene, benzene, toluene, petroleum coke and sulfur) in the production mix.

3.1.1.2 Demand

3.1.1.2.1 Petroleum Product Demand

Year-to-date December 2023 total demand of petroleum products was 27,894 ML, an increase of 4.5 percent vis-à-vis last year's level of 26,682 ML. This translated to an average daily requirement of 76.4 ML versus last year's 73.1 ML. The normality of the daily economic activities and lifting of state of public health emergency throughout the country due to COVID-19 contributed to the growth in the demand of petroleum products.

Compared with YTD December 2022 figures, gasoline demand increased by 7.6 percent for the current period. Likewise, the lifting of travel restrictions contributed to the increase of avturbo's demand by 28.8 percent. LPG demand also grew by 4.4 percent. However, demand of diesel, kerosene, and fuel oil declined by 0.7, 17.4 and 12.5 percent, respectively (refer to Table 3.5).

Table 3.5 Product Demand, in Million Liters (2023 vs. 2022)

Product	VOLUME		PERCENT MIX (%)		PERCENT CHANGE
	YTD Dec 2022	YTD Dec 2023	YTD Dec 2022	YTD Dec 2023	
Gasoline	7,442	8,008	27.9%	28.7%	7.6%
Diesel Oil	11,164	11,090	41.8%	39.8%	-0.7%
Kerosene	71	59	0.3%	0.2%	-17.4%
Avturbo	1,935	2,492	7.3%	8.9%	28.8%
Fuel Oil	1,258	1,101	4.7%	3.9%	-12.5%
LPG	3,297	3,441	12.4%	12.3%	4.4%
Other Products	1,515	1,703	5.7%	6.1%	12.4%
Asphalts	133	105	0.50%	0.38%	-21.0%
Avgas	5	5	0.02%	0.02%	1.0%
Condensate	291	240	1.09%	0.86%	-17.4%
Solvents	78	79	0.29%	0.28%	1.0%
Naphtha/Reformate	978	1,028	3.66%	3.68%	5.1%
Petcoke	30	246	0.11%	0.88%	100.0%
Mixed Xylene	0.0500	-	0.02%	0.00%	-100.0%
Grand Total	**26,682**	**27,894**	**100.00**	**100.00**	**4.5**
in MLCD	**73.1**	**76.4**			

Product demand mix still dominated by diesel oil at 39.8 percent followed by gasoline at 28.7 percent, LPG at 12.3 percent, avturbo at 8.9 percent, fuel oil at 3.9 percent, kerosene at 0.2 percent and other products (asphalts, avgas, condensate, solvents, naphtha, petroleum coke, and mixed xylene) at 6.1 percent share in the total product demand mix (refer to Figure 3.6).

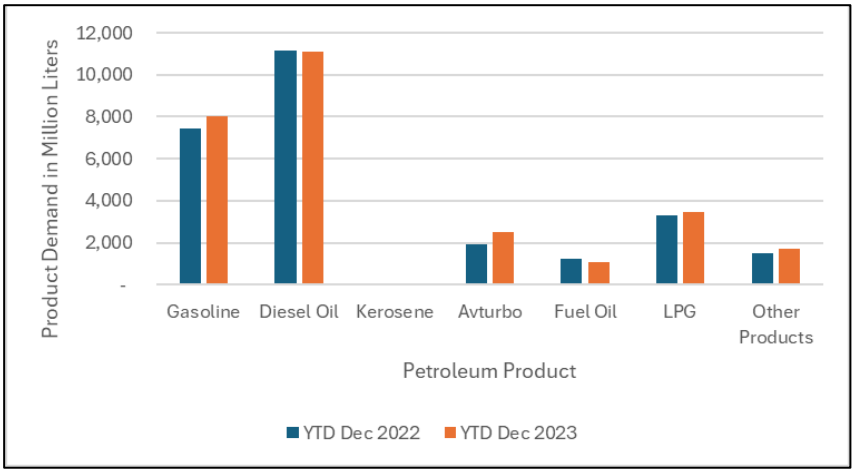


Figure 3.6 Comparison of Product Demand, in Million Liters (2023 vs. 2022)

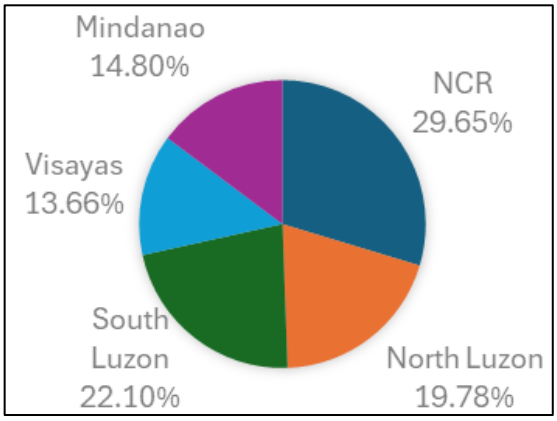


Figure 3.7 Product Demand by Region, FY 2023
(27,894 million liters)

On a per region basis, the National Capital Region (NCR) had the highest share in the demand of petroleum products at 29.65 percent of the total market, while North Luzon and South Luzon got 19.78 and 22.10 percent shares, respectively. The Mindanao region, on the other hand, captured 14.8 percent of the market, while the remaining 13.66 percent was in the Visayas region (refer to Figure 3.7).

3.1.1.3 Petroleum Product Demand by Trade Classification and by Region

3.1.1.3.1 Total Petroleum Product Demand by Trade Classification

In terms of demand of total petroleum products by trade classification, 33.43 percent of the total trade were distributed to Reseller Trade (volume sold to retail outlets for transport) and 54.01 percent were sold to Industrial/Commercial Trade (volume sold directly to commercial, industrial, transport, power generation and agriculture sectors). The remaining volumes were distributed to International Trades, Independent Refillers, Philippine Government and Foreign Embassies, at 7.52 percent, 4.61 percent, 0.43 percent, and 0.0005 percent, respectively.

For regional demand of total petroleum products, the three regions with highest demand are National Capital Region (NCR), Region 4A and Region 3 at 29.65%, 17.35% and 12.91%, shares respectively. While the least consuming region is BARMM with 0.42% share in the total country demand (refer to Table 3.6).

3.1.1.3.2 Liquid Petroleum Product Demand

Table 3.7 shows that demand varies by industry, with the industrial/commercial sector showing a notably high demand, comprising 59.06% of the total LPP demand. Of this portion, diesel accounts for over half at 28.44%. Following the industrial/commercial sector is the reseller, which represents 31.87% of the LPP demand.

Moreover, the total demand across all regions and industries amounts to 24,453.17 ML. Luzon has the highest demand, contributing 17,348.68 ML or 70.95% of the LPP demand. Within Luzon, NCR leads with 7,387.62 ML (30.21%), followed by Region 4A with 4,190.83 ML (17.14%), highlighting the concentration of industrial activities in these areas. The Visayas region follows with a total demand of 3,383.30 ML, representing 13.84% of the LPP demand. Within the Visayas, Region 7 has the highest demand at 1,534.71 ML (6.28%), while Region 8 shows the lowest demand with 507.18 units (2.07%). Mindanao's LPP demand is 3,721.19 ML, contributing 15.22% to the overall demand. Region 10 leads within Mindanao with 1,147.92 ML (4.69%), whereas BARMM has the lowest demand in Mindanao at 98.39 ML (0.40%).

3.1.1.3.3 LPG Demand

As shown in Table 3.8, nearly half of the LPG demand is driven by resellers, contributing 44.54%, with independent refillers following closely behind at 37.35%.

The total demand for LPG across all regions and industries amounts to 3,440.77 ML. Similar to LPP demand, Luzon has the highest demand with 2,604.28 ML, representing 75.69% of the LPG demand. Within Luzon, NCR leads with 884.20 ML (25.70%), followed by Region 4A with 649.74 ML (18.88%). The Visayas region shows a total demand of 428.11 ML, accounting for 12.44% of the overall demand. Within the Visayas, Region 6 has the highest demand at 223.74 ML (6.50%), while Region 8 has the lowest with 73.15 ML (2.13%). Mindanao’s total demand is 408.38 ML, making up 11.87% of the total demand. Region 11 leads within Mindanao with 125.22 ML (3.64%), followed closely by Region 10 with 113.74 ML (3.31%). The region with the smallest demand in Mindanao is BARMM, with 19.05 ML (0.55%).

Table 3.6 Total Petroleum Product Domestic and International Demand by Industry and Region

INDUSTRY, PRODUCT	LUZON								LUZON Total
	NCR	REGION 1	REGION 2	REGION 3	CAR	REGION 4A	REGION 4B	REGION 5	
RESELLER	**2,123.61**	**607.36**	**202.92**	**1,122.49**	**99.24**	**1,549.47**	**201.05**	**208.10**	**6,114.24**
GASOLINE	**977.51**	**112.16**	**65.52**	**487.88**	**25.43**	**669.64**	**77.10**	**69.77**	**2,485.00**
DIESEL	**945.73**	**146.42**	**107.87**	**584.20**	**61.94**	**751.88**	**91.27**	**90.07**	**2,779.38**
KEROSENE	**6.55**	**0.11**	**0.10**	**0.84**	**0.04**	**1.76**	**0.08**	**0.63**	**10.11**
LPG	**193.83**	**348.67**	**29.43**	**49.56**	**11.84**	**126.18**	**32.61**	**47.64**	**839.75**
INDUSTRIAL/COMMERCIAL	**3,527.57**	**577.30**	**258.00**	**2,100.91**	**46.06**	**2,993.96**	**195.39**	**707.06**	**10,406.24**
GASOLINE	**624.37**	**265.28**	**115.15**	**883.14**	**21.05**	**372.19**	**52.10**	**257.60**	**2,590.88**
DIESEL	**1,670.07**	**270.28**	**139.25**	**1,066.70**	**23.45**	**656.99**	**129.40**	**407.67**	**4,363.82**
KEROSENE	**13.77**			**0.97**		**23.07**	**0.02**	**1.80**	**39.63**
AVTURBO	**410.06**		**0.05**	**19.27**		**0.67**	**0.01**	**0.01**	**430.06**
FUEL OIL	**530.17**	**32.15**	**0.02**	**58.39**		**145.23**	**13.17**	**36.52**	**815.65**
LPG	**195.21**	**8.12**	**1.57**	**58.44**	**1.44**	**233.34**	**0.42**	**1.96**	**500.50**
OTHER PRODUCTS	**83.91**	**1.47**	**1.95**	**14.01**	**0.13**	**1,562.45**	**0.28**	**1.50**	**1,665.70**
ASPHALT	15.21	1.12	1.95	13.46	0.10	38.19	0.28	1.50	71.81
AVGAS	0.85	0.34	0.00	0.02		1.53	0.00	0.00	2.76
CONDENSATE						240.33			240.33
HYDRO/SOLVENT	67.84		0.00	0.53	0.03	8.91	0.00	0.00	77.30
NAPHTHA/REFORMATE	0.00					1,027.66			1,027.66
PETROLEUM COKE						245.84			245.84
INDEPENDENT REFILLERS	**495.08**	**35.47**	**75.75**	**340.67**	**14.46**	**290.21**	**3.39**	**8.91**	**1,263.94**
LPG	**495.08**	**35.47**	**75.75**	**340.67**	**14.46**	**290.21**	**3.39**	**8.91**	**1,263.94**
PHILIPPINE GOVERNMENT	**119.44**			**0.13**		**0.02**			**119.58**
GASOLINE	**20.23**								**20.23**
DIESEL	**77.08**			**0.13**		**0.01**			**77.22**
AVTURBO	**20.96**								**20.96**
LPG	**0.09**								**0.09**
OTHER PRODUCTS	**1.08**					**0.00**			**1.08**
AVGAS	1.08								1.08
HYDRO/SOLVENT	0.00					0.00			0.00
FOREIGN EMBASSIES	**0.14**								**0.14**
GASOLINE	**0.11**								**0.11**
DIESEL	**0.03**								**0.03**
INTERNATIONAL SALES	**2,005.99**	**0.15**		**35.53**		**6.92**	**0.23**		**2,048.81**
GASOLINE	**0.09**					**2.08**	**0.16**		**2.32**
DIESEL	**18.11**	**0.15**		**14.11**		**3.70**	**0.07**		**36.14**
KEROSENE						**0.27**			**0.27**
AVTURBO	**1,979.23**			**15.20**					**1,994.43**
FUEL OIL	**8.20**			**6.20**		**0.87**			**15.27**
OTHER PRODUCTS	**0.36**			**0.02**					**0.38**
ASPHALT	0.36								0.36
AVGAS	0.00			0.02					0.02
Grand Total	**8,271.83**	**1,220.28**	**536.67**	**3,599.72**	**159.76**	**4,840.57**	**400.05**	**924.07**	**19,952.95**
% Mix	**29.65%**	**4.37%**	**1.92%**	**12.91%**	**0.57%**	**17.35%**	**1.43%**	**3.31%**	**71.53%**

[continuation of Table 3.6]

INDUSTRY, PRODUCT	VISAYAS			VISAYAS Total
	REGION 6	REGION 7	REGION 8	
RESELLER	**640.42**	**665.38**	**233.37**	**1,539.17**
GASOLINE	**246.90**	**298.69**	**78.05**	**623.64**
DIESEL	**265.54**	**224.46**	**84.70**	**574.70**
KEROSENE	**0.72**	**1.62**	**0.80**	**3.14**
LPG	**127.26**	**140.61**	**69.82**	**337.69**
INDUSTRIAL/COMMERCIAL	**830.82**	**1,032.15**	**345.70**	**2,208.66**
GASOLINE	**196.76**	**340.26**	**142.57**	**679.60**
DIESEL	**571.24**	**486.34**	**186.45**	**1,244.03**
KEROSENE	**0.10**	**1.95**	**0.17**	**2.22**
AVTURBO	**1.36**	**0.29**	**1.44**	**3.10**
FUEL OIL	**48.62**	**127.56**	**10.74**	**186.92**
LPG	**3.28**	**65.01**	**2.57**	**70.86**
OTHER PRODUCTS	**9.46**	**10.73**	**1.74**	**21.93**
ASPHALT	9.46	8.21	1.74	19.41
AVGAS		1.21		1.21
CONDENSATE				
HYDRO/SOLVENT	0.00	1.30		1.30
NAPHTHA/REFORMATE				
PETROLEUM COKE				
INDEPENDENT REFILLERS	**0.68**	**18.12**	**0.76**	**19.56**
LPG	**0.68**	**18.12**	**0.76**	**19.56**
PHILIPPINE GOVERNMENT				
GASOLINE				
DIESEL				
AVTURBO				
LPG				
OTHER PRODUCTS				
AVGAS				
HYDRO/SOLVENT				
FOREIGN EMBASSIES				
GASOLINE				
DIESEL				
INTERNATIONAL SALES	**0.70**	**42.80**	**0.51**	**44.02**
GASOLINE				
DIESEL	**0.33**	**0.07**		**0.40**
KEROSENE				
AVTURBO		**40.04**		**40.04**
FUEL OIL	**0.37**	**2.69**	**0.51**	**3.57**
OTHER PRODUCTS				
ASPHALT				
AVGAS				
Grand Total	**1,472.63**	**1,758.45**	**580.33**	**3,811.41**
% Mix	**5.28%**	**6.30%**	**2.08%**	**13.66%**

[continuation of Table 3.6]

INDUSTRY, PRODUCT	MINDANAO						MINDANAO Total	Grand Total	% Mix
	REGION 9	REGION 10	REGION 11	REGION 12	REGION 13	BARMM			
RESELLER	**252.53**	**416.81**	**547.97**	**254.41**	**143.43**	**57.25**	**1,672.41**	**9,325.81**	**33.43%**
GASOLINE	**102.23**	**164.21**	**204.71**	**101.93**	**54.01**	**19.69**	**646.78**	**3,755.42**	**13.46%**
DIESEL	**84.44**	**170.83**	**232.02**	**107.49**	**53.56**	**19.62**	**667.97**	**4,022.06**	**14.42%**
KEROSENE	**0.38**	**0.48**	**1.21**	**0.28**	**0.18**	**0.05**	**2.59**	**15.84**	**0.06%**
LPG	**65.48**	**81.28**	**110.03**	**44.71**	**35.68**	**17.88**	**355.06**	**1,532.50**	**5.49%**
INDUSTRIAL/COMMERCIAL	**412.49**	**844.44**	**640.62**	**323.39**	**169.20**	**60.19**	**2,450.34**	**15,065.25**	**54.01%**
GASOLINE	**161.10**	**316.96**	**277.23**	**143.67**	**25.64**	**35.06**	**959.65**	**4,230.13**	**15.17%**
DIESEL	**241.21**	**465.07**	**322.92**	**171.40**	**121.54**	**23.95**	**1,346.09**	**6,953.94**	**24.93%**
KEROSENE		**0.14**	**0.90**	**0.00**			**1.04**	**42.90**	**0.15%**
AVTURBO	**0.53**	**0.07**	**1.84**	**0.50**	**0.07**		**3.02**	**436.18**	**1.56%**
FUEL OIL	**9.34**	**22.70**	**20.90**	**0.45**	**21.44**	**0.02**	**74.85**	**1,077.42**	**3.86%**
LPG	**0.19**	**32.46**	**13.65**	**3.96**	**0.36**	**1.17**	**51.78**	**623.15**	**2.23%**
OTHER PRODUCTS	**0.12**	**7.05**	**3.18**	**3.41**	**0.15**		**13.90**	**1,701.53**	**6.10%**
ASPHALT	0.12	6.94	3.10	3.41	0.15		13.72	104.95	0.38%
AVGAS		0.00					0.00	3.97	0.01%
CONDENSATE								240.33	0.86%
HYDRO/SOLVENT		0.10	0.07	0.00			0.17	78.78	0.28%
NAPHTHA/REFORMATE								1,027.66	3.68%
PETROLEUM COKE								245.84	0.88%
INDEPENDENT REFILLERS			**1.53**				**1.53**	**1,285.03**	**4.61%**
LPG			**1.53**				**1.53**	**1,285.03**	**4.61%**
PHILIPPINE GOVERNMENT		**0.09**	**0.05**	**0.18**			**0.31**	**119.89**	**0.43%**
GASOLINE		**0.00**	**0.02**				**0.02**	**20.25**	**0.07%**
DIESEL		**0.09**	**0.03**	**0.18**			**0.30**	**77.52**	**0.28%**
AVTURBO								**20.96**	**0.08%**
LPG								**0.09**	**0.00%**
OTHER PRODUCTS								**1.08**	**0.00%**
AVGAS								1.08	0.00%
HYDRO/SOLVENT								0.00	0.00%
FOREIGN EMBASSIES								**0.14**	**0.00%**
GASOLINE								**0.11**	**0.00%**
DIESEL								**0.03**	**0.00%**
INTERNATIONAL SALES		**0.33**	**2.24**	**2.42**			**4.98**	**2,097.81**	**7.52%**
GASOLINE		**0.11**					**0.11**	**2.43**	**0.01%**
DIESEL		**0.22**		**0.01**			**0.23**	**36.77**	**0.13%**
KEROSENE								**0.27**	**0.00%**
AVTURBO								**2,034.48**	**7.29%**
FUEL OIL			**2.24**	**2.40**			**4.64**	**23.48**	**0.08%**
OTHER PRODUCTS								**0.38**	**0.00%**
ASPHALT								0.36	0.00%
AVGAS								0.02	0.00%
Grand Total	**665.02**	**1,261.66**	**1,192.41**	**580.39**	**312.63**	**117.44**	**4,129.57**	**27,893.93**	**100.00%**
% Mix	**2.38%**	**4.52%**	**4.27%**	**2.08%**	**1.12%**	**0.42%**	**14.80%**	**100.00%**	**-**

Table 3.7 Liquid Petroleum Product Domestic and International Demand by Industry and Region

