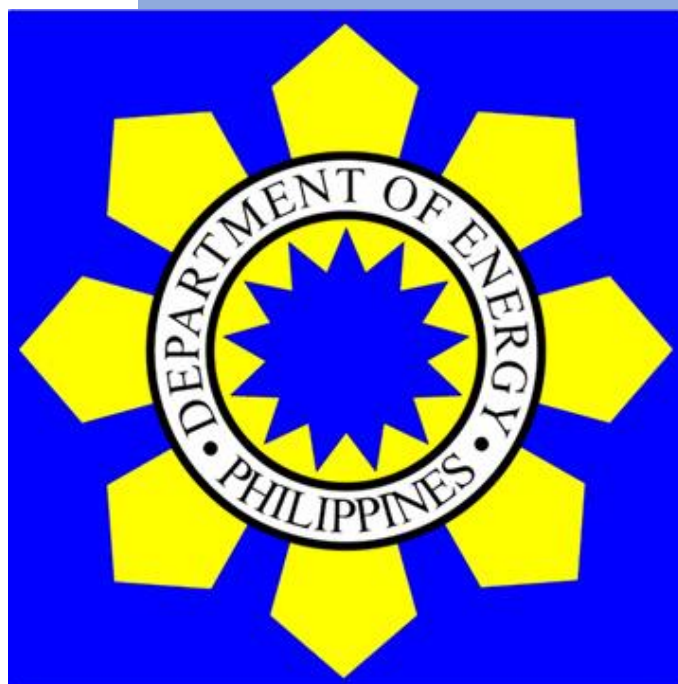


DEPARTMENT OF ENERGY

OIL INDUSTRY MANAGEMENT BUREAU (OIMB)
YEAR-END COMPREHENSIVE
REPORT
FY2020



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OIL INDUSTRY MANAGEMENT BUREAU'S YEAR-END COMPREHENSIVE REPORT (FY2020)

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 comprises 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 Facilities and Processes 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.

THE DOWNSTREAM OIL INDUSTRY PROFILE

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 continue 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. Various downstream oil activities being monitored by DOE-OIMB together with DOE Field Offices (FO’s) are the following.

- **Refining** – crude oil processing, production, and/or improvement in the quality of petroleum products in conformance with the Philippine National Standards (PNS), the Clean Air Act, and other applicable laws and regulation.
- **Fuel Bulk Marketing** – the activities involve is the selling of petroleum products in wholesale through tank trucks, lorries, tankers, barges or pipelines, which may be imported or locally purchased.
- **Petroleum Transport/Hauling Services** – transfer of petroleum products through tankers, barges, tank trucks, lorries, pipelines from one supply point to another or to end users.
- **LPG Refilling and Marketing** – activities of storage, refilling, distribution, and marketing of LPG.
- **Retailing** – selling of petroleum products in retail, generally directed to end users, through dispensing pumps in gasoline stations for the liquid fuels and auto-LPG and metal cylinders for LPG. This includes the establishment and operation of gasoline stations and LPG outlets.
- **Terminalling** - refers to the activity of leasing storage tanks to other industry players for a fee.
- **Bunkering** – refers to the activity of selling fuels for direct use by a marine vessel and delivered by a barge or smaller transport vessel.

Twenty-Three (23) years after the implementation of RA 8479, the downstream oil industry experienced a steady growth. New industry players entered into various downstream oil business such as marketing, distribution and storage of petroleum products. *Table 1 Shows the Number of Players Engage in various downstream activity and their investments.*

NUMBER OF PLAYERS WITH INVESTMENTS

ACTIVITY	NUMBER OF PLAYERS		INVESTMENTS (IN BILLION PESOS)	
	FY2019	FY2020	FY2019	FY2020
Liquid Fuel Bulk Marketing	305	327	21.97	25.73
Fuel Retail Marketing	18	18	14.31	14.37
LPG Bulk Marketing	12	13	16.91	17.45
Bunkering	7	9	2.61	2.61
Terminalling	11	14	8.82	10.93
Refining*	2	2	119.2	119.20
Grand Total	355	383	183.82	190.28

Note* - Pilipinas Shell and Petron Corporation

Note** - No additional investment or refinery for 2020

The number of industry participants increase by almost percent (7.89%) from 355 in 2019 to 383 in 2020, bringing in a total accumulated investment of PhP 190.28 billion.