INDUSTRY, PRODUCT	LUZON								
	NCR	REGION 1	REGION 2	REGION 3	CAR	REGION 4A	REGION 4B	REGION 5	LUZON Total
RESELLER	**1,929.79**	**258.69**	**173.49**	**1,072.93**	**87.41**	**1,423.29**	**168.45**	**160.46**	**5,274.49**
GASOLINE	**977.51**	**112.16**	**65.52**	**487.88**	**25.43**	**669.64**	**77.10**	**69.77**	**2,485.00**
DIESEL	**945.73**	**146.42**	**107.87**	**584.20**	**61.94**	**751.88**	**91.27**	**90.07**	**2,779.38**
KEROSENE	**6.55**	**0.11**	**0.10**	**0.84**	**0.04**	**1.76**	**0.08**	**0.63**	**10.11**
INDUSTRIAL/COMMERCIAL	**3,332.35**	**569.18**	**256.43**	**2,042.47**	**44.63**	**2,760.61**	**194.97**	**705.10**	**9,905.74**
GASOLINE	**624.37**	**265.28**	**115.15**	**883.14**	**21.05**	**372.19**	**52.10**	**257.60**	**2,590.88**
DIESEL	**1,670.07**	**270.28**	**139.25**	**1,066.70**	**23.45**	**656.99**	**129.40**	**407.67**	**4,363.82**
KEROSENE	**13.77**			**0.97**		**23.07**	**0.02**	**1.80**	**39.63**
AVTURBO	**410.06**		**0.05**	**19.27**		**0.67**	**0.01**	**0.01**	**430.06**
FUEL OIL	**530.17**	**32.15**	**0.02**	**58.39**		**145.23**	**13.17**	**36.52**	**815.65**
OTHER PRODUCTS	**83.91**	**1.47**	**1.95**	**14.01**	**0.13**	**1,562.45**	**0.28**	**1.50**	**1,665.70**
ASPHALT	15.21	1.12	1.95	13.46	0.10	38.19	0.28	1.50	71.81
AVGAS	0.85	0.34	0.00	0.02		1.53	0.00	0.00	2.76
CONDENSATE						240.33			240.33
HYDRO/SOLVENT	67.84		0.00	0.53	0.03	8.91	0.00	0.00	77.30
NAPHTHA/REFORMATE	0.00					1,027.66			1,027.66
PETROLEUM COKE						245.84			245.84
PHILIPPINE GOVERNMENT	**119.35**			**0.13**		**0.02**			**119.49**
GASOLINE	**20.23**								**20.23**
DIESEL	**77.08**			**0.13**		**0.01**			**77.22**
AVTURBO	**20.96**								**20.96**
OTHER PRODUCTS	**1.08**					**0.00**			**1.08**
AVGAS	1.08								1.08
HYDRO/SOLVENT	0.00					0.00			0.00
FOREIGN EMBASSIES	**0.14**								**0.14**
GASOLINE	**0.11**								**0.11**
DIESEL	**0.03**								**0.03**
INTERNATIONAL SALES	**2,005.99**	**0.15**		**35.53**		**6.92**	**0.23**		**2,048.81**
GASOLINE	**0.09**					**2.08**	**0.16**		**2.32**
DIESEL	**18.11**	**0.15**		**14.11**		**3.70**	**0.07**		**36.14**
KEROSENE						**0.27**			**0.27**
AVTURBO	**1,979.23**			**15.20**					**1,994.43**
FUEL OIL	**8.20**			**6.20**		**0.87**			**15.27**
OTHER PRODUCTS	**0.36**			**0.02**					**0.38**
ASPHALT	0.36								0.36
AVGAS	0.00			0.02					0.02
Grand Total	**7,387.62**	**828.02**	**429.92**	**3,151.05**	**132.03**	**4,190.83**	**363.64**	**865.56**	**17,348.68**
% Mix	**30.21%**	**3.39%**	**1.76%**	**12.89%**	**0.54%**	**17.14%**	**1.49%**	**3.54%**	**70.95%**

[continuation of Table 3.7Table 3.6]

INDUSTRY, PRODUCT	VISAYAS			VISAYAS Total
	REGION 6	REGION 7	REGION 8	
RESELLER	**513.16**	**524.77**	**163.55**	**1,201.48**
GASOLINE	**246.90**	**298.69**	**78.05**	**623.64**
DIESEL	**265.54**	**224.46**	**84.70**	**574.70**
KEROSENE	**0.72**	**1.62**	**0.80**	**3.14**
INDUSTRIAL/COMMERCIAL	**827.54**	**967.14**	**343.12**	**2,137.80**
GASOLINE	**196.76**	**340.26**	**142.57**	**679.60**
DIESEL	**571.24**	**486.34**	**186.45**	**1,244.03**
KEROSENE	**0.10**	**1.95**	**0.17**	**2.22**
AVTURBO	**1.36**	**0.29**	**1.44**	**3.10**
FUEL OIL	**48.62**	**127.56**	**10.74**	**186.92**
OTHER PRODUCTS	**9.46**	**10.73**	**1.74**	**21.93**
ASPHALT	9.46	8.21	1.74	19.41
AVGAS		1.21		1.21
CONDENSATE				
HYDRO/SOLVENT	0.00	1.30		1.30
NAPHTHA/REFORMATE				
PETROLEUM COKE				
PHILIPPINE GOVERNMENT				
GASOLINE				
DIESEL				
AVTURBO				
OTHER PRODUCTS				
AVGAS				
HYDRO/SOLVENT				
FOREIGN EMBASSIES				
GASOLINE				
DIESEL				
INTERNATIONAL SALES	**0.70**	**42.80**	**0.51**	**44.02**
GASOLINE				
DIESEL	**0.33**	**0.07**		**0.40**
KEROSENE				
AVTURBO		**40.04**		**40.04**
FUEL OIL	**0.37**	**2.69**	**0.51**	**3.57**
OTHER PRODUCTS				
ASPHALT				
AVGAS				
Grand Total	**1,341.41**	**1,534.71**	**507.18**	**3,383.30**
% Mix	**5.49%**	**6.28%**	**2.07%**	**13.84%**

[continuation of Table 3.7]

INDUSTRY, PRODUCT	MINDANAO						MINDANAO Total	Grand Total	% Mix
	REGION 9	REGION 10	REGION 11	REGION 12	REGION 13	BARMM			
RESELLER	**187.05**	**335.53**	**437.94**	**209.70**	**107.75**	**39.37**	**1,317.34**	**7,793.31**	**31.87%**
GASOLINE	**102.23**	**164.21**	**204.71**	**101.93**	**54.01**	**19.69**	**646.78**	**3,755.42**	**15.36%**
DIESEL	**84.44**	**170.83**	**232.02**	**107.49**	**53.56**	**19.62**	**667.97**	**4,022.06**	**16.45%**
KEROSENE	**0.38**	**0.48**	**1.21**	**0.28**	**0.18**	**0.05**	**2.59**	**15.84**	**0.06%**
INDUSTRIAL/COMMERCIAL	**412.30**	**811.98**	**626.97**	**319.43**	**168.84**	**59.03**	**2,398.56**	**14,442.10**	**59.06%**
GASOLINE	**161.10**	**316.96**	**277.23**	**143.67**	**25.64**	**35.06**	**959.65**	**4,230.13**	**17.30%**
DIESEL	**241.21**	**465.07**	**322.92**	**171.40**	**121.54**	**23.95**	**1,346.09**	**6,953.94**	**28.44%**
KEROSENE		**0.14**	**0.90**	**0.00**			**1.04**	**42.90**	**0.18%**
AVTURBO	**0.53**	**0.07**	**1.84**	**0.50**	**0.07**		**3.02**	**436.18**	**1.78%**
FUEL OIL	**9.34**	**22.70**	**20.90**	**0.45**	**21.44**	**0.02**	**74.85**	**1,077.42**	**4.41%**
OTHER PRODUCTS	**0.12**	**7.05**	**3.18**	**3.41**	**0.15**		**13.90**	**1,701.53**	**6.96%**
ASPHALT	0.12	6.94	3.10	3.41	0.15		13.72	104.95	**0.43%**
AVGAS		0.00					0.00	3.97	**0.02%**
CONDENSATE								240.33	0.98%
HYDRO/SOLVENT		0.10	0.07	0.00			0.17	78.78	0.32%
NAPHTHA/REFORMATE								1,027.66	4.20%
PETROLEUM COKE								245.84	1.01%
PHILIPPINE GOVERNMENT		**0.09**	**0.05**	**0.18**			**0.31**	**119.81**	0.49%
GASOLINE		**0.00**	**0.02**				**0.02**	**20.25**	0.08%
DIESEL		**0.09**	**0.03**	**0.18**			**0.30**	**77.52**	**0.32%**
AVTURBO								**20.96**	**0.09%**
OTHER PRODUCTS								**1.08**	**0.00%**
AVGAS								1.08	**0.00%**
HYDRO/SOLVENT								0.00	**0.00%**
FOREIGN EMBASSIES								**0.14**	**0.00%**
GASOLINE								**0.11**	**0.00%**
DIESEL								**0.03**	**0.00%**
INTERNATIONAL SALES		**0.33**	**2.24**	**2.42**			**4.98**	**2,097.81**	8.58%
GASOLINE		**0.11**					**0.11**	**2.43**	0.01%
DIESEL		**0.22**		**0.01**			**0.23**	**36.77**	**0.15%**
KEROSENE								**0.27**	**0.00%**
AVTURBO								**2,034.48**	**8.32%**
FUEL OIL			**2.24**	**2.40**			**4.64**	**23.48**	**0.10%**
OTHER PRODUCTS								**0.38**	**0.00%**
ASPHALT								0.36	**0.00%**
AVGAS								0.02	**0.00%**
Grand Total	**599.35**	**1,147.92**	**1,067.20**	**531.73**	**276.60**	**98.39**	**3,721.19**	**24,453.17**	**100.00%**
% Mix	**2.45%**	**4.69%**	**4.36%**	**2.17%**	**1.13%**	**0.40%**	**15.22%**	**100.00%**	-

Table 3.8 LPG Domestic and International Demand by Industry and Region

INDUSTRY, PRODUCT	LUZON								LUZON Total
	NCR	REGION 1	REGION 2	REGION 3	CAR	REGION 4A	REGION 4B	REGION 5	
RESELLER	193.83	348.67	29.43	49.56	11.84	126.18	32.61	47.64	839.75
LPG	193.83	348.67	29.43	49.56	11.84	126.18	32.61	47.64	839.75
INDUSTRIAL/COMMERCIAL	195.21	8.12	1.57	58.44	1.44	233.34	0.42	1.96	500.50
LPG	195.21	8.12	1.57	58.44	1.44	233.34	0.42	1.96	500.50
INDEPENDENT REFILLERS	495.08	35.47	75.75	340.67	14.46	290.21	3.39	8.91	1,263.94
LPG	495.08	35.47	75.75	340.67	14.46	290.21	3.39	8.91	1,263.94
PHILIPPINE GOVERNMENT	0.09								0.09
LPG	0.09								0.09
Grand Total	884.20	392.26	106.76	448.67	27.73	649.74	36.41	58.51	2,604.28
% Mix	25.70%	11.40%	3.10%	13.04%	0.81%	18.88%	1.06%	1.70%	75.69%

INDUSTRY, PRODUCT	VISAYAS			VISAYAS Total
	REGION 6	REGION 7	REGION 8	
RESELLER	127.26	140.61	69.82	337.69
LPG	127.26	140.61	69.82	337.69
INDUSTRIAL/COMMERCIAL	3.28	65.01	2.57	70.86
LPG	3.28	65.01	2.57	70.86
INDEPENDENT REFILLERS	0.68	18.12	0.76	19.56
LPG	0.68	18.12	0.76	19.56
PHILIPPINE GOVERNMENT				
LPG				
Grand Total	131.22	223.74	73.15	428.11
% Mix	3.81%	6.50%	2.13%	12.44%

INDUSTRY, PRODUCT	MINDANAO						MINDANAO Total	Grand Total	% Mix
	REGION 9	REGION 10	REGION 11	REGION 12	REGION 13	BARMM			
RESELLER	65.48	81.28	110.03	44.71	35.68	17.88	355.06	1,532.50	44.54%
LPG	65.48	81.28	110.03	44.71	35.68	17.88	355.06	1,532.50	44.54%
INDUSTRIAL/COMMERCIAL	0.19	32.46	13.65	3.96	0.36	1.17	51.78	623.15	18.11%
LPG	0.19	32.46	13.65	3.96	0.36	1.17	51.78	623.15	18.11%
INDEPENDENT REFILLERS			1.53				1.53	1,285.03	37.35%
LPG			1.53				1.53	1,285.03	37.35%
PHILIPPINE GOVERNMENT								0.09	0.00%
LPG								0.09	0.00%
Grand Total	65.67	113.74	125.22	48.66	36.04	19.05	408.38	3,440.77	100.00%
% Mix	1.91%	3.31%	3.64%	1.41%	1.05%	0.55%	11.87%	100.00%	-

3.1.1.3.1 *Historical Petroleum Product Demand*

3.1.1.3.1.1 Historical Petroleum Product Demand per Product

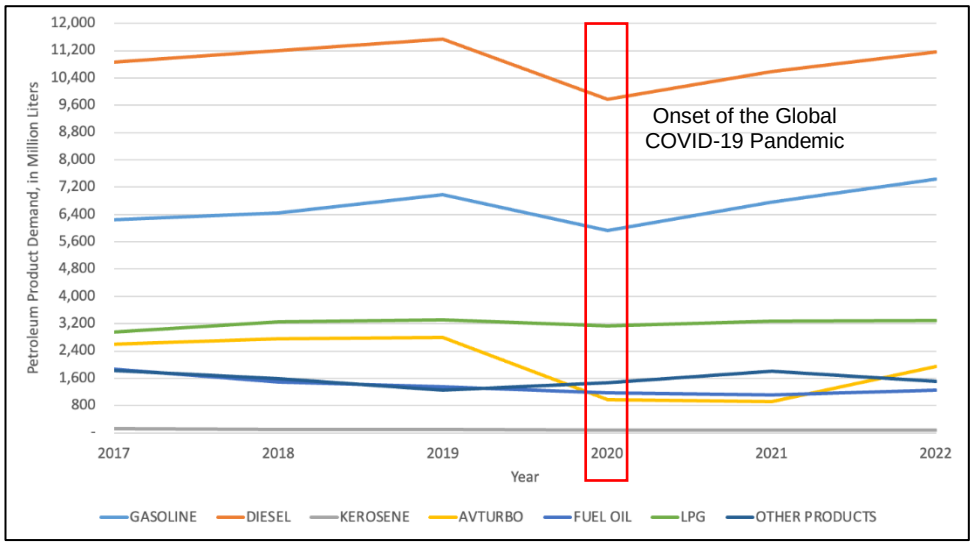


Figure 3.8 Historical Petroleum Product Demand (2017-2022) per Product

As shown in Figure 3.8, the demand for most petroleum products in the Philippines experienced a decline in 2020, happen together with the global COVID-19 pandemic, followed by a recovery phase in the subsequent years. Gasoline and diesel showed strong recovery trends, while kerosene demand continuously declined. Aviation turbo (Avturbo) fuel demand dropped due to pandemic-related travel restrictions and lockdowns. As air travel declined sharply, demand for Avturbo decreased. However, it has been steadily recovering as restrictions eased. Soon after travel restrictions eased, it recovered steadily. Fuel oil and LPG demand remained relatively stable with minor fluctuations since they are commonly used for residential heating and cooking, and other products showed an overall increasing trend despite some yearly variations. From 2017, diesel and kerosene have consistently maintained the highest demand among petroleum products. Figure 3.9 shows the breakdown of the historical petroleum product demand for the past years (2017-2022) per product.

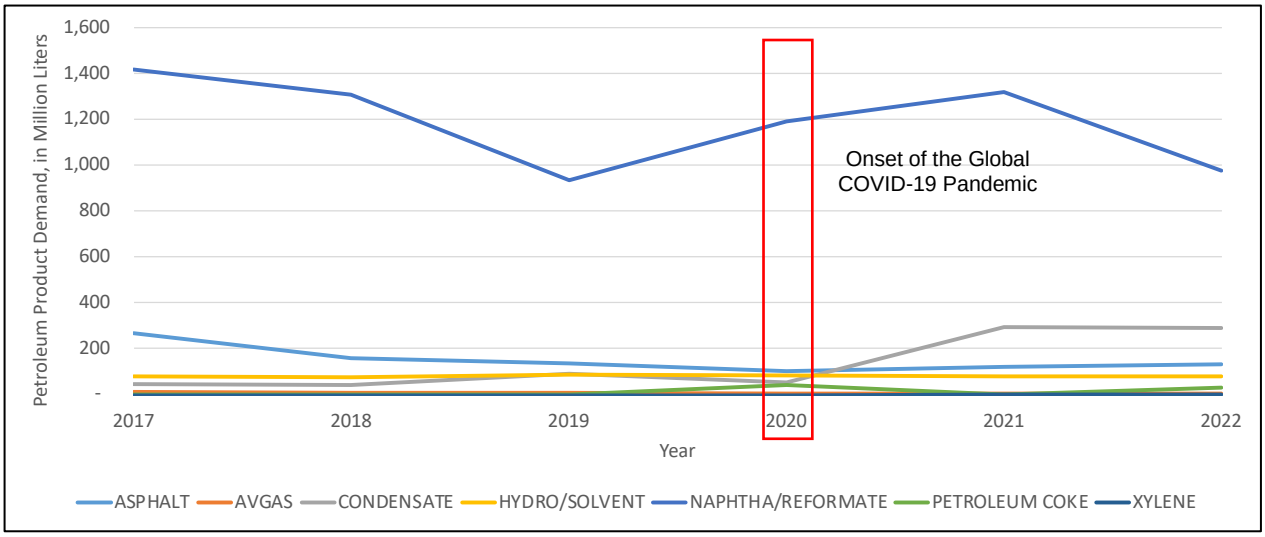


Figure 3.9 Historical Petroleum Product Demand (2017-2022) per "Other Products"

From 2017, the demand for “Other Products” has exhibited diverse trends as illustrated in Figure 3.9. Asphalt demand showed a decline from 2017 to 2020, followed by a recovery in 2021 and 2022. Avgas demand remained relatively stable but low, with a slight dip in 2020. Condensate demand experienced significant volatility, peaking dramatically in 2021 and 2022 after a dip in 2020. The demand for hydro/solvent remained consistent throughout the period. Naphtha/reformate demand fluctuated, dropping in 2019, surging in 2020 and 2021, then declining again in 2022. Petroleum coke had no recorded demand in 2018 and 2019, spiked in 2020, and reappeared at a lower level in 2022. Xylene demand was nonexistent except for negligible amounts recorded in 2021 and 2022. Table 3.9 shows the breakdown of the historical petroleum product demand for the past years (2017-2022) per product.

Table 3.9 Historical Petroleum Product Demand (2017-2022) per Product

PRODUCT	2017	2018	2019	2020	2021	2022
GASOLINE	**6,253**	**6,441**	**6,973**	**5,936**	**6,757**	**7,442**
DIESEL	**10,860**	**11,207**	**11,534**	**9,786**	**10,590**	**11,164**
KEROSENE	**122**	**102**	**93**	**85**	**90**	**71**
AVTURBO	**2,608**	**2,759**	**2,803**	**980**	**909**	**1,935**
FUEL OIL	**1,863**	**1,484**	**1,356**	**1,161**	**1,120**	**1,258**
LPG	**2,950**	**3,257**	**3,304**	**3,141**	**3,270**	**3,297**
OTHER PRODUCTS	**1,823**	**1,591**	**1,255**	**1,471**	**1,814**	**1,515**
ASPHALT	269	158	137	101	119	133
AVGAS	11	6	7	4	4	5
CONDENSATE	45	40	89	52	293	291
HYDRO/SOLVENT	80	77	86	81	78	78
NAPHTHA/REFORMATE	1,418	1,309	936	1,190	1,320	978
PETROLEUM COKE	-	-	-	43	-	30
XYLENE	-	-	-	-	0.0004	0.05
Grand Total	**26,480**	**26,840**	**27,319**	**22,560**	**24,550**	**26,682**

3.1.1.3.1.2 Historical Petroleum Product Demand per Trade

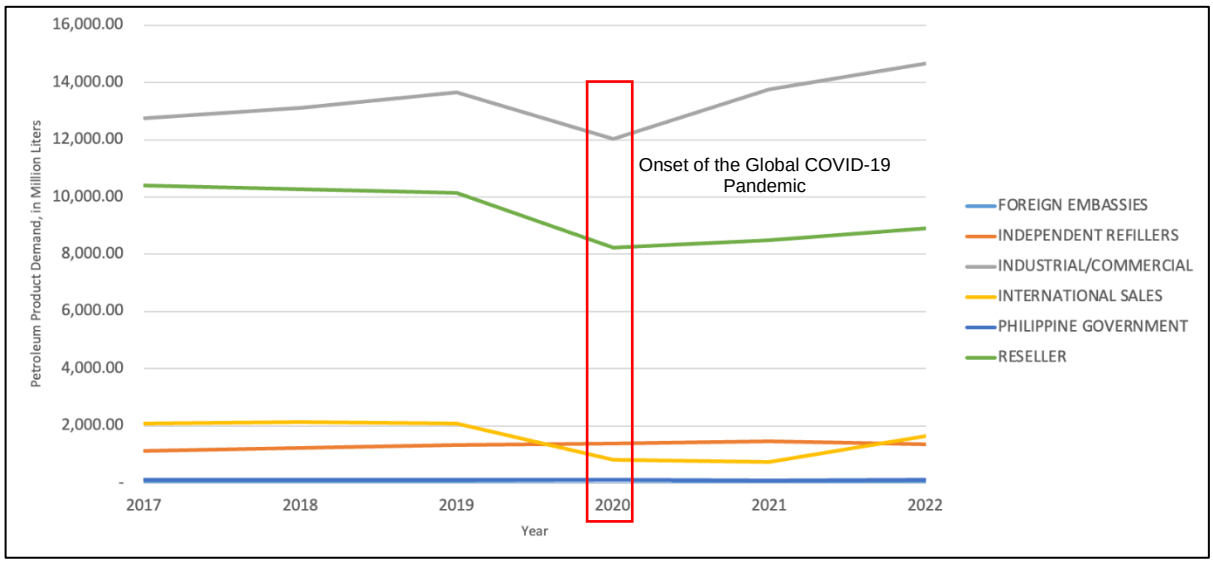


Figure 3.10 Historical Petroleum Product Demand (2017-2022) per Trade

Over the past years (2017-2022), petroleum product demand per trade exhibited varied trends as illustrated in Figure 3.10. Demand from foreign embassies remained minimal but fluctuated, peaking in 2019 and showing some recovery after a dip in 2020. Independent refillers saw a steady increase from 2019 to 2021, followed by a slight decline in 2022. The industrial/commercial sector experienced a dip in 2020 but recovered and grew significantly in 2021 and 2022. International sales plummeted sharply in 2020 and 2021 but partially rebounded in 2022. Demand from the Philippine government remained relatively stable, with minor fluctuations. The reseller sector saw a significant decline in 2020, followed by gradual recovery in 2021 and 2022. Overall, the total demand dropped in 2020, likely due to the pandemic, but showed recovery in the subsequent years, nearing pre-pandemic levels by 2022. Table 3.10 shows the detailed historical petroleum product demand for the past years (2017-2022) per trade.

Table 3.10 Historical Petroleum Product Demand (2017-2022) per Trade

TRADE	2017	2018	2019	2020	2021	2022
FOREIGN EMBASSIES	0.53	0.04	0.38	0.01	0.26	0.32
INDEPENDENT REFILLERS	1,121	1,238	1,340	1,394	1,452	1,353
INDUSTRIAL/COMMERCIAL	12,751	13,110	13,646	12,014	13,763	14,673
INTERNATIONAL SALES	2,085	2,127	2,086	822	751	1,635
PHILIPPINE GOVERNMENT	124	108	117	105	98	108
RESELLER	10,398	10,257	10,130	8,225	8,488	8,912
Grand Total	**26,480**	**26,840**	**27,319**	**22,560**	**24,550**	**26,682**

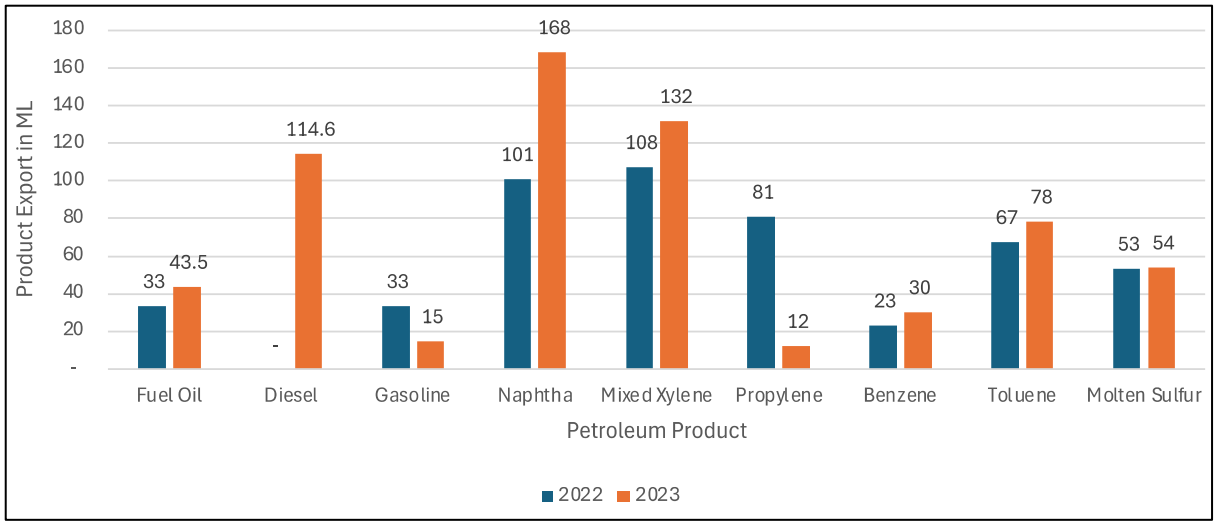
3.1.1.3.2 *Petroleum Product Exports*

Table 3.11 Product Exports, in Million Liters (2023 vs. 2022)

Product	VOLUME		PERCENT MIX (%)		PERCENT CHANGE
	YTD Dec 2022	YTD Dec 2023	YTD Dec 2022	YTD Dec 2023	
Fuel Oil	33	43.5	6.6%	6.7%	31.3%
Diesel	-	114.6	0.0%	17.7%	100.0%
Gasoline	33	15	6.7	2.3%	-55.8%
Other Products*	434	474	86.7%	73.3%	9.4%
Naphtha	101	168		26.0%	100.0%
Mixed C4	-	-	0.0%	0.0%	0.0%
Mixed Xylene	108	132	21.5%	20.3%	22.3%
Propylene	81	12	16.2%	1.9%	-84.9%
Benzene	23	30	4.7%	4.7%	30.1%
Pygas	-		0.0%	0.0%	0.0%
Toluene	67	78	13.5%	12.1%	15.8%
Molten Sulfur	53	54	10.6%	8.4%	1.9%
Mixed Aromatics			0.0%	0.0%	0.0%
Total	**500**	**647**	**100.0**	**100.0**	**29.4**
in MLCD	**1.4**	**1.8**			

*excludes condensate

The total country's petroleum product export as of YTD December 2023 significantly increased by 29.4 percent from 500 ML of YTD December 2022 to 647 ML. On a per product basis, product export mix (excluding condensate) comprised of 6.7 percent fuel oil, 17.7 percent diesel, 2.3 percent gasoline, 26.0 percent naphtha, 20.3 percent mixed xylene, 12.1 percent toluene, 4.7 percent benzene, 1.9 percent propylene and 8.4 percent molten sulfur, respectively (refer to Table 3.11 and Figure 3.11).



*excludes condensate

Figure 3.11 Comparison of Product Export, in Million Liters (2023 vs. 2022)

Majority of the country's product exports went to China with an export share of 36.96 percent, followed by Singapore with an export share of 21.66 percent. Next were countries, South Korea, Bangladesh, India, Taiwan, Indonesia, Malaysia, and Japan with 15.87, 11.71, 5.69, 2.66, 2.38, 2.28, and 0.52 percent export share, respectively. The remaining 0.27 percent was exported to UAE (refer to Figure 3.12).

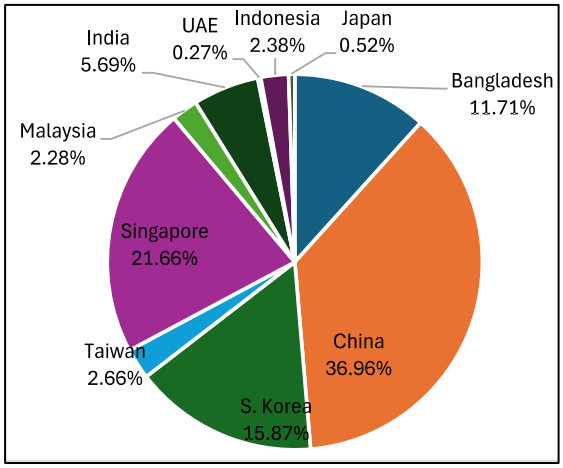


Figure 3.12 Product Export by Destination, FY 2023
(647 million liters)

3.1.1.3.2.1 Historical Exports Volume of Petroleum Products

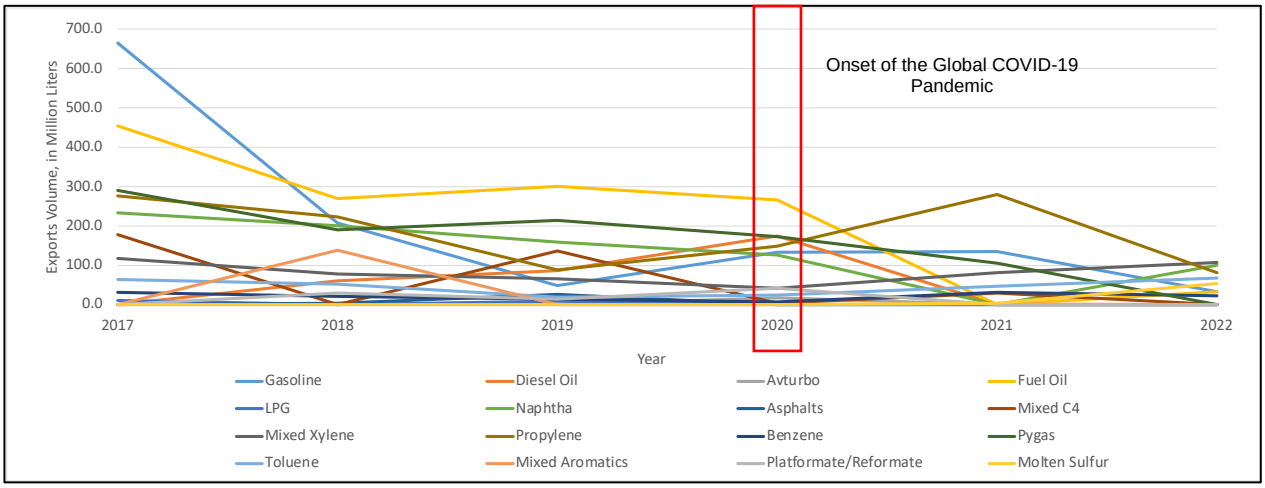


Figure 3.13 Historical Exports Volume of Petroleum Products (2017-2022) per Product

As shown in Figure 3.13, the historical exports volume of petroleum products in the Philippines from 2017 to 2022 indicates a significant overall decline. In 2018, the total export volume was 2,710.14 million liters, which sharply decreased to 1,856.50 million liters in 2019, showing a 45.98% drop. This decline continued into 2020 with a volume of 1,257.10 million liters, reflecting a year-on-year decrease of 32.29%. The downward trend persisted, with the volume further falling to 1,109.90 million liters in 2021 and reaching a low of 500.14 million liters in 2022, marking a steep 54.94% decline from the previous year. Several products, including diesel oil, avturbo, LPG, and fuel oil, saw exports drop to zero in the latter years, contributing significantly to the overall decrease in export volumes.

The export trends for specific products also shows notable fluctuations. Gasoline exports peaked in 2020 but fell sharply in subsequent years, dropping to 33.36 million liters in 2022. Diesel oil exports rose significantly in 2020 but then ceased entirely. Avturbo and LPG exports, while minimal, also ceased by 2021. Conversely, mixed xylene and toluene exports showed resilience, with mixed xylene volumes increasing to 107.55 million liters in 2022 and toluene exports peaking at 67.42 million liters the same year. Propylene exports exhibited a peak in 2021 at 279.4 million liters before a substantial decline in 2022. The data indicates that while some products have maintained or slightly increased their export volumes, the overall trend for the Philippines' petroleum product exports is a marked decline over the six-year period. Table 3.12 shows the breakdown of the historical exports volume of petroleum products for the past years (2017-2022) per product.

Table 3.12 Historical Exports Volume of Petroleum Products (2017-2022) per Product

Product	VOLUME, in MILLION LITERS					
	2017	2018	2019	2020	2021	2022
Gasoline	665.1	208.0	49.3	133.9	134.1	33.36
Diesel Oil	0.0	60.6	85.9	174.1	-	-
Avturbo	0.0	0.0	-	18.1	-	-
Fuel Oil	454.2	269.2	301.6	265.8	-	33.16
LPG	10.5	0.8	9	0.1	-	-
Naphtha	233.9	200.2	159.2	127	-	101.04
Asphalts	0.0	3.3	26.5	-	-	-
Mixed C4	178.6	0.0	137.3	3.3	29.5	-
Mixed Xylene	117.4	77.8	66	41.2	80.7	107.55
Propylene	276.9	223.2	88.7	149.3	279.4	81.11
Benzene	30.6	20.5	13.2	6.9	31	23.42
Pygas	290.0	190.5	214.1	173.1	106.1	-
Toluene	63.8	52.8	19.9	24.1	46.6	67.42
Mixed Aromatics	0.0	137.9	-	-	2.2	-
Platformate/Reformate	0.0	29.9	13.5	41.3	-	-
Molten Sulfur	0.0	0.0	-	-	3.6	53.08
Total	**2,321.00**	**2,710.14**	**1,856.50**	**1,257.10**	**1,109.90**	**500.14**
Growth rate (year-on-year)		**14.36%**	**-45.98%**	**-32.29%**	**-11.71%**	**-54.94%**

3.1.1.4 **Market Share**

3.1.1.4.1 Market Share in terms of Total Petroleum Products

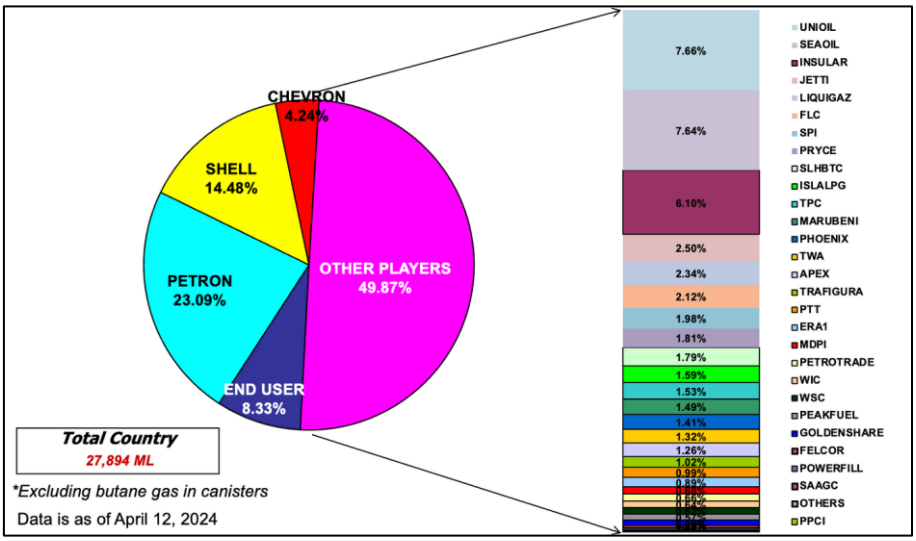


Figure 3.14 Market Share in terms of Total Petroleum Products, FY 2023
(27,894 million liters)

Figure 3.14 represents the market share distribution of total petroleum products as of April 12, 2024. The total volume of petroleum products is 27,894 million liters, excluding butane gas in canisters.

Petron holds the largest share of the market, accounting for 23.09%, followed by Shell with 14.48%. End users account for 8.33% of the total market. Chevron comes next with a 4.24% share.

A significant portion of the market, 49.87%, is held by various "Other Players," indicating a highly fragmented market. These other players are listed separately, with Unioil, Seaoil, and Insular among the larger ones, each holding 7.66%, 7.64%, and 6.10%, respectively.

3.1.1.4.2 Market Share in terms of Liquid Petroleum Products

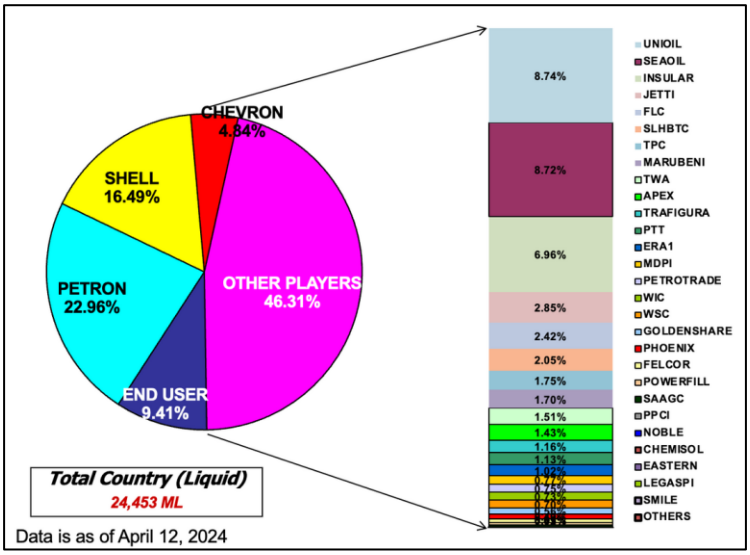


Figure 3.15 Market Share in terms of Liquid Petroleum Products, FY 2023
(24,453 million liters)

Figure 3.15 illustrates the market share distribution of liquid petroleum products as of April 12, 2024, with a total volume of 24,453 million liters.

Petron Corporation holds the largest market share with 22.96%, followed by Shell at 16.49%. End users, account for 9.41% of the market. Chevron comes in with a smaller share of 4.84%.

A substantial portion of the market, 46.31%, is controlled by various "Other Players," indicating a significant presence of smaller companies in the industry. Among these, Unioil and Seaoil are notable, each holding 8.74% and 8.72% of the market, respectively. Other companies such as Insular Oil Corporation, Jetti, and FLC also have notable shares, though smaller, contributing to the overall competitive landscape.

3.1.1.4.3 *Market Share in terms of LPG*

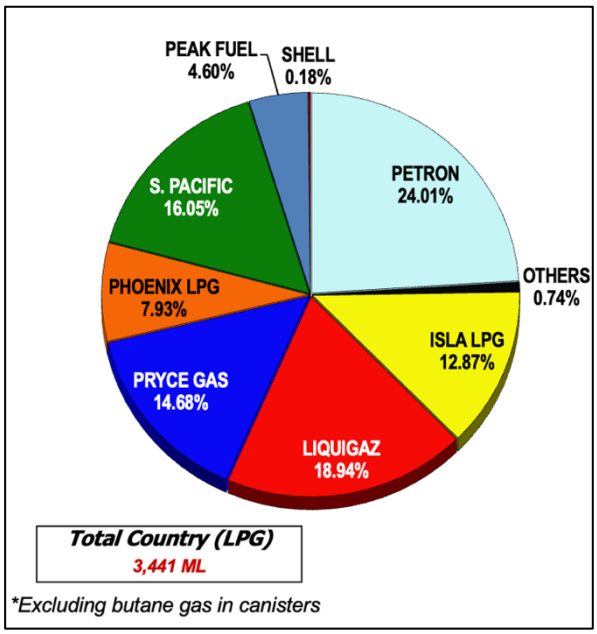


Figure 3.16 Market Share in terms of LPG, FY 2023
(3,441 million liters)

Figure 3.16 shows the market share distribution of LPG as of 2023, with a total volume of 3,441 million liters, excluding butane gas in canisters.

Petron is the dominant player in the LPG market, holding a substantial 24.01% share. Following Petron, Liquigaz has a significant share of 18.94%, making it the second-largest contributor to the LPG market. South Pacific is another major player, accounting for 16.05% of the market. Pryce Gas also holds a notable share at 14.68%, while Phoenix LPG contributes 7.93%.

Isla LPG has a market share of 12.87%, making it a considerable participant in the LPG sector. Smaller players include Peak Fuel with 4.60%, and Shell with a minimal share of 0.18%. The "Others" category, which likely includes a variety of smaller LPG suppliers, collectively holds 0.74% of the market.

3.1.1.4.4 Historical Market Share of Total Petroleum Products

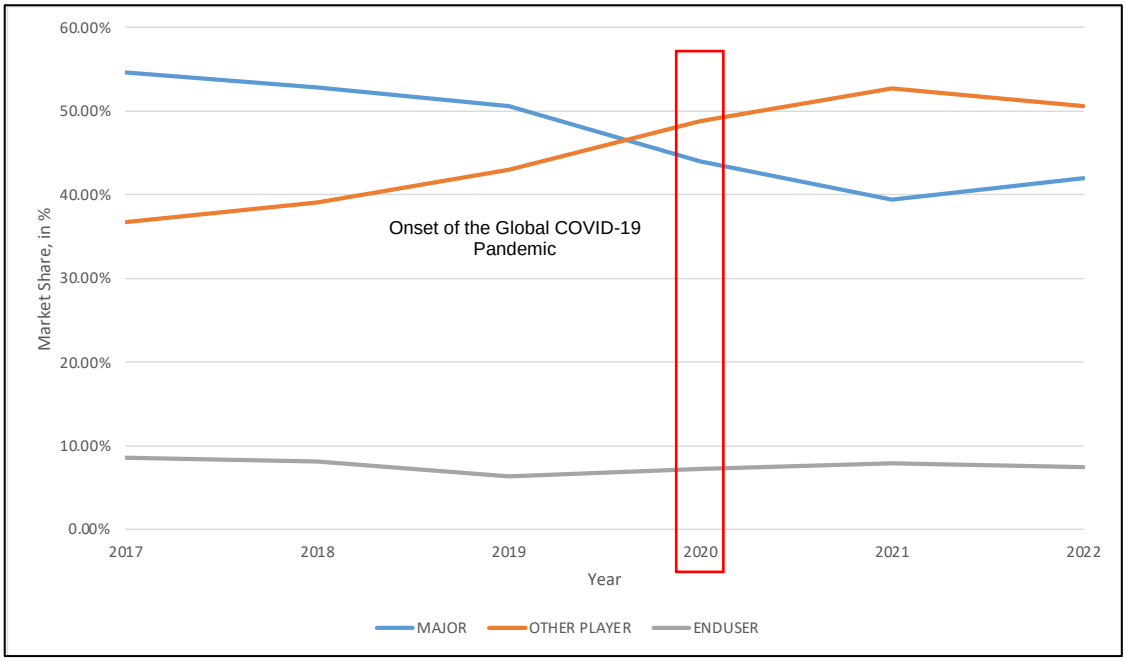


Figure 3.17 Historical Market Share of Total Petroleum Products (2017-2022) per Type of DOI Player

From 2017, the market share of total petroleum products among players has seen notable shifts as shown in Figure 3.17. Petron's share declined steadily from 27.55% in 2017 to a low of 19.17% in 2021, but slightly rebounded to 21.39% in 2022. Shell's share also decreased from 20.12% in 2017 to 14.96% in 2021, with a modest recovery to 15.63% in 2022. Chevron's position fluctuated, dropping from 7.01% in 2017 to 4.95% in 2022. Meanwhile, Phoenix saw a rise from 6.19% in 2017 to a peak of 7.45% in 2021, before falling to 3.01% in 2022. Newer or smaller players like Unioil, Insular, and Seaoil experienced growth; Insular particularly increased its share significantly from 2.74% in 2018 to 7.34% in 2022. The overall market landscape became more competitive with players like Jetti, TPC, and others maintainig relatively stable but minor shares throughout the period.

The market share of total petroleum products has seen significant shifts among different types of players over the past years. The share of major players decreased consistently from 54.67% in 2017 to a low of 39.44% in 2021, with a slight recovery to 41.96% in 2022. In contrast, the share of other players increased from 36.75% in 2017, peaking at 52.72% in 2021 before slightly declining to 50.59% in 2022. Endusers' market share showed minor fluctuations, decreasing from 8.57% in 2017 to 6.36% in 2019, then gradually increasing to 7.84% in 2021 before settling at 7.45% in 2022. Overall, there has been a noticeable shift in market dominance from major players to other players during this period. Table 3.13 shows the breakdown of the historical market share of total petroleum products for the past years (2017-2022).

Table 3.13 Historical Market Share of Total Petroleum Products (2017-2022)

2017		2018		2019		2020		2021		2022	
DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share
PETRON	27.55%	PETRON	26.36%	PETRON	24.59%	PETRON	20.15%	PETRON	19.17%	PETRON	21.39%
SHELL	20.12%	SHELL	18.53%	SHELL	18.49%	SHELL	17.97%	SHELL	14.96%	SHELL	15.63%
ENDUSER	8.57%	CHEVRON	7.93%	CHEVRON	7.57%	PHOENIX	7.11%	PHOENIX	7.45%	INSULAR	7.34%
CHEVRON	7.01%	PHOENIX	6.91%	PHOENIX	7.06%	UNIOIL	6.90%	UNIOIL	7.06%	SEAOIL	7.18%
PHOENIX	6.19%	JGSOC	5.67%	SEAOIL	5.13%	CHEVRON	5.85%	INSULAR	6.24%	UNIOIL	6.95%
JTEKT	5.68%	SEAOIL	4.69%	UNIOIL	4.85%	SEAOIL	5.43%	SEAOIL	5.51%	CHEVRON	4.95%
SEAOIL	5.24%	UNIOIL	3.45%	JGSOC	3.71%	JGSOC	5.37%	JGSOC	5.47%	JGSOC	3.74%
UNIOIL	2.84%	LIQUIGAZ	2.78%	INSULAR	3.45%	INSULAR	4.43%	CHEVRON	5.31%	PHOENIX	3.01%
LIQUIGAZ	2.65%	INSULAR	2.74%	LIQUIGAZ	2.66%	LIQUIGAZ	3.30%	LIQUIGAZ	3.03%	LIQUIGAZ	2.64%
JETTI	2.62%	JETTI	2.38%	SPI	2.16%	SPI	3.11%	SPI	2.89%	JETTI	2.12%
TWA	2.49%	SLHBTC	2.21%	JETTI	2.05%	JETTI	2.04%	JETTI	2.26%	SPI	1.98%
SLHBTC	2.32%	TPC	2.18%	MDPI	1.99%	TPC	1.97%	SLHBTC	1.95%	SLHBTC	1.97%
TPC	1.99%	SPI	1.63%	TPC	1.98%	PRYCE	1.77%	PRYCE	1.78%	PRYCE	1.77%
SPI	1.52%	MDPI	1.61%	PTT	1.61%	ISLALPG	1.69%	TPC	1.78%	FLC	1.75%
MDPI	1.43%	ISLALPG	1.46%	SLHBTC	1.58%	SLHBTC	1.66%	MARUBENI	1.70%	TPC	1.62%
PRYCE	1.41%	CEBPAC	1.35%	ISLALPG	1.55%	MARUBENI	1.54%	ISLALPG	1.67%	ISLALPG	1.62%
ISLALPG	1.37%	PRYCE	1.34%	PRYCE	1.31%	PTT	1.20%	FLC	1.60%	TWA	1.40%
PTT	1.28%	PTT	1.34%	CEBPAC	1.25%	FLC	1.19%	PTT	1.32%	MARUBENI	1.27%
FGPC	1.23%	HIGHGLORY	0.73%	FLC	1.06%	TWA	0.96%	TWA	1.21%	PTT	1.07%
INSULAR	0.79%	FLC	0.69%	MARUBENI	0.90%	MDPI	0.94%	FGPC	1.19%	TRAFIGURA	1.07%

Note: The table only includes the top 20 DOI players each year, ranked by market share from highest to lowest, over the past years.

3.1.1.4.5 Historical Market Share of LPG

The historical demand for petroleum products in the Philippines from 2017 to 2022 highlights significant trends and shifts in market shares among the leading companies. Petron began as the leading player in 2017 with 29.80%, gradually declining to 21.87% by 2022. Liquigaz and SPI also saw fluctuating shares, with LIQUIGAZ initially at 23.75% in 2019, dropping to 21.37% in 2022, while SPI started at 13.67% in 2017 and fell to 16.02% in 2022. Pryce experienced steady growth from 12.68% in 2017 to 14.30% in 2022, reflecting a resilient upward trend. New entrants like Peakfuel gained momentum, rising from negligible shares to 4.56% by 2023, signaling a dynamic and competitive market landscape. Table 3.14 shows the breakdown of the historical market share of LPG for the past years (2017-2022).

Table 3.14 Historical Market Share of LPG (2017-2022)

2017		2018		2019		2020		2021		2022	
DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share	DOI Player	Share
PETRON	29.80%	PETRON	28.90%	PETRON	28.21%	LIQUIGAZ	23.71%	LIQUIGAZ	22.76%	PETRON	21.87%
LIQUIGAZ	23.75%	LIQUIGAZ	22.89%	LIQUIGAZ	21.97%	SPI	22.34%	SPI	21.68%	LIQUIGAZ	21.37%
SPI	13.67%	SPI	13.43%	SPI	17.87%	PETRON	21.18%	PETRON	18.83%	SPI	16.02%
PRYCE	12.68%	ISLALPG	12.04%	ISLALPG	12.85%	PRYCE	12.71%	PRYCE	13.39%	PRYCE	14.30%
ISLALPG	12.29%	PRYCE	11.04%	PRYCE	10.81%	ISLALPG	12.15%	ISLALPG	12.52%	ISLALPG	13.08%
PHOENIX	4.49%	JGSOC	6.51%	PHOENIX	5.62%	PHOENIX	6.97%	PHOENIX	7.99%	PHOENIX	7.88%
JGSOC	2.93%	PHOENIX	4.84%	JGSOC	2.30%	JGSOC	0.69%	PEAKFUEL	1.95%	PEAKFUEL	4.56%
SHELL	0.22%	SHELL	0.21%	SHELL	0.25%	SHELL	0.13%	JGSOC	0.66%	JGSOC	0.60%
EASTERN	0.17%	EASTERN	0.14%	EASTERN	0.11%	EASTERN	0.12%	EASTERN	0.11%	SHELL	0.20%
UNIOIL	-	UNIOIL	0.0013%	TWA	-	TWA	-	SHELL	0.11%	EASTERN	0.10%
PEAKFUEL	-	TWA	0.0004%	UNIOIL	-	UNIOIL	-	TWA	-	TWA	-
TWA	-	PEAKFUEL	-	PEAKFUEL	-	PEAKFUEL	-	UNIOIL	-	UNIOIL	-

The "Major" DOI player, representing larger companies, started at 30.01% in 2017, dipped to 21.31% in 2020, then slightly recovered to 22.07% by 2022, suggesting initial instability followed by a modest rebound as shown in Figure 3.18. Meanwhile, "Other Player" shares, encompassing a broader range of competitors, grew steadily from 67.05% in 2017 to a peak of 80.40% in 2021, before declining slightly to 77.32% by 2023. The "End User" segment, which includes smaller players, remained marginal throughout the period, indicating limited impact on overall market dynamics. Overall, the sector witnessed a shift towards consolidation among major players initially, followed by a stabilization phase with broader market saturation evident in the latter years.

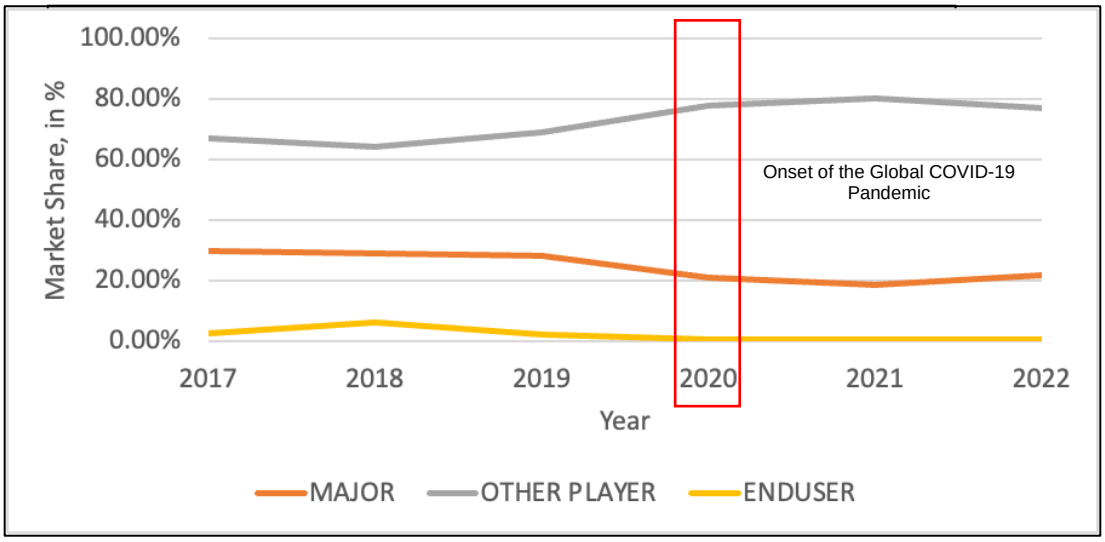


Figure 3.18 Historical Market Share of LPG (2017-2022) per Type of DOI player

3.1.1.5 Compliance of the DOI to the Minimum Inventory Requirement (MIR)

Under Section 5 of Department Circular No. 2003-01-001, also known as "Guidelines Implementing the Minimum Inventory Requirements of Oil Companies and Bulk Suppliers as Provided Under Executive Order No. 134", all oil companies, except refiners operating in the country, and bulk suppliers shall maintain a minimum inventory equivalent to fifteen (15) days supply of petroleum products, excluding LPG, which shall have to be maintained at seven (7) days supply. Refiners on the other hand, shall maintain a minimum inventory equivalent to thirty (30) days supply consisting of petroleum crude oil and refined petroleum products. This is to ensure a continuous, adequate and stable supply of petroleum crude oil and products in cases where domestic and international events threaten or restrict the supply of petroleum crude oil and products to the Philippines.

3.1.1.5.1 Inventory of Liquid Petroleum Products

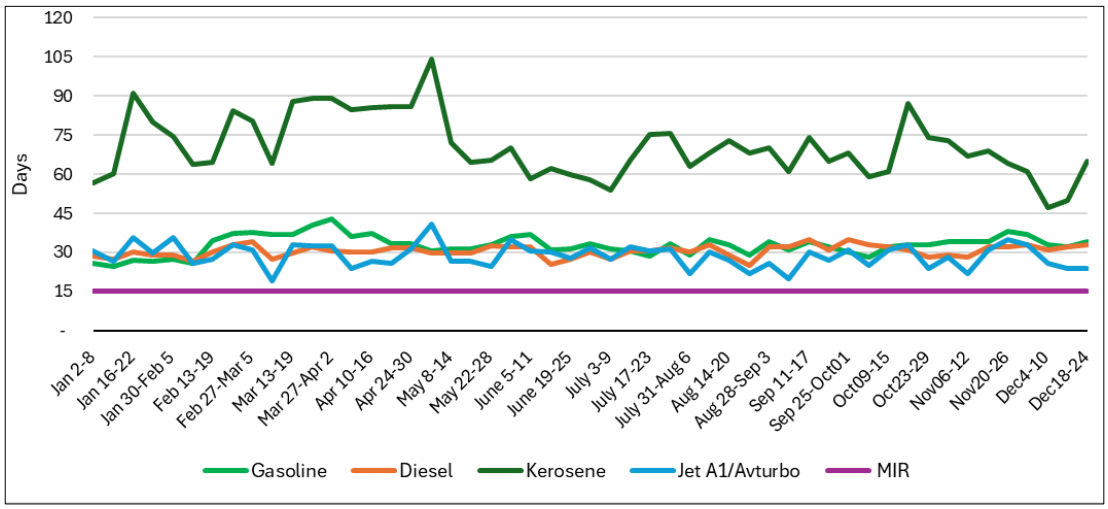


Figure 3.19 Inventory of Liquid Petroleum Products (LPP) in Day Supply, FY 2023

Figure 3.19 shows the inventory levels of LPP compared to the MIR of 15 days. Throughout 2023, the kerosene inventory shows notable fluctuations, ranging from about 60 to 105 days of supply, with significant peaks in late January, late April, and early October. There is a slight downward trend as the year progresses, with the inventory ending lower in December than at the beginning of the year. In contrast, gasoline, diesel, and Jet A1/Avturbo inventories remain relatively stable, fluctuating slightly around 30 days of supply. These products show no significant changes, indicating a consistent supply throughout the year. Overall, all LPPs consistently remain above the MIR throughout 2023.

3.1.1.5.2 Inventory of LPG

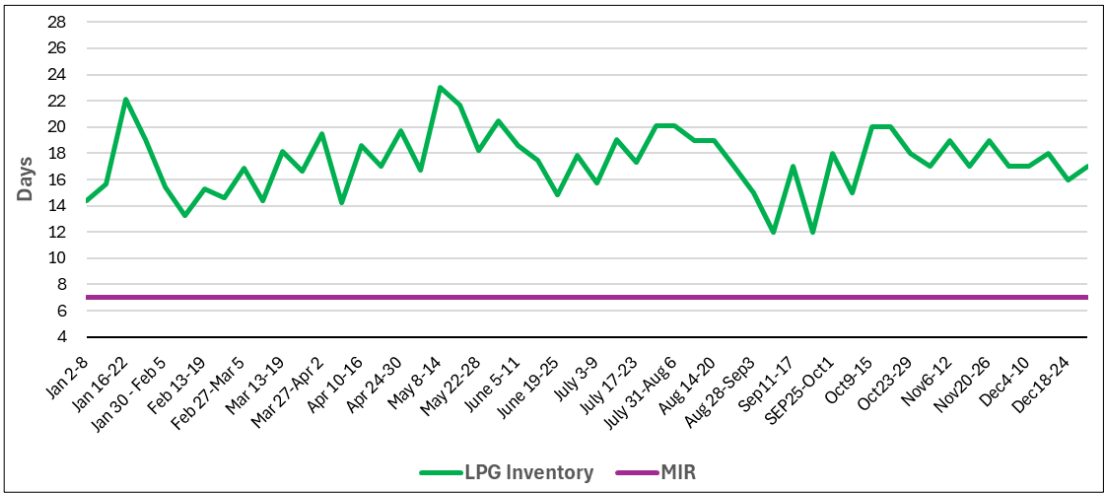


Figure 3.20 Inventory of Liquefied Petroleum Gas (LPG) in Day Supply, FY 2023

Throughout the year, the inventory of LPG shows considerable fluctuations, with values ranging between approximately 12 and 23 days of supply as shown in Figure 3.20. Notable peaks in LPG inventory occur in late January, late March, mid-May, and early October. Conversely, there are periods of lower inventory levels, particularly in mid-April, late June, and late August. Despite these fluctuations, the inventory of LPG consistently remains above the MIR.

3.1.1.6 Projected Demand and Day Supply

Table 3.15 Projected Demand and Day Supply (2023 vs. 2040)

	Actual Working Capacity, ML	Actual Demand, ML	Projected Demand, ML (using AAGR)				Projected Day Supply using the Projected Demand and using the 2022 Actual Storage Capacity			
Region	2023* (using 2022 data)	2023	2025	2030	2035	2040	2025	2030	2035	2040
Luzon	**5,328**	**19,953**	**22,162**	**28,817**	**37,469**	**48,719**	**88**	**67**	**52**	**40**
NCR	176	8,272	9,188	11,946	15,533	20,197	7	5	4	3
Region 1	166	1,220	1,355	1,762	2,292	2,980	45	34	27	20
Region 2	0	537	596	775	1,008	1,310	-	-	-	-
Region 3	2,725	3,600	3,998	5,199	6,760	8,789	249	191	147	113
CAR	0	160	177	231	300	390	0	0	0	0
Region 4A	2,170	4,841	5,377	6,991	9,090	11,819	147	113	87	67
Region 4B	43	400	444	578	751	977	35	27	21	16
Region 5	47	924	1,026	1,335	1,735	2,256	17	13	10	8
Visayas	**516**	**3,811**	**4,233**	**5,505**	**7,157**	**9,306**	**45**	**34**	**26**	**20**
Region 6	182	1,473	1,636	2,127	2,765	3,596	41	31	24	18
Region 7	256	1,758	1,953	2,540	3,302	4,294	48	37	28	22
Region 8	79	580	645	838	1,090	1,417	45	34	26	20
Mindanao	**1,002**	**4,130**	**4,587**	**5,964**	**7,755**	**10,083**	**80**	**61**	**47**	**36**
Region 9	96	665	739	960	1,249	1,624	47	36	28	22
Region 10	479	1,262	1,401	1,822	2,369	3,081	125	96	74	57
Region 11	290	1,192	1,324	1,722	2,239	2,912	80	61	47	36
Region 12	111	580	645	838	1,090	1,417	63	49	37	29
Region 13	20	313	347	452	587	763	21	16	12	9
BARMM	7	117	130	170	221	287	18	14	11	8
Grand Total	**6,846**	**27,894**	**30,983**	**40,286**	**52,381**	**68,109**	**81**	**62**	**48**	**37**

Note: Projected using the average annual growth rate (AAGR) of 5.39%, based on the historical data from 2017 to 2023 (excluding 2020 figures).

In 2023, the total demand for petroleum products in the Philippines was approximately 27,319 million liters (ML), while the actual storage capacity stood at 6,846 ML. The projected demand by 2040, using the Annual Average Growth Rate (AAGR) of 5.39%, is expected to increase significantly to around 68,109 ML, reflecting a more than twofold increase over the 2023 demand. However, if the storage capacity remains at the 2022 level, the projected day supply would decrease substantially, from 81 days in 2025 to just 37 days by 2040. This decrease indicates that, while demand is growing rapidly, the storage capacity is not keeping pace, potentially leading to challenges in maintaining adequate petroleum supplies.

3.1.1.7 Status of Common Pump Price

Table 3.16 Status of Common Pump Price of LPP and LPG, FY 2023

	Gasoline			Diesel			Kerosene			LPG, P/kg		
	Common Price**	Adjustments*	*Resulting (Would-be Price)*	Common Price**	Adjustments*	*Resulting (Would-be Price)*	Common Price**	Adjustments*	*Resulting (Would-be Price)*	Common Price	Adjustments*	*Resulting (Would-be Price)*
December 2022	64.50			68.35			72.31			87.27		
Jan-23	68.70	7.20	71.70	64.25	3.05	*71.40*	77.73	4.55	*76.86*	78.89	-4.20	*83.07*
Feb-23	65.30	-1.90	66.80	58.55	-5.45	*58.80*	70.01	-6.85	*70.88*	94.27	11.20	*90.09*
Mar-23	63.70	-0.65	64.65	53.75	-1.75	*56.80*	66.76	-3.25	*66.76*	83.09	-3.50	*90.77*
Apr-23	66.55	2.90	66.60	55.04	1.10	*54.85*	68.93	2.00	*68.76*	81.64	-9.20	*73.89*
May-23	64.10	-1.45	65.10	52.04	-2.00	*53.04*	65.73	-3.20	*65.73*	82.45	0.85	*82.49*
Jun-23	68.15	0.45	64.55	55.91	2.05	*54.09*	68.03	1.60	*67.33*	76.27	-6.20	*76.25*
Jul-23	67.35	2.35	70.50	53.00	2.60	*58.51*	69.06	1.80	*69.83*	71.82	-3.70	*72.57*
Aug-23	67.30	5.90	73.25	63.60	9.90	*62.90*	79.06	9.99	*79.05*	77.09	4.55	*76.37*
Sep-23	70.10	2.50	69.80	68.45	3.90	*67.50*	82.63	2.80	*81.86*	83.73	6.65	*83.74*
Oct-23	69.85	-3.10	67.00	66.40	-2.95	*65.50*	77.46	-4.40	*78.23*	87.45	3.75	*87.48*
Nov-23	67.75	-1.90	67.95	61.95	-4.45	*61.95*	74.16	-3.30	*74.16*	87.91	0.45	*87.90*
Dec-23	65.70	0.30	68.05	59.55	-0.35	*61.60*	73.66	-0.50	*73.66*	87.91	0.00	*87.91*
Price Range, CY 2023	53.00-85.97			47.55-80.34			64.19-92.59			65.27-101.82		
Total Adjustment	12.60			5.65			1.24			0.65		
Inc/Dec (%) Dec-23 vs Dec-22	1.9%			-12.9%			1.9%			0.7%		

* Adjustments as notified by the downstream oil industry players
** Price as of end-month
Note: The resulting/would-be price shows the retail prices computed by adding/deducting the adjustments to/from the price monitored as of end-2022.

Table 3.16 shows the monthly common prices, adjustments, and resulting prices for gasoline, diesel, kerosene, and LPG from December 2022 to December 2023. Over the course of the year, gasoline prices fluctuated slightly, beginning at 68.70 in January 2023 and ending at 65.70 in December 2023, with adjustments ranging from -3.10 to 7.20. This resulted in a 1.9% decrease in the overall price from December 2022 to December 2023. Diesel prices, starting at 64.25 in January 2023, experienced more significant adjustments, ranging from -5.45 to 9.90, and concluded the year at 59.55, reflecting a notable 12.9% decrease. Kerosene prices also saw fluctuations, beginning at 77.73 in January and ending at 73.66 in December, with adjustments between -6.85 and 9.99, resulting in a 1.9% decrease overall. LPG prices had a slight increase of 0.7%, starting at 78.89 in January and ending at 87.91 in December. Comparing December 2022 to December 2023, the common price for gasoline decreased from 64.50 to 65.70, diesel dropped from 68.35 to 59.55, kerosene decreased from 72.31 to 73.66, and LPG showed a slight increase from 87.27 to 87.91.

Furthermore, the total adjustment in 2023 was at net increase of P12.60/liter for gasoline, P5.65/liter for diesel, P1.24/liter for kerosene and P0.65/kg for LPG. The actual common prices, monitored by the OIMB-RMMSCD, showed an increase of 1.9% in gasoline, decrease of 12.9% in diesel, increase of 1.9% in kerosene and increase of 0.7% in LPG.

3.1.1.8 Components of Common Pump Price

3.1.1.8.1 Common Pump Price of Gasoline

Table 3.17 Common Pump Price of Gasoline

	GASOLINE	
	Common Pump Price Component	%
1. MOPS Gasoline($/bbl), December 18-22, 2023	**88.77**	
Freight Plus Insurance (3Q 2023)	2.46	
CIF/total	91.23	
Peso Exchange Rate	55.72	
CIF, P/bbl	5,083.94	
Ocean Loss, P/bbl (0.5%)	25.42	
Peso Landed Cost, P/bbl	5,109.36	
Peso Landed Cost, P/liter (bbl/159 * 90%)	28.92	**44.02%**
2. Taxes		
Excise tax	**10.00**	**15.22%**
VAT	**7.04**	**10.71%**
3. Bioethanol:		
Domestic (SRA Price Index):		
December 01-15, 2023 (P77.16*53%*10%)	4.09	
Imported (MOPS):		
December 01-15, 2023 (P33.91*47%*10%)	1.59	
Total Ethanol	**5.68**	**8.65%**
4. Industry Take*	**14.06**	**21.40%**
5. Common Pump Price, Dec 26, 2023-Jan 01, 2024	**65.70**	**100.00%**

*Industry Take – the amount comprising the recovery of all the operating costs and profit margin of the oil company.

As shown in Table 3.17, the common pump price of gasoline at P65.70/liter, as of end 2023, was attributed to import cost at 44%, taxes at 26%, biofuels (ethanol) at 9% and the rest to industry take at 21%.

3.1.1.8.2 Common Pump Price of Diesel

Table 3.18 Common Pump Price of Diesel

	DIESEL	
	Common Pump Price Component	%
1. MOPS Diesel ($/bbl), December 18-22, 2023	**101.19**	
Freight Plus Insurance (3Q 2023)	1.54	
CIF/total	102.74	
Peso Exchange Rate	55.72	
CIF, P/bbl	5,724.98	
Ocean Loss, P/bbl (0.5%)	28.62	
Peso Landed Cost, P/bbl	5,753.60	
Peso Landed Cost, P/liter (bbl/159 * 98%)	35.46	**59.55%**
2. Taxes		
Excise tax	**6.00**	**10.08%**
VAT	**6.38**	**10.71%**
3. Coco Methyl Ester (CME)		
December 2023 (P56.46*2%)	**1.13**	**1.90%**
4. Industry Take*	**10.58**	**17.76%**
5. Common Pump Price, Dec 26, 2023-Jan 01, 2024	**59.55**	**100.00%**

*Industry Take – the amount comprising the recovery of all the operating costs and profit margin of the oil company.

As shown in Table 3.18, the common pump price of diesel at P59.55/liter, as of end 2023, was attributed to import cost at 59%, taxes at 21%, biofuels (CME) at 2% and the rest to the industry take at 18%.

3.1.1.8.3 Common Pump Price of Kerosene

Table 3.19 Common Pump Price of Kerosene

	KEROSENE	
	Common Pump Price Component	%
1. MOPS Kerosene ($/bbl), December 18-22, 2023	**103.11**	
Freight Plus Insurance (3Q 2023)	2.54	
CIF/total	105.64	
Peso Exchange Rate	55.72	
CIF, P/bbl	5,886.73	
Ocean Loss, P/bbl (0.5%)	29.43	
Peso Landed Cost, P/bbl	5,916.17	
Peso Landed Cost, P/liter	37.21	**50.51%**
2. Taxes		
Excise tax	**5.00**	**6.79%**
VAT	**7.89**	**10.71%**
3. Industry Take*	**23.56**	**31.98%**
4. Common Pump Price, Dec 26, 2023-Jan 01, 2024	**73.66**	**100.00%**

*Industry Take – the amount comprising the recovery of all the operating costs and profit margin of the oil company.

As shown in Table 3.19, the common pump price of kerosene at P73.66/liter as of end 2023 was attributed to import cost at 50%, taxes at 18%, and the rest to the estimated industry take at 32%.

3.1.1.8.4 Common Pump Price of LPG

Table 3.20 Common Pump Price of LPG

	KEROSENE	
	Common Pump Price Component	%
1. MOPS Kerosene ($/bbl), December 18-22, 2023	**103.11**	
Freight Plus Insurance (3Q 2023)	2.54	
CIF/total	105.64	
Peso Exchange Rate	55.72	
CIF, P/bbl	5,886.73	
Ocean Loss, P/bbl (0.5%)	29.43	
Peso Landed Cost, P/bbl	5,916.17	
Peso Landed Cost, P/liter	37.21	**50.51%**
2. Taxes		
Excise tax	**5.00**	**6.79%**
VAT	**7.89**	**10.71%**
3. Industry Take*	**23.56**	**31.98%**
4. Common Pump Price, Dec 26, 2023-Jan 01, 2024	**73.66**	**100.00%**

*Industry Take – the amount comprising the recovery of all the operating costs and profit margin of the oil company.

As shown in Table 3.20, the common pump price of kerosene at P73.66/liter as of end 2023 was attributed to import cost at 50%, taxes at 18%, and the rest to the estimated industry take at 32%.

3.1.1.9 **Oil Import Bill**

YTD December 2023 total oil import bill amounting to $17,218.99 million was down by 12.1 percent from YTD December 2022's $19,579.51 million. This was attributed to low import cost of crude and finished petroleum products in full year 2023 vis-à-vis full year of 2022 (refer to Table 3.21 and Figure 3.21). Total oil import cost was made up of 75.8 percent finished petroleum products and 24.2 percent crude oil.

Table 3.21 Import Bill, in Million USD

Details	Volume in Million Liters, ML		Total Cost In Million US$		Percent Change in Cost
	Ytd Dec 2022	Ytd Dec 2023	Ytd Dec 2022	Ytd Dec 2023	
Total Imports Vol. and Bill	26,478	27,941	19,579.51	17,218.90	-12.1%
i. Crudes	6,892	7,550	4,429.92	4,174.52	-5.8%
ii. Products	19,587	20,392	15,149.58	13,044.38	-13.9%
Total Pet. Export Earnings	979	997	556.53	520.19	-6.5%
i. Crudes	76.3	76.0	38.14	37.81	-0.9%
ii. Products	902	921	518.39	482.39	-6.9%
Net Oil Import Volume and Bill	**25,500**	**26,944**	**19,022.98**	**16,698.71**	**-12.2%**

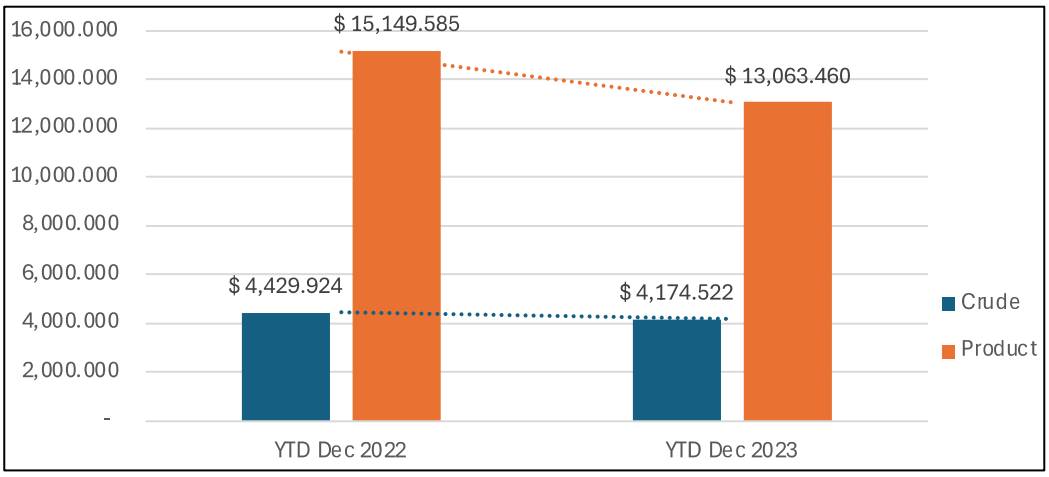


Figure 3.21 Total Oil Import Bill FY 2023

Total import cost of crude oil amounted to $4,174.52 million at an average CIF cost of $556.14/ kl. This was 5.8 percent lower vis-à-vis last year's level of $4,429.92 million at an average CIF cost of $642.81/ kl.

For product import cost, it registered a decrease of 13.9 percent from 15,149.58 million at an average import cost of $770.35/ kl to 13,044.38 million at an average import cost of $658.74/ kl. The drop was due to lower import costs of finished products in 2023.

Meanwhile, total export earnings for YTD December 2023 (including condensate) declined by 6.5 percent from $556.53 million of last year's level to $520.19 million.

Overall, the country's net oil import bill amounting to $16,698.71 million dropped by 12.2 percent from last year's $ 19,022.98 million.

3.1.2 Base Oils and Lubricating Products

Based on the Annex MR-K Monthly Reports received for the whole year, a grand total of 712,291,261.54 liters supply (Total Available Supply) vis-à-vis 140,689,909.85 liters demand (Total Withdrawal) of lubricating products and base oils was reported for the year 2023 resulting to a difference of 734,145,274.07 liters greater demand over supply. These values were extracted from the updated 1st Half 2023 and the current 2nd Half 2023 consolidated statistical reports for Annex MR-K which were both updated on 15 April 2023. The following tables show the Total Industry Lubricating Products and Base Oils Stock Supply and Demand in Liter Volume for 2023 per product type. Table 3.23, Table 3.24, and Table 3.25 provide a detailed breakdown of Table 3.22, focusing on the importer categories Blender, Marketer, and Own User, respectively.

3.1.2.1 Importation

Blenders made the most importation of about 48% of the total importation in 2023, translated to 61,556,036.68 liters out of the total 127,674,639.96 liters (refer to Figure 3.22). Marketers came close at 45% percent of the total importation volume translated to 57,820,587.29 liters out of the total 127,674,639.96 liters. Lastly, Own User came third at only 6% of the total importation volume albeit being the most numerous at 397 out the total of 745 registered DOE-acknowledged companies.

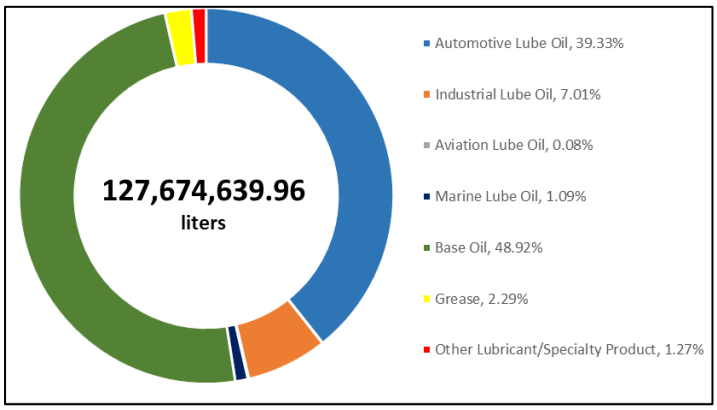


Figure 3.22 Importation Volume per Product Type, FY 2023

Blenders are the biggest importers of base oil registering 97.77% of its total imports (60,180,667.39 liters out of the total 61,556,036.68 liters), while the marketers mainly import automotive lubricants. Industrial lubes are commonly imported by own users.

Base oils constitute the largest importation overall among the various product types for 2023 at 48.92%. Coming close at second is automotive lube oil with 39.33% while aviation lube oils are the least imported type at 0.08% only.

3.1.2.2 Production

As production activity is solely done by blenders, the data below indicates that the majority of the production is for automotive lube oils with 72.62% (refer to Figure 3.23). Industrial lube oil came far second with 19.73% only. It is noteworthy that there is no local production of aviation lube oil and other lubricants / specialty products, and even barely for greases with only 1.42%.

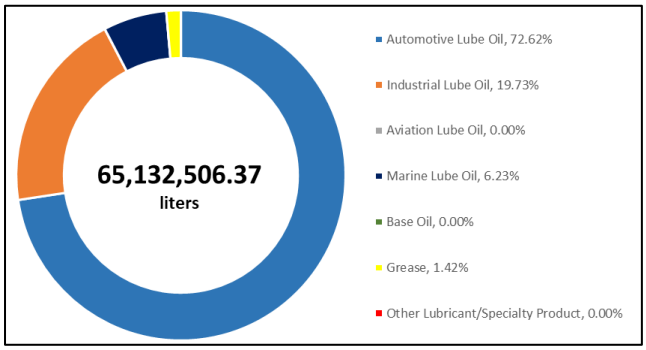


Figure 3.23 Production Volume per Product Type, FY 2023

3.1.2.3 Domestic / Local Purchase

For locally purchased lubricating products and base oils, automotive lube oils constitute the largest locally purchased product type overall among the various product types for 2023 at 53.68% (refer to Figure 3.24). Far second is base oil with 35.06%. It is noteworthy that there is no reported local purchase of marine lube oil, and even barely for greases and aviation lube oils, with only 0.76% and 0.07%, respectively.

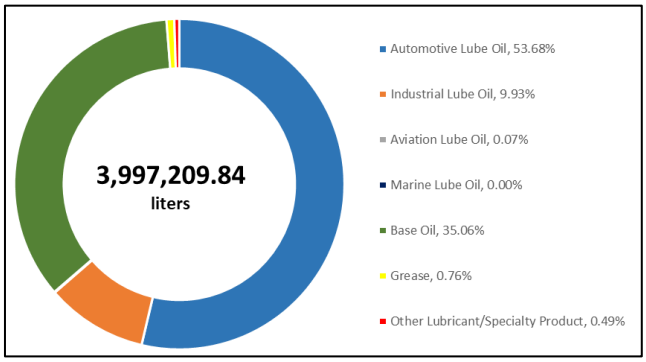


Figure 3.24 Domestic/Local Purchase Volume per Product Type, FY 2023

3.1.2.4 Sales

Blenders came to the lead against the marketers as the biggest seller of lubricating products and base oils only by a narrow margin with 50.30% share (58,724,307.45 liters) and 49.70% share (58,023,465.39 liters) across all products, respectively (refer to Figure 3.25).

Automotive lube oils represent the largest portion of lubricating products sold in the Philippines by both the blenders and marketers. Industrial lube oils and base oils came second and third, respectively overall. Aviation lube oil has the lowest selling share with just 0.09% in total industry.

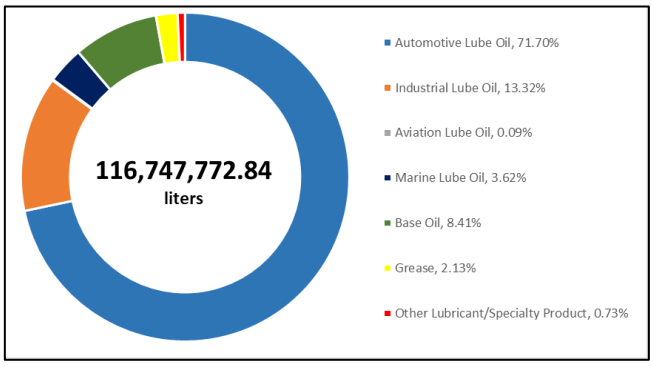


Figure 3.25 Sales Volume per Product Type, FY 2023

Table 3.22 Summary of Lubricating Products and Base Oils Supply and Demand, in Liter Volume

Main Product Category	Sub Product Category	Beginning Inventory	Importation	Production	Domestic/Local Purchase	Total Available Supply	Domestic/Local Sales	Export	Consumption	Total Withdrawal	Ending Inventory
Automotive Lube Oil		**253,037,627.67**	**50,211,104.86**	**47,296,684.45**	**2,145,811.83**	**352,691,228.81**	**83,709,614.89**	**0.00**	**13,074,310.70**	**96,783,925.59**	**255,907,303.22**
	Engine Motor Oil	150,335,120.93	33,477,189.14	28,865,877.78	228,751.00	212,906,938.85	53,757,723.38	0.00	8,058,866.44	61,816,589.82	151,090,349.03
	Gear Transmission Oil	31,848,739.76	4,899,817.43	3,351,460.52	140,703.40	40,240,721.11	6,289,810.90	0.00	2,057,145.55	8,346,956.45	31,893,764.66
	Motorcycle Oil	59,514,295.40	10,254,622.40	14,218,035.61	1,758,782.88	85,745,736.29	21,489,971.14	0.00	3,014,485.90	24,504,457.04	61,241,279.25
	Other Automotive Lube Oil	11,339,471.58	1,579,475.89	861,310.54	17,574.55	13,797,832.56	2,172,109.47	0.00	-56,187.19	2,115,922.28	11,681,910.28
Industrial Lube Oil		**74,769,816.30**	**8,953,768.45**	**12,852,212.82**	**397,000.70**	**96,972,798.28**	**15,553,545.78**	**0.00**	**6,930,058.01**	**22,483,603.79**	**74,489,194.48**
	Hydraulic Oil	44,435,283.96	6,160,565.97	10,222,178.02	242,255.00	61,060,282.95	12,392,861.35	0.00	4,499,634.32	16,892,495.67	44,167,787.28
	Circulating Oil	1,920,492.00	249,822.00	170,418.00	38,200.00	2,378,932.00	211,856.00	0.00	240,203.00	452,059.00	1,926,873.00
	Turbine Oil	1,296,072.00	4,200.00	403,003.00	8,200.00	1,711,475.00	258,640.00	0.00	155,300.00	413,940.00	1,297,535.00
	Gear Oil	14,795,548.48	531,956.10	1,155,669.60	64,654.00	16,547,828.18	909,577.68	0.00	930,614.00	1,840,191.68	14,707,636.50
	Cutting Machine Oil	858,140.64	339,315.27	40,324.00	10,325.00	1,248,104.91	293,213.00	0.00	94,561.40	387,774.40	860,330.51
	Compressor Oil	1,023,296.19	232,981.32	44,742.00	9,060.00	1,310,079.51	211,751.82	0.00	16,008.70	227,760.52	1,082,318.99
	Transformer Oil	1,967,173.00	326,975.00	0.00	0.00	2,294,148.00	207,082.00	0.00	60,684.00	267,766.00	2,026,382.00
	Other Industrial Oils	8,473,810.03	1,107,952.79	815,878.20	24,306.70	10,421,947.72	1,068,563.93	0.00	933,052.59	2,001,616.52	8,420,331.20
Aviation Lube Oil		**168,209.46**	**103,402.31**	**0.00**	**2,988.58**	**274,600.35**	**105,516.69**	**0.00**	**19,325.68**	**124,842.37**	**149,757.98**
Marine Lube Oil		**10,120,638.80**	**1,396,010.44**	**4,058,843.00**	**0.00**	**15,575,492.24**	**4,228,371.26**	**0.00**	**1,230,283.00**	**5,458,654.26**	**10,116,837.98**
Base Oil		**159,599,443.44**	**62,459,800.45**	**0.00**	**1,401,463.80**	**223,460,707.69**	**9,813,999.89**	**1,200.00**	**394,571.06**	**10,209,770.95**	**213,250,936.74**
	Solvent Neutral (SN)	136,776,840.37	54,929,634.06	0.00	1,346,212.80	193,052,687.23	8,590,465.51	0.00	47,474,758.78	56,065,224.29	136,987,462.94
	Bright Stock (BS)	15,280,937.50	3,901,224.33	0.00	33,000.00	19,215,161.83	414,445.88	0.00	3,951,938.08	4,366,383.96	14,848,777.87
	Others	7,541,665.57	3,628,942.06	0.00	22,251.00	11,192,858.63	809,088.50	1,200.00	2,344,423.45	3,154,711.95	8,038,146.68
Grease		**12,690,868.83**	**2,925,514.79**	**924,766.10**	**30,477.93**	**16,571,627.65**	**2,483,767.34**	**0.00**	**1,368,759.35**	**3,852,526.70**	**12,719,100.95**
	Automotive Grease	7,984,270.02	2,292,848.20	922,824.31	14,453.00	11,214,395.53	1,858,884.22	0.00	1,191,777.56	3,050,661.78	8,163,733.75
	Industrial Grease	4,706,598.81	632,666.59	1,941.79	16,024.93	5,357,232.12	624,883.12	0.00	176,981.79	801,864.91	4,555,367.20
Other Lubricant / Specialty Product		**5,100,300.88**	**1,625,038.66**	**0.00**	**19,467.00**	**6,744,806.54**	**852,956.98**	**0.00**	**923,629.21**	**1,776,586.19**	**4,968,220.35**
TOTAL VOLUME		**515,486,905.37**	**127,674,639.96**	**65,132,506.37**	**3,997,209.84**	**712,291,261.54**	**116,747,772.84**	**1,200.00**	**23,940,937.01**	**140,689,909.85**	**571,601,351.69**

Notes:
1. Data obtained by the DOE – Oil Industry Management Bureau (OIMB) are dependent to the submission compliance of the industry players.
2. Observed volume discrepancies from the main product category maybe attributable to the incomplete disaggregation at the sub product category entries.

*Based on submitted reports as of 15 April 2024

Table 3.23 Lubricating Products and Base Oils Supply and Demand from Blender in Liter Volume

Blender Full Year 2023

Main Product Category	Sub Product Category	Beginning Inventory	Importation	Production	Domestic/Local Purchase	Total Available Supply	Domestic/Local Sales	Export	Consumption	Total Withdrawal	Ending Inventory
Automotive Lube Oil		**59,073,660.49**	**296,226.40**	**47,296,684.45**	**279,316.95**	**106,945,888.29**	**36,916,145.87**	**0.00**	**10,665,656.98**	**47,581,802.85**	**59,364,085.44**
	Engine Motor Oil	35,061,613.43	231,068.40	28,865,877.78	98,672.00	64,257,231.61	22,055,973.92	0.00	6,758,473.40	28,814,447.32	35,442,784.29
	Gear Transmission Oil	6,523,448.44	0.00	3,351,460.52	34,631.40	9,909,540.36	2,534,579.36	0.00	959,223.66	3,493,803.02	6,415,737.34
	Motorcycle Oil	16,086,997.53	65,158.00	14,218,035.61	128,439.00	30,498,630.14	11,397,559.32	0.00	3,012,489.52	14,410,048.84	16,088,581.30
	Other Automotive Lube Oil	1,401,601.09	0.00	861,310.54	17,574.55	2,280,486.18	928,033.27	0.00	-64,529.60	863,503.67	1,416,982.51
Industrial Lube Oil		**19,950,447.26**	**207,989.00**	**12,852,212.82**	**0.00**	**33,010,649.08**	**10,011,205.68**	**0.00**	**2,989,532.00**	**13,000,737.68**	**20,009,911.40**
	Hydraulic Oil	10,245,048.76	118,908.00	10,222,178.02	0.00	20,586,134.78	8,160,638.20	0.00	2,052,534.00	10,213,172.20	10,372,962.58
	Circulating Oil	860,742.00	0.00	170,418.00	0.00	1,031,160.00	80,882.00	0.00	69,379.00	150,261.00	880,899.00
	Turbine Oil	1,085,512.00	0.00	403,003.00	0.00	1,488,515.00	258,640.00	0.00	151,682.00	410,322.00	1,078,193.00
	Gear Oil	4,475,220.80	25,281.00	1,155,669.60	0.00	5,656,171.40	732,416.28	0.00	437,853.00	1,170,269.28	4,485,902.12
	Cutting Machine Oil	303,220.00	0.00	40,324.00	0.00	343,544.00	53,458.00	0.00	1,374.00	54,832.00	288,712.00
	Compressor Oil	141,793.70	2,600.00	44,742.00	0.00	189,135.70	43,498.00	0.00	7,978.00	51,476.00	137,659.70
	Transformer Oil	72,000.00	60,000.00	0.00	0.00	132,000.00	36,800.00	0.00	43,800.00	80,600.00	51,400.00
	Other Industrial Oils	2,766,910.00	1,200.00	815,878.20	0.00	3,583,988.20	644,873.20	0.00	224,932.00	869,805.20	2,714,183.00
Aviation Lube Oil		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Marine Lube Oil		**4,747,776.00**	**515,482.00**	**4,058,843.00**	**0.00**	**9,322,101.00**	**3,360,694.00**	**0.00**	**1,229,683.00**	**4,590,377.00**	**4,731,724.00**
Base Oil		**155,407,375.73**	**60,180,667.39**	**0.00**	**1,385,507.80**	**216,973,550.92**	**7,674,593.39**	**0.00**	**(44673395.77)**	**7,674,593.39**	**209,298,957.53**
	Solvent Neutral (SN)	133,580,196.49	53,792,425.06	0.00	1,346,212.80	188,718,834.35	7,303,795.06	0.00	47,234,951.08	54,538,746.14	134,180,088.21
	Bright Stock (BS)	15,166,931.51	3,901,224.33	0.00	33,000.00	19,101,155.84	370,798.33	0.00	3,951,938.08	4,322,736.41	14,778,419.43
	Others	6,660,247.73	2,487,018.00	0.00	6,295.00	9,153,560.73	0.00	0.00	2,189,660.09	2,189,660.09	6,963,900.64
Grease		**2,320,074.59**	**107,259.44**	**924,766.10**	**14,243.00**	**3,366,343.13**	**700,656.51**	**0.00**	**327,159.71**	**1,027,816.22**	**2,338,526.91**
	Automotive Grease	1,864,952.06	0.00	922,824.31	11,653.00	2,799,429.37	609,740.29	0.00	297,775.51	907,515.80	1,891,913.57
	Industrial Grease	455,122.53	107,259.44	1,941.79	2,590.00	566,913.76	90,916.22	0.00	29,384.20	120,300.42	446,613.34
Other Lubricant / Specialty Product		**598,180.25**	**248,412.45**	**0.00**	**0.00**	**846,592.70**	**61,012.00**	**0.00**	**179,956.11**	**240,968.11**	**605,624.59**
TOTAL VOLUME		**242,097,514.32**	**61,556,036.68**	**65,132,506.37**	**1,679,067.75**	**370,465,125.12**	**58,724,307.45**	**0.00**	**15,391,987.80**	**74,116,295.25**	**296,348,829.87**

Notes:

1. Data obtained by the DOE – Oil Industry Management Bureau (OIMB) are dependent to the submission compliance of the industry players.

2. Observed volume discrepancies from the main product category maybe attributable to the incomplete disaggregation at the sub product category entries.

Table 3.24 Lubricating Products and Base Oils Supply and Demand from Marketer, in Liter Volume

Marketer Full Year 2023

Main Product Category	Sub Product Category	Beginning Inventory	Importation	Production	Domestic/Local Purchase	Total Available Supply	Domestic/Local Sales	Export	Consumption	Total Withdrawal	Ending Inventory
Automotive Lube Oil		**182,690,431.73**	**47,429,495.05**		**1,777,239.88**	**231,897,166.66**	**46,793,469.02**	**0.00**	**83,382.27**	**46,876,851.29**	**185,020,315.37**
	Engine Motor Oil	108,213,645.40	31,839,063.33		50,832.00	140,103,540.73	31,701,749.46	0.00	41,560.64	31,743,310.10	108,360,230.63
	Gear Transmission Oil	21,205,974.67	3,821,855.43		96,064.00	25,123,894.10	3,755,231.54	0.00	38,618.14	3,793,849.68	21,330,044.42
	Motorcycle Oil	43,417,975.87	10,189,464.40		1,630,343.88	55,237,784.15	10,092,411.82	0.00	1,901.38	10,094,313.20	45,143,470.95
	Other Automotive Lube Oil	9,852,835.79	1,579,111.89		0.00	11,431,947.68	1,244,076.20	0.00	1,302.11	1,245,378.31	10,186,569.37
Industrial Lube Oil		**35,479,883.21**	**4,889,202.72**		**6,051.30**	**40,375,137.23**	**5,542,340.10**	**0.00**	**9,305.32**	**5,551,645.42**	**34,823,491.81**
	Hydraulic Oil	23,986,546.80	3,595,801.97		0.00	27,582,348.77	4,232,223.15	0.00	5,358.32	4,237,581.47	23,344,767.30
	Circulating Oil	863,799.00	171,822.00		0.00	1,035,621.00	130,974.00	0.00	2,240.00	133,214.00	902,407.00
	Turbine Oil	152,780.00	200.00		0.00	152,980.00	0.00	0.00	0.00	0.00	152,980.00
	Gear Oil	4,431,559.68	160,011.10		0.00	4,591,570.78	177,161.40	0.00	1,069.00	178,230.40	4,413,340.38
	Cutting Machine Oil	240,333.64	238,477.27		1,600.00	480,410.91	239,755.00	0.00	0.00	239,755.00	240,655.91
	Compressor Oil	825,020.24	225,522.07		0.00	1,050,542.31	168,253.82	0.00	458.00	168,711.82	881,830.49
	Transformer Oil	1,872,902.00	56,000.00		0.00	1,928,902.00	170,282.00	0.00	0.00	170,282.00	1,758,620.00
	Other Industrial Oils	3,106,941.85	441,368.31		4,451.30	3,552,761.46	423,690.73	0.00	180.00	423,870.73	3,128,890.73
Aviation Lube Oil		**88,892.72**	**99,737.92**		**408.60**	**189,039.24**	**105,516.69**	**0.00**	**0.00**	**105,516.69**	**83,522.55**
Marine Lube Oil		**5,372,262.80**	**876,528.44**		**0.00**	**6,248,791.24**	**867,677.26**	**0.00**	**0.00**	**867,677.26**	**5,381,113.98**
Base Oil		**3,440,885.90**	**2,068,263.32**		**0.00**	**5,509,149.22**	**2,139,406.50**	**1,200.00**	**39,640.00**	**2,180,246.50**	**3,328,902.72**
	Solvent Neutral (SN)	2,769,484.81	978,786.00		0.00	3,748,270.81	1,286,670.45	0.00	0.00	1,286,670.45	2,461,600.36
	Bright Stock (BS)	114,005.99	0.00		0.00	114,005.99	43,647.55	0.00	0.00	43,647.55	70,358.44
	Others	557,395.10	1,089,477.32		0.00	1,646,872.42	809,088.50	1,200.00	39,640.00	849,928.50	796,943.92
Grease		**6,693,733.84**	**1,706,805.80**		**700.00**	**8,401,239.64**	**1,783,110.83**	**0.00**	**8,464.02**	**1,791,574.85**	**6,609,664.78**
	Automotive Grease	3,017,668.68	1,318,360.69		0.00	4,336,029.37	1,249,143.93	0.00	8,461.02	1,257,604.95	3,078,424.42
	Industrial Grease	3,676,065.16	388,445.11		700.00	4,065,210.27	533,966.90	0.00	3.00	533,969.90	3,531,240.36
Other Lubricant / Specialty Product		**2,786,331.97**	**750,554.04**		**140.00**	**3,537,026.01**	**791,944.98**	**0.00**	**2,369.95**	**794,314.93**	**2,742,711.08**
TOTAL VOLUME		**236,552,422.16**	**57,820,587.29**		**1,784,539.78**	**296,157,549.24**	**58,023,465.39**	**1,200.00**	**143,161.56**	**58,167,826.95**	**237,989,722.29**

Notes:

1. Data obtained by the DOE – Oil Industry Management Bureau (OIMB) are dependent to the submission compliance of the industry players.

2. Observed volume discrepancies from the main product category maybe attributable to the incomplete disaggregation at the sub product category entries.

Table 3.25 Lubricating Products and Base Oils Supply and Demand from Own-User, in Liter Volume

Own User Full Year 2023

Main Product Category	Sub Product Category	Beginning Inventory	Importation	Production	Domestic/Local Purchase	Total Available Supply	Domestic/Local Sales	Export	Consumption	Total Withdrawal	Ending Inventory
Automotive Lube Oil		**11,273,535.45**	**2,485,383.41**		**89,255.00**	**13,848,173.86**			**2,325,271.45**	**2,325,271.45**	**11,522,902.41**
	Engine Motor Oil	7,059,862.10	1,407,057.41		79,247.00	8,546,166.51			1,258,832.40	1,258,832.40	7,287,334.11
	Gear Transmission Oil	4,119,316.65	1,077,962.00		10,008.00	5,207,286.65			1,059,303.75	1,059,303.75	4,147,982.90
	Motorcycle Oil	9,322.00	0.00		0.00	9,322.00			95.00	95.00	9,227.00
	Other Automotive Lube Oil	85,034.70	364.00		0.00	85,398.70			7,040.30	7,040.30	78,358.40
Industrial Lube Oil		**19,339,485.83**	**3,856,576.74**		**390,949.40**	**23,587,011.97**			**3,931,220.69**	**3,931,220.69**	**19,655,791.28**
	Hydraulic Oil	10,203,688.40	2,445,856.00		242,255.00	12,891,799.40			2,441,742.00	2,441,742.00	10,450,057.40
	Circulating Oil	195,951.00	78,000.00		38,200.00	312,151.00			168,584.00	168,584.00	143,567.00
	Turbine Oil	57,780.00	4,000.00		8,200.00	69,980.00			3,618.00	3,618.00	66,362.00
	Gear Oil	5,888,768.00	346,664.00		64,654.00	6,300,086.00			491,692.00	491,692.00	5,808,394.00
	Cutting Machine Oil	314,587.00	100,838.00		8,725.00	424,150.00			93,187.40	93,187.40	330,962.60
	Compressor Oil	56,482.25	4,859.25		9,060.00	70,401.50			7,572.70	7,572.70	62,828.80
	Transformer Oil	22,271.00	210,975.00		0.00	233,246.00			16,884.00	16,884.00	216,362.00
	Other Industrial Oils	2,599,958.18	665,384.49		19,855.40	3,285,198.07			707,940.59	707,940.59	2,577,257.48
Aviation Lube Oil		**79,316.74**	**3,664.39**		**2,579.98**	**85,561.11**			**19,325.68**	**19,325.68**	**66,235.43**
Marine Lube Oil		**600.00**	**4,000.00**		**0.00**	**4,600.00**			**600.00**	**600.00**	**4,000.00**
Base Oil		**751,181.81**	**210,869.74**		**15,956.00**	**978,007.55**			**354,931.06**	**354,931.06**	**623,076.49**
	Solvent Neutral (SN)	427,159.07	158,423.00		0.00	585,582.07			239,807.70	239,807.70	345,774.37
	Bright Stock (BS)	0.00	0.00		0.00	0.00			0.00	0.00	0.00
	Others	324,022.74	52,446.74		15,956.00	392,425.48			115,123.36	115,123.36	277,302.12
Grease		**3,677,060.40**	**1,111,449.55**		**15,534.93**	**4,804,044.88**			**1,033,135.62**	**1,033,135.62**	**3,770,909.26**
	Automotive Grease	3,101,649.28	974,487.51		2,800.00	4,078,936.79			885,541.03	885,541.03	3,193,395.76
	Industrial Grease	575,411.12	136,962.04		12,734.93	725,108.09			147,594.59	147,594.59	577,513.50
Other Lubricant / Specialty Product		**1,715,788.66**	**626,072.17**		**19,327.00**	**2,361,187.83**			**741,303.15**	**741,303.15**	**1,619,884.68**
TOTAL VOLUME		**36,836,968.88**	**8,298,015.99**		**533,602.31**	**45,668,587.18**			**8,405,787.65**	**8,405,787.65**	**37,262,799.54**

Notes:

1. Data obtained by the DOE – Oil Industry Management Bureau (OIMB) are dependent to the submission compliance of the industry players.

2. Observed volume discrepancies from the main product category maybe attributable to the incomplete disaggregation at the sub product category entries.

3.1.2.5 Exportation

Exporting lubricating products and base oil is quite uncommon in a country which is a net importer of petroleum products. According to the submitted reports, Base oils is the only reported product type exported for 2023 as shown in Figure 3.26. It should be noted that exportation can be done by both blenders and marketers.

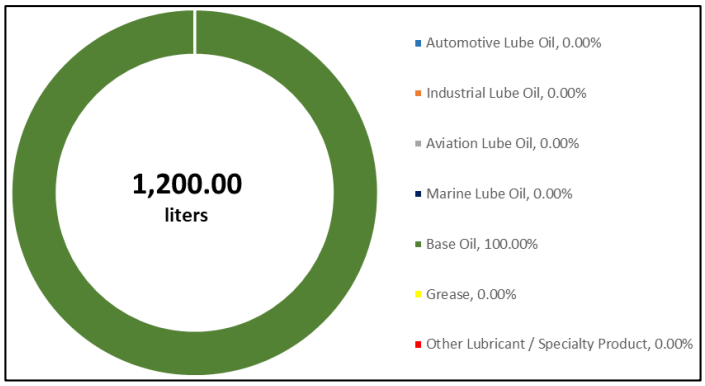


Figure 3.26 Exportation Volume per Product Type, FY 2023

3.1.2.6 Consumption

Total consumption (own use) of lubricating products and base oils reached 23,940,937.01 liters. Automotive lube oils constitute the largest portion of lubricating products consumed with 54.61% of the total product types (refer to Figure 3.27). Industrial lube oils and marine lube oils came second and third, respectively.

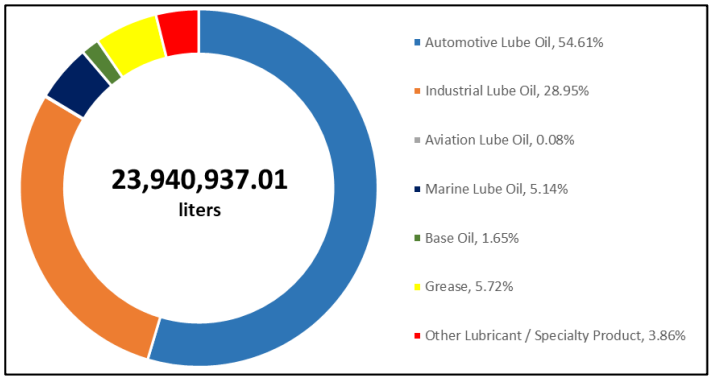


Figure 3.27 Consumption Volume per Product Type, FY 2023

Table 3.26 Summary of Acknowledgement Letter of Lubricating Product Importation By Category, FY 2023

Category	Prior Loading Requirement (PLR) Count	Total Volume (in Liters)	% Of Total Volume
Blender	495	776,870,640.21	89.91%
Marketer	2,474	73,594,993.33	8.52%
Own-User	1,868	13,590,671.05	1.57%
TOTAL	4,837	864,056,304.59	100%

Out of 4,837 various applications, the Marketer category accounts for most of the year 2023 with two thousand four hundred seventy-four (2,474) acknowledgment letters and a volume of 73,594,993.33 liters (refer to Table 3.26). While one thousand eight hundred sixty-eight (1,868) PLR counts are under the category of Own-User with 13,590,671.05 liters. Lastly, four hundred ninety-five (495) PLR counts are under the category of Blender with a volume of 776,870,640.21 liters. These data are summarized in Table 3.26, Figure 3.28, Figure 3.29, and Figure 3.30.

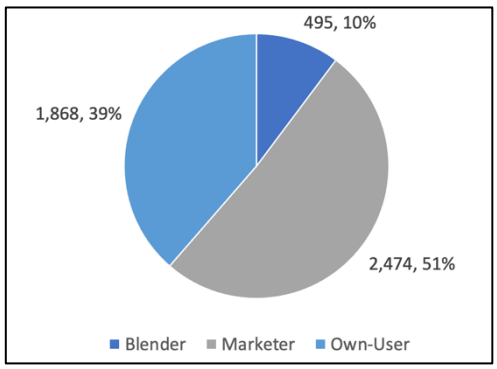


Figure 3.28 Prior Loading Requirement (PLR) Count per Category, FY 2023

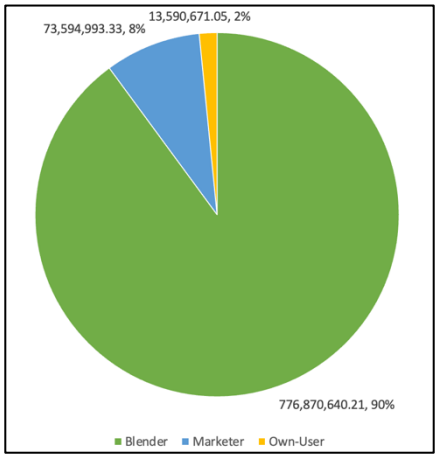


Figure 3.30 Percent of Total Volume of Lubricating Product Importation per Category, FY 2023

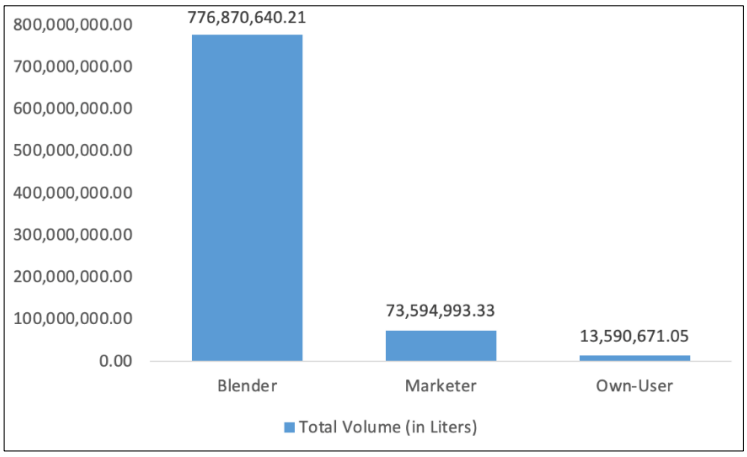


Figure 3.29 Total Volume of Lubricating Product Importation per Category, FY 2023

3.2 Downstream Natural Gas Industry

In 2023, the natural gas market in the Philippines experienced significant changes. The existing 25-year contract covering Malampaya operations is set to expire in February 2024. With its annual output dwindling, the gas field is estimated to run dry by 2027. However, the renewal of the contract of Malampaya Consortium for another 15 years or until February 22, 2039 has contributed to the changes coupled with the entry of LNG importation to the Philippines.

Aggregate natural gas supply reached 117,372 mmscf in which 89,215 mmscf or 76.01 percent comes from the indigenous Malampaya gasfield and the remaining 28,157 mmscf equivalent to 24 percent from the total supply is sourced from importation. Likewise, total demand of natural gas is recorded at 105,908 mmscf mainly utilized by the power generating industries of which bulk of the gas supply comes from domestic source amounting to 84,597 mmscf while the remaining volume accounting to 21,311 is from LNG importation.

A volume disparity of 4,618 mmscf between what has been produced from the Malampaya gas field against the actual recorded demand while 6,846 mmscf for LNG against imported volume and actual use are noted. The difference can be attributed to flaring, gas heating, venting and purging of natural gas at the platform, Onshore-gas-Plant (OGP) facility, own use power plants, and linepack in the 504 km natural gas pipeline. In the case of LNG, the volume difference could be attributed to boil of gas, line pack in the send-off pipeline and the maintaining volume required in the LNG storage tank to provide auto-refrigeration. Table 3.27 shows the details.

Table 3.27 Natural Gas Supply and Demand, in mmscf (2023 vs. 2022)

	Quantity		Inc./ (Dec.)	% Change	Percent Share	
	2023	2022			2023	2022
Supply:	117,372	113,611	3,761	3.31	100%	100%
Domestic	89,215	113,611	(24,396)	(21.47)	76.01	100%
Imported	28,157	0	100	100	23.99	0
Demand	105,908	108,567	(2,659)	(2.44)	100%	100%
Power:						
Domestic	84,597	108,567	(23,970)	(22.07)	79.88	100%
Imported	21,311	0	0	0	20.12	0

3.2.1 Natural Gas Supply

Overall supply of natural gas increased by 3.31% due to the importation of LNG starting April 2023 providing the commissioning volume to the two (2) LNG Import Receiving and Regasification Facilities in Batangas that conducted testing and commissioning activities prior to commercial operation of the said facilities. The combined volume of domestic and imported natural gas for the year stood at 117,372 mmscf with 76.01 percent share comes from domestic production while the remaining 23.99 percent is sourced from importation.

3.2.1.1 Domestic Natural Gas Production

Aggregate domestic natural gas production for the year 2023 is accounted at 89,215 mmscf or a 21.47 percent plunge against the 2022 actual production level amounting to 113,611 mmscf. The recorded reduction in domestic natural gas production is primarily due to the recurrence and open-ended gas supply restriction from the Malampaya field that has triggered the shutdown for the 414-megawatt San Gabriel power plant of First Gen Corporation, considering that the said power plant is designed only for natural gas unlike other FGEN power plants that can run with alternative fuel such as the condensate. Moreover, the operator of the Malampaya facility has implemented a two (2) week shutdown to conduct maintenance works from February 4 to 18, 2023 at the the Malampaya platform, pipelines and entire system.

3.2.1.2 LNG Importation

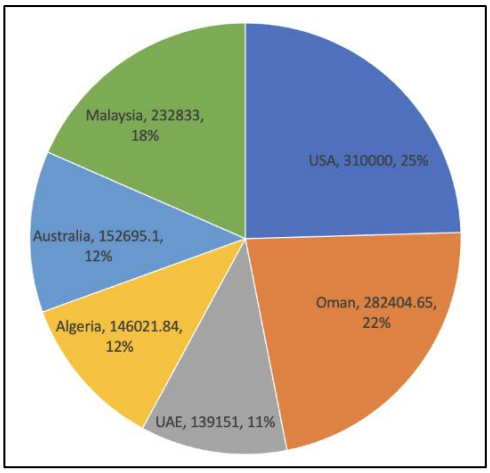


Figure 3.31 LNG Importation Share by Country, FY 2023

The Philippines in 2023 has been part of the league of global LNG importers. The entry of LNG commenced in April of 2023 to provide the gas requirements for the conduct of commissioning and testing activities at the Linseed LNG Import Receiving and Regasification facility while the FGEN LNG terminal imported LNG in August 2023 also to serve as commissioning volume for its LNG Terminal including their owned gas fired power plants as well as with the Ilijan power plants.

For FY 2023, total imports reached to 1,312,521 cubic meter sourced from various exporting countries such as the United Arab Emirates, Malaysia, Australia, Algeria, Oman and the USA (refer to Figure 3.31).

3.2.2 Natural Gas Demand

Total demand for natural gas comprising the utilization of domestic and imported natural gas was recorded at 105,908 mmscf, registering a 2.44 percent decrease against 2022 actual volume of 108,567 mmscf. Notably, domestic natural gas demand sharing in 79.88 percent from the total demand has reflected a 22.07 percent drop in total consumption. The decline is likewise attributed to the recurrence and open-ended gas restriction, implementation of the two-week maintenance shutdown at the Malampaya facilities and further, currently four (4) power plants sourced its gas requirements from the domestic natural gas considering that the Gas Sales Purchase Agreement (GSPA) of Ilijan power plant expired last 05 June 2022. Moreover, the implementation of the maintenance activities of the respective natural gas power plants having GSPA from Malampaya could also be an added factor of the decline in the total demand. Nevertheless, the entry of imported LNG in 2023 has no significant contribution to the overall demand compared with the 2022 actual demand of 108,567 mmscf since LNG provided only as commissioning volume to the commissioning and testing activities of the two LNG import terminals in Batangas due to have commercial operation in 2024.

3.2.2.1 Power Sector

Total demand of natural gas in the power generating sector for 2023 was reported at 84,597 mmscf, showing a 22.07 decrease in consumption against the 2022 volume of 108,567 mmscf. The decline in utilization in power generations is attributed mainly by the two-week maintenance shutdown and the recurrence gas restriction which impact the operation of San Gabriel power plant which has to be shutdown from September 18-24, 2023 as well as the restricted capacity operation of San Gabriel, Sta. Rita and Avion plants due to lack of Malampaya gas supply. Moreover, despite that Malampaya is no longer supplying gas to the Ilijan plant as it is currently utilizing imported LNG, the FGEN power plants with existing GSPAs from Malampaya are still experiencing recurring gas supply deficiencies from Malampaya. On the other hand, total demand registered from the use of imported LNG is accounted at 21,311 mmscf in which bulk of the demand is utilized by the Ilijan power plant which primarily consumed 100 percent imported LNG for its gas requirement.

4 OIMB Accomplishments

4.1 Accomplishments and Targets

The following tables summarize the OIMB's performance for the year 2023. Several policies/issuances were formulated and issued to strengthen the monitoring of various activities in the downstream oil and natural gas industry business.

4.1.1 Downstream Oil Industry

Table 4.1 Downstream Oil 2023 Accomplishments and 2024 Targets

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
1. Issuance of relevant implementing rules and regulations	★★★★★	❑ Timely approval and issuance.	DOI Players DOE LS DOE FOs	**A. Pursuant to RA 11592 – LPG Industry Regulation Act** ***<6/8 issuances >*** 1. RA 11592- Implementing Rules and Regulations (JDC 2022-05-0001); 2. Guidelines on the Registration & Issuance of License to Operate to Qualified DOE-Regulated LPG Industry Participants and Penalizing Certain Prohibited Acts (DC 2022-11-0037); 3. LPG Cylinder Exchange, Swapping, & Improvement Programs and its Implementing Guidelines (JDC 2022-11-0002); 4. Revised Circular for Impounding & Disposal of Ph Downstream Oil Industry Confiscated Items (DC 2021-10-0035); 5. Administrative Rules and Proceedings (DC 2022-11-0033); and 6. Guidelines on Recognition of Training Organizations for Qualified Service Persons of LPG Industry (DC 2023-08-0025).	**A. Pursuant to RA 11592 – LPG Industry Regulation Act** ***<2/2 issuances >*** 1. Guidelines for the Monitoring and Release of DOE and Local Government Unit Shares from Collection of Administrative Fines under Republic Act No. 11592; and 2. Inspector's Manual.	1st H 2024	**A. Pursuant to RA 11592 – LPG Industry Regulation Act** ✓ Continuous review of the existing policies and for improvements

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
1. Issuance of relevant Implementing Rules and Regulations	★★★★★	❑ Timely approval and issuance.	DNG Players DNG-REC	❖ **Endorsed the final draft of the amended rules and regulations governing the Philippine Downstream Natural Gas Industry for approval of the Secretary**	1. Issuance of DNG Inspection Manual; and 2. Issuance of implementing rules and regulations in case passage of Downstream Natural Gas law.	1st H 2024 Whole Year of 2024	✓ Continuous review for possible improvements.
2. Securing Natural Gas Supply	★★★★★	❑ Timely approval of permits, accreditation, and acknowledgments	DNG Players DNG-REC	**1. Conducted three (3) pre-application conferences:** • Gregorio Araneta Energy Holdings, • Atimonan One Energy Inc., and • Bataan LNG Power Plant Consortium **2. Issued three (3) permits:** • 20-month Notice to Proceed (NTP) extension to Shell Energy Phils (SEP), • NTP to Samat LNG Corporation, and • 1-year Permit to Construct Extension to Energy World Gas Operations Philippine Inc, (EWGOPI) **3. Accredited four (4) LNG Importer:** • First Gas Power Corporation • Prime Meridian Power Corporation, • First NatGas Power Corporation, and • FGP Corporation	✓ Continuous timely approval of permits, accreditation, and acknowledgments.	Whole Year of 2024	✓ Continuous timely approval of permits, accreditation, and acknowledgments.

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
2. Issuance of relevant standards for product, facility, and safety practice	★★★★★	❑ Timely approval and issuance.	DOI Players DOE LS DOE FOs DTI BPS	**B. Facility and Safety Practice** ❖ **LPP Facilities – 14 PNS (depot, transport, and gasoline station facilities)** ❖ **LPG Facilities – 6 PNS (refilling plant, transport, dealer's outlet, and auto-LPG station)** ***‹4/4 issuances›*** 1. Tank Truck – Bulk LPP; 2. Tank Truck – Mobile LPP Dispensing System; 3. LPG Transport – Bulk and Cylinder; and 4. LPG Dealer's Outlet and safety practice.	**B. Facility and Safety Practice** ***‹3/3 issuances›*** 1. LPG Retailer's Outlet and safety practice; 2. LPG Depot and safety practice; and 3. LPP Hanging Type Dispensing System and safety practice.	1st H 2024 2nd H 2024 2nd H 2024	**B. Facility and Safety Practice** ✓ Continuous review of the existing PNS for possible improvements; and ✓ LPG Centralized Piping System and safety practice (1stH 2025).
3. Securing oil supply	★★★★★	❑ Timely approval of Registration and acknowledgements for LPP, LPG & Lubricants business activities.	DOI Players	**Processed and issued a total of 10,577 registration and acknowledgments** ➢ OICMD: 3, 708 ➢ OISMD: 2,320 ➢ RMMSCD: 4,249	✓ Continuous timely approval of new applications	Whole Year 2024	✓ Continuous timely approval of new applications

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
3. Securing oil supply	★★★★★	❑ Timely endorsement to BOI of incentive claim under Oil Deregulation and CREATE Law;	BOI DOI Players	❖ **Processed and issued a total of five (5) endorsements to BOI for the construction of storage facilities with 12.5 Billion liters capacity, and with total investments amounting to 4.06 Billion Pesos**	✓ **Continuous timely approval of new applications.**	Whole Year 2024	✓ **Continuous timely approval of new applications.**
		❑ Participation in different investment forums initiated by both DOE and DOI Sector to promote continuous investment in DOI; and	DOE-IPO DOI Players	❖ **Participated in the three (3) investment forums facilitated by DOE for Luzon, Visayas, and Mindanao**	✓ **Continuous active participation in the planned investment forums.**		✓ **Continuous active participation in planned investment forums in 2025**
		❑ Monitoring of oil company compliance with the Minimum Inventory Requirement (MIR). ❖ *LPP – 15 days supply* ❖ *LPG – 7 days supply*	DOI Players	❖ **Implemented the weekly MIR compliance monitoring** ▪ **Average days supply as of 12 Nov 2023:** ❖ Gasoline – 33 days ❖ Diesel – 30 days ❖ Kerosene – 72 days ❖ LPG – 17 days ❖ **Actual verification of inventory report onsite** ➢ Completed inspections of 12 import terminals and 22 depots covering Regions 1, 3, 4A, 4B, 5, 6 and 7.	✓ **Continuous weekly MIR compliance monitoring.** ✓ **Continuous actual verification of inventory onsite.** ➢ 6 import terminals and 11 depots covering Regions 5, 7, 8, and 9.		✓ **Continuous weekly MIR compliance monitoring.** ✓ **Continuous actual verification of inventory onsite** ➢ 20 import terminals and 17 depots covering Regions 10,11, 12,, 13 and BARMM.

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
3. Securing Oil Supply	★★★★★	❑ Participation in the initiatives towards oil supply security at the international platform.	ASEAN	**1. Attended the 12th ASEAN+3 Oil Market and Natural Gas Forum and Business Dialogue (virtual) in Oct 2023;** **2. Attended the 10th ASEAN Oil Stockpiling Roadmap Updates (OSRM) in June 2023;** **3. Attended the 10th Oil Stockpiling Capacity Building in Japan in March 2023.**	✓ Continuous participation in the ASEAN Oil Stockpiling Updates.	2024 Schedule	✓ Continuous participation in the ASEAN Oil Stockpiling Updates.
4. Enforcement of safety standards and regulatory requirements	★★★★★	❑ Conduct of onsite inspections of both LPP and LPG Facilities from bulk to retail level.	DOE – LS DOE – FOs DOI Players	**1. Completed inspection of 39 bulk facilities covering Regions 4B, 5, 6, and 7.**	✓ Continuous conduct of onsite inspection for 47 bulk facilities covering regions 8, 9, 10, 11, 12, 13, and BARMM.	Whole Year of 2024	✓ Continuous conduct of onsite inspections for 41 bulk facilities covering Regions CAR, 1, 3, and 4A for the whole year of 2025.
				2. Conducted OIMB-focused inspection in Marinduque on May 3 to 5, 2023. ❖ 37 LFRO – 36 endorsed to LS ❖ 38 LPG – 24 endorsed to LS	✓ OIMB-focused inspections in the following: ❖ Marinduque ❖ Romblon ❖ Palawan	1st Q 2024 2nd Q 2024 3rd Q 2024	✓ OIMB-focused inspections in the following: ❖ Occidental Mindoro by 2nd Q 2025; and ❖ Oriental Mindoro by 3rd Q 2025.
				3. Conducted complaint-related inspections: ❖ 116 LF – 80 endorsed to LS ❖ 226 LPG – 191 endorsed to LS	✓ Continuous activity to address complaint-related inspections.	Whole Year of 2024	✓ Continuous activity to address complaint-related inspections for the year 2025.
				4. Participated in the focused inspections of the following: ❖ MFO on Jun 19 to 23, 2023 ❖ LFO on Nov 20 to 24, 2023	✓ Continuous participation in the scheduled focused inspections of FOs.	Whole Year of 2024	✓ Continuous participation in the scheduled focused inspections of FOs.

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
5. Enhancing Awareness on DOI Policies, Rules, and Regulations	★★★★★	❑ Conduct of IEC to DOI Players and LGUs	DOI Players LGUs	**1. Participated in the twelve (12) LPG summit covering Luzon, Visayas, and Mindanao with an estimated 12 thousand attendees;** **2. Conducted direct orientation to thirty-five (35) DOI players on the rules implementing the LPG Industry Regulation Act;** **3. Conducted IEC on the rules governing LPP retailing to four (4) LGUs.**	✓ Continuous conduct of IEC to DOI Players and LGUs	Whole Year of 2024	✓ Continuous conduct of IECs to DOI Players and LGUs for the whole year of 2025.
		❑ Participation in consultation meetings or hearings in the Congress or other government agencies	Congress Government Agencies	**1. Attended hearings by the HOR-Energy Committee on fuel supply and price:** ❖ Baguio **2. Presented oil situation at the following:** ❖ National Price Coordinating Council (NPCC) ❖ Regional Tripartite Wages and Productivity Board (RTWPB) of NCR, MIMAROPA, and CALABARZON.	✓ Continuous participation in the presentation of the oil situation	Whole Year of 2024	✓ Continuous participation in the presentation of the oil situation for the whole year of 2025.

[continuation of Table 4.1]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
5. Enhancing Awareness on DOI Policies, Rules, and Regulations	★★★★★	❑ Preparation of Weekly Oil Supply, Demand, and Price Assessment Report for Media Interviews	PAO Media	❖ **Attended the weekly media interviews enabling delivery of updates to the public**	✓ Continuous conduct of media interviews.	Whole Year of 2024	✓ Continuous conduct of media interviews for the whole year of 2025.
		❑ Conduct of Safe LPP and LPG Use Campaign Program	LGU	❖ **Presented the campaign program to LGU during the focused group consultation in Palawan**	✓ Continuous conduct of the campaign program for the scheduled focused group consultation in Marinduque, Romblon and Palawan	1st – 3rd Q 2024	✓ Continuous conduct of the campaign program in Mindoro during the focused group consultation.
6. Resiliency/ Disaster Response	★★★★★	❑ Monitoring of disaster/ calamity incidents and timely notifications to the DOI Resiliency Group ❑ Conduct emergency meetings with the DOI sector before and immediately after the disaster/calamity incident to facilitate immediate response and recovery ❑ Submission of status report to DOE-TFER ❑ Compliance with the directives of DOE-TFER in enhancing disaster response and recovery	DOI Players DOE - TFER	❖ **Compliance with the stated smart goals.**	✓ Continuous compliance with the stated smart goals.	Whole Year of 2024	✓ Continuous compliance with the stated smart goals.
7. Anti-Smuggling Initiatives	★★★★★	❑ Submission of importation acknowledgments to BOC to facilitate advance information on the arrival of imported petroleum products	BOC and BIR	❖ **Submitted the importation acknowledgments to the BOC.**	✓ Continuous submission of the importation acknowledgments to the BOC.	Whole Year of 2024	✓ Continuous submission of the importation acknowledgments to the BOC for the whole year of 2025.
		❑ Submission of quarterly reconciliation report to BOC and BIR		❖ **Complied with the submission of quarterly reconciliation report for 2022 to BOC and BIR.**	✓ Continuously comply with the submission of quarterly reconciliation report for 2023 to BOC and BIR.		✓ Continuously comply with the submission of quarterly reconciliation report for 2024 to BOC and BIR.

4.1.2 Downstream Natural Gas Sector

Table 4.2 Downstream Natural Gas 2023 Accomplishments and 2024 Targets

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
1. Issuance of relevant Implementing Rules and Regulations	★★★★★	❑ Timely approval and issuance.	DNG Players DNG-REC	❖ **Endorsed the final draft of the amended rules and regulations governing the Philippine Downstream Natural Gas Industry for approval of the Secretary**	1. Issuance of DNG Inspection Manual; and 2. Issuance of implementing rules and regulations in case passage of Downstream Natural Gas law.	1st H 2024 Whole Year of 2024	✓ Continuous review for possible improvements.
2. Securing Natural Gas Supply	★★★★★	❑ Timely approval of permits, accreditation, and acknowledgments	DNG Players DNG-REC	**1. Conducted three (3) pre-application conferences:** • Gregorio Araneta Energy Holdings, • Atimonan One Energy Inc. , and • Bataan LNG Power Plant Consortium **2. Issued three (3) permits:** • 20-month Notice to Proceed (NTP) extension to Shell Energy Phils (SEP), • NTP to Samat LNG Corporation, and • 1-year Permit to Construct Extension to Energy World Gas Operations Philippine Inc, (EWGOPI) **3. Accredited four (4) LNG Importer:** • First Gas Power Corporation • Prime Meridian Power Corporation, • First NatGas Power Corporation, and • FGP Corporation	✓ Continuous timely approval of permits, accreditation, and acknowledgments.	Whole Year of 2024	✓ Continuous timely approval of permits, accreditation, and acknowledgments.

[continuation of Table 4.2]

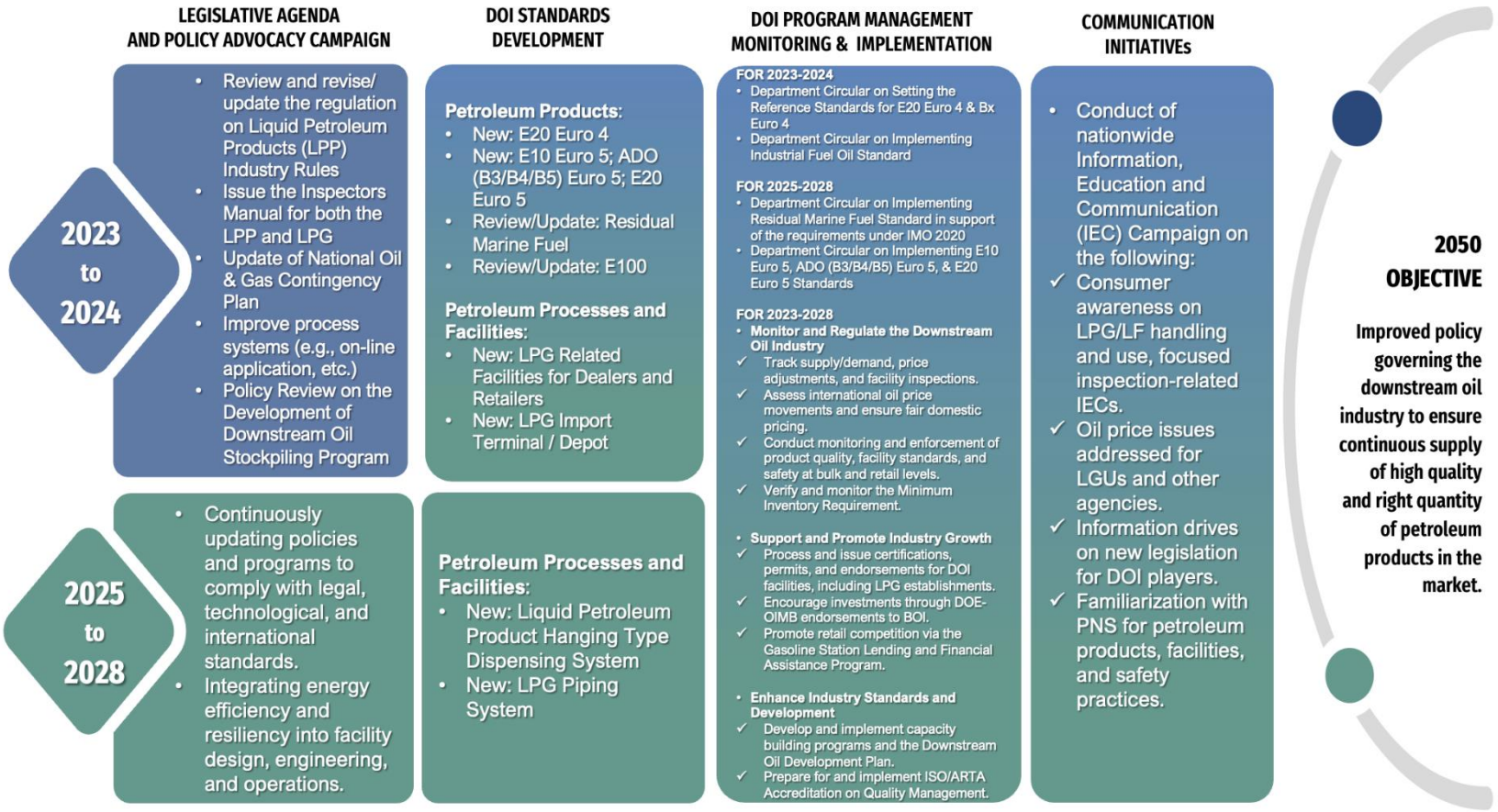
Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
2. Securing Natural Gas Supply	★★★★★	❑ Timely approval of permits, accreditation, and acknowledgments	DNG Players DNG-REC	**4. Issued ten (10) Acknowledgement to Import LNG (ATI-LNG):** ▪ Six (6) for South Premiere Power Corporation (SPPC), and ▪ Four (4) for FGen Power Plants. **5. Evaluation and approval of Permit to Operate and Maintain (PoM) of Linseed Field Corporation and FGen LNG Corporation expected in December 2023.**	✓ Continuous timely approval of permits, accreditation, and acknowledgments	Whole Year of 2024	✓ Continuous timely approval of permits, accreditation, and acknowledgments.
		❑ Conduct of IEC on DNG Policies, Rules and Updates to Stakeholders		**Active participation in different investment forums initiated by the DOE and DNG sectors.** ❖ **Conducted four (4) orientations:** ▪ People's Technology Complex, ▪ Authority of Freeport Area of Bataan, ▪ LIMA Technology Center, and ▪ Carmelray Industrial Park 1	✓ Continuous conduct of IEC on DNGI to other possible investors	Whole Year of 2024	✓ Continuous conduct of IEC on stakeholders.

[continuation of Table 4.2]

Strategic Priorities	Rating	Smart Goals	Collaboration	2023 Accomplishments	2024 Target	2024 Projected Timeline	2025 Target
2. Securing Natural Gas Supply	★★★★★	❑ Conduct of inspection and monitoring activities	DNG Players HSSE-IMT DNG-REC	❖ **Conducted five (5) inspection and monitoring activities of the following DNG facilities:** ▪ Hydrotest of Linseed Field Corporation (LFC) terminal on Feb 6-7, ▪ Progress validation of the LFC terminal on Mar 7, ▪ PoM Verification at the Tabangao-Ilijan Natural Gas Pipeline Receiving Facility (TINGRF) on Mar 27-28, ▪ Routine and Pre-PoM inspection with PIA-HSSE-IMT at the FGen LNG Terminal on Mar 29-31, and ▪ Site Verification (PoM) at LFC on May 18	✓ Continuous conduct of inspection and monitoring activities of the DNG facilities	Whole Year of 2024	✓ Continuous conduct of inspection and monitoring activities of the DNG facilities.
3. Passage of the Downstream Natural Gas Law	★★★★★	❑ Timely submission of comments ❑ Active participation in the deliberations in the TWG	Congress DOE-LS DOE-POWER AND PLANNING DNG Players	✓ **Complied with the submission of comments on the alternate DNG bill to the TWG.** ✓ **Actively participated in the deliberation of the alternate bill until its passage in the HOR.**	✓ Comply with the submission of comments and active participation in the deliberation of the bill at the Senate Energy Committee	Whole Year of 2024	✓ Issuance of implementing rules and regulations in case of passage of the DNG Law.

5 OIMB ROADMAP

5.1 Downstream Oil Industry Roadmap



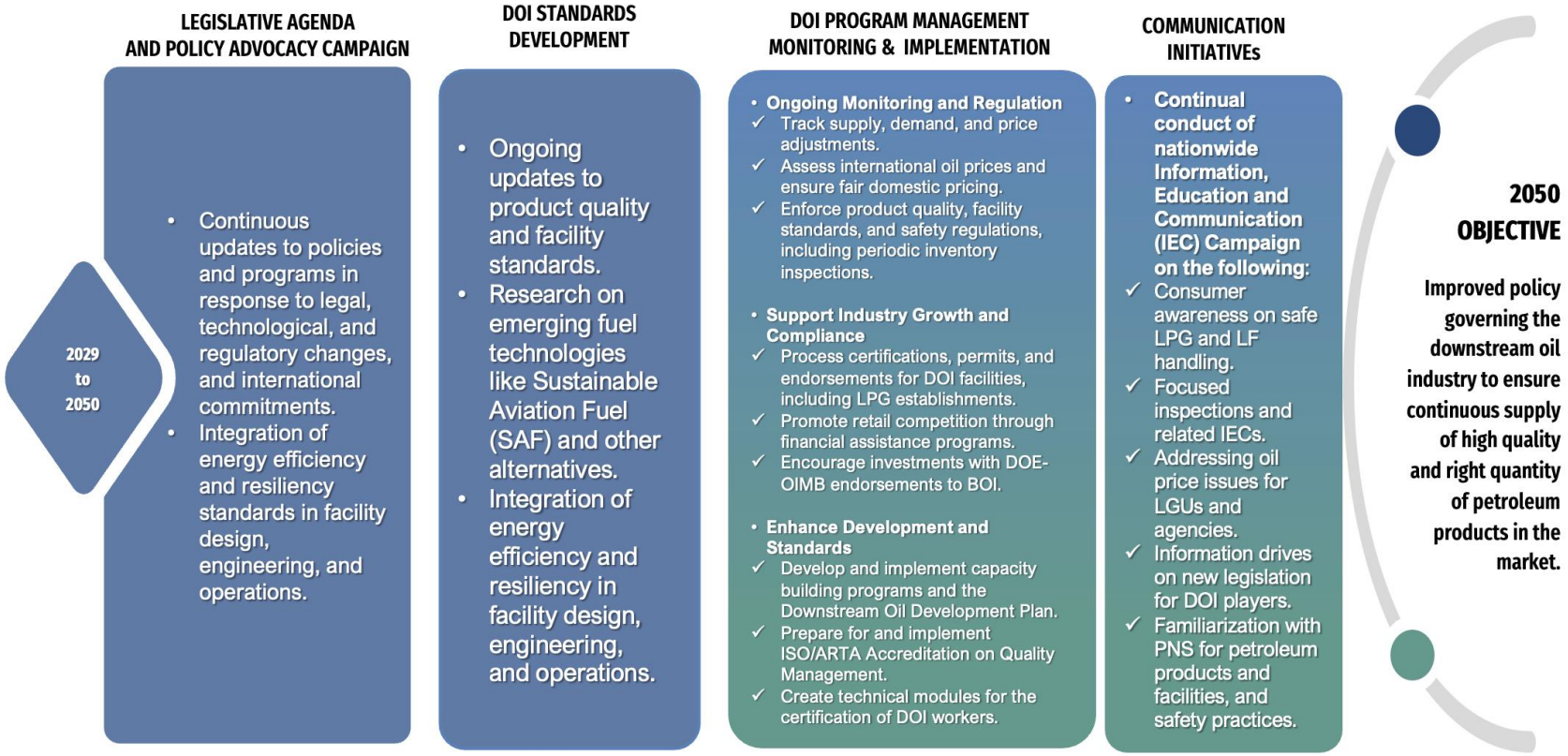
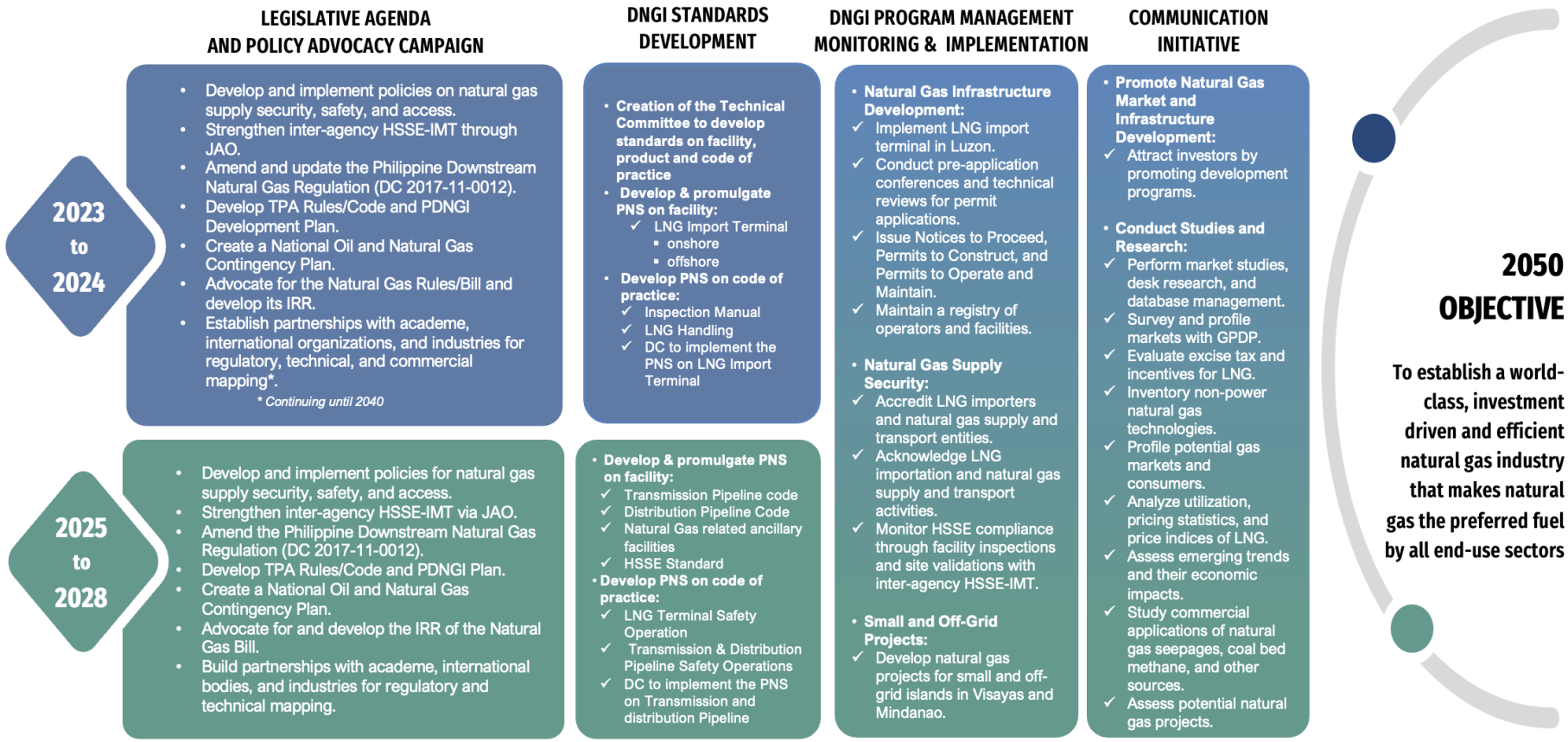


Figure 5.1 Downstream Oil Industry Roadmap

5.2 Downstream Natural Gas Industry Roadmap



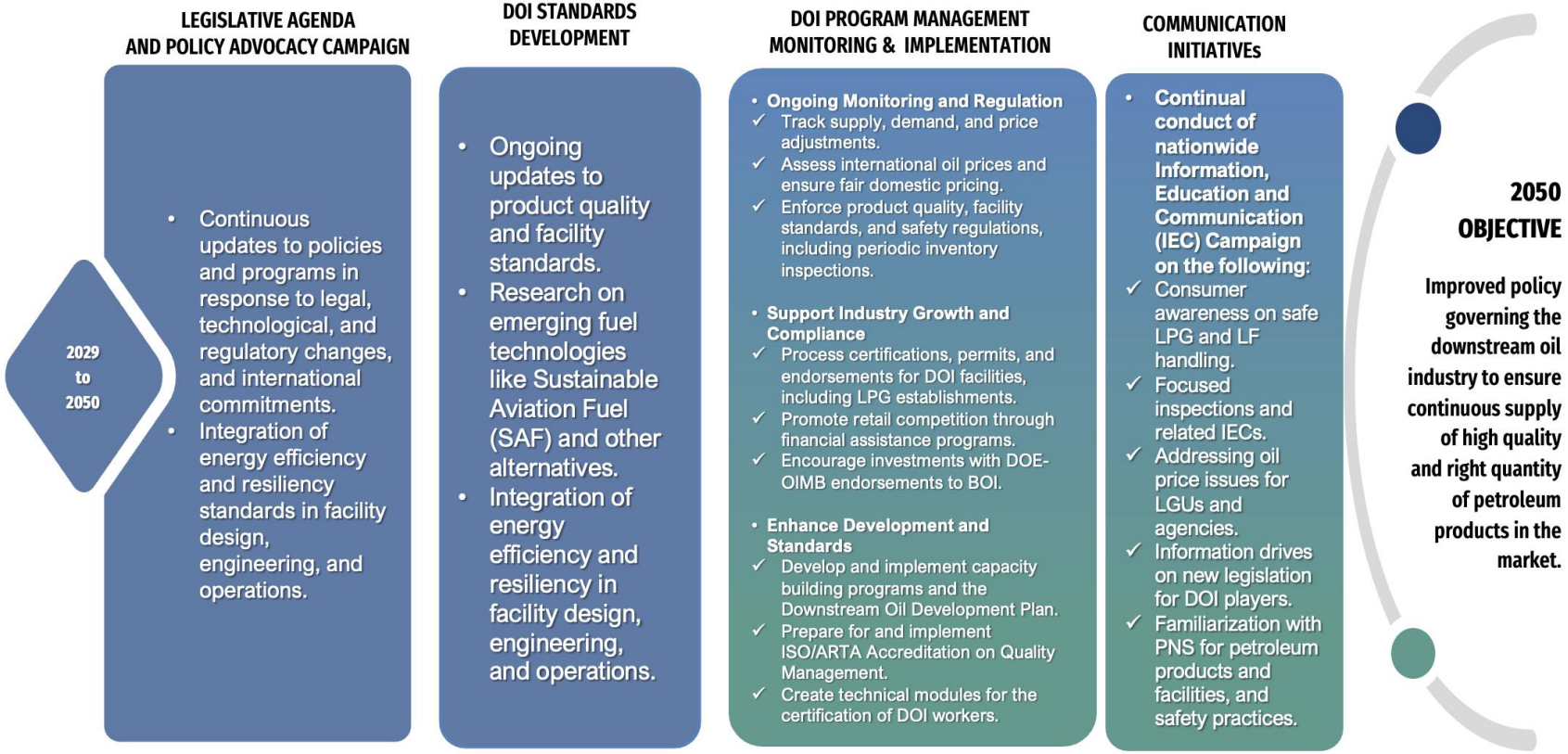


Figure 5.2 Downstream Natural Gas Industry Roadmap

end of report