For Retailing Activity there were reports on continuous construction of retail outlets and at the same time closure and re-branding in the year 2020 to modernize the facilities and services as part of compliance to Department Circular No. DC2017-11-0011 "Revised Retail Rules". The industry reported an increase of (8.58%) percent of retail outlets operating nationwide, bringing in a total of 10,186 retail outlets nationwide as of end 2020.

Among the country's 3 main island grids, Luzon still has the most number of retail outlets operated by the oil players. *Table 2. Shows the total cumulative number of retail outlets in the country.*

NUMBER OF RETAIL OUTLETS

REGIONS	NUMBER OF RETAIL OUTLETS	
	2019	2020
NCR	1,102	1,096
Luzon*	5,236	5,754
Visayas	1,897	2,106
Mindanao	2,248	2,326
Total Country	9,381	10,186

Note* Luzon Includes the number of retail outlets in NCR

TOTAL COUNTRY STORAGE FACILITY

The country has a total number of 181 storage facilities located in various regions of the country. Of the total number, 51 are import terminals (including the storage facilities of 2 refineries), while the remaining depots are distribution facilities/networks; with a total country storage capacity of 52,397 thousand barrels (MB). All depots are privately owned by downstream oil industry players.

Of the total country's storage capacity, 21,301 MB or 40.65% are refinery storage capacities located in Bataan and Batangas.

The Bataan Refinery is owned by Petron Corporation with a total storage capacity of 10,889 MB comprises of crude oil at 5,627 MB; intermediate stocks at 2,040 MB and finished petroleum products at 3,222 MB.

The other refinery, located in Batangas and owned by Pilipinas Shell Petroleum Corp. (PSPC), is PSPC Tabangao refinery which has a total storage capacity of 10,412 MB with crude oil at 2,933 MB; intermediate stocks at 1,218 MB and finished petroleum products at 6,260 MB. But due to economic shutdown, PSPC announced its decision to cease the refinery operations in August of 2020. Further, the refinery complex will be converted to an import terminal similar to NMIF in Cagayan de Oro. DOE-OIMB is monitoring the developments of the project.

The remaining country storage capacities of 24,006 MB or 49 import terminals are capable to receive imported finished petroleum products while the 7,090 MB or 130 depots are distribution facilities/ networks and owned by various downstream oil players.

<i>DEPOTS</i>	Number	CAPACITIES* in thousand barrels (MB)
Majors	37	4,922
Others	93	2,167
TOTAL DEPOTS	130	7,090
<i>IMPORT TERMINALS</i>		
Majors	7	6,984
Others	42	17,022
TOTAL IMPORT TERMINALS	49	24,006
<i>REFINERY (Crudes & Products)</i>		
Petron- Limay, Bataan	1	10,889
Shell - Tabangao, Batangas	1	10,412
TOTAL REFINERY	2	21,301
TOTAL	181	52,397

Note: *- Excluded non-operational depots and I/E Terminal

**** - EXCLUDED SPARE TANKS CAPACITY**

Majors (Petron, Shell and Chevron)
Others (various downstream oil players)

TOTAL COUNTRY STORAGE CAPACITY PER PRODUCT

Products	Capacity (in MB)
Crude oil	8,562
Intermediate stocks	3,258
Finished Products	9,482
Gasoline	6,762
Diesel	10,418
LPG	1,384
Kerosene	162
IFO	1,823
AvTurbo/Jet Fuel	1,640
Other products	8,905
TOTAL	52,397

OIL SUPPLY AND DEMAND SITUATION (FY2020 vs. FY2019)

ENDING INVENTORY

The country's petroleum inventory as of end December 2020 reflected a crude oil equivalent to 9-day supply or 687 million liters (ML) and finished petroleum products equivalent to 22-day supply or 1,657 ML. Total crude oil and finished product available day supply was 31 days equivalent to 2,344 ML. The December 2020 inventory was lower by 39.2 percent from December 2019's 3,858 ML. The drop was attributed to low crude oil inventory since the local refineries underwent economic shutdown and the impact of nationwide lockdowns due to the global pandemic brought by COVID-19. (Table 1)

Table 1. Comparative Inventory in Million Liters, ML

	As of end Dec. 2020		As of end Dec. 2019		Percent Change	As of end Dec. 2018	
	Volume	DS	Volume	DS		Volume	DS
Total Country Inventory	2,344	31	3,858	51	(39.2)	3,741	49
-in transit	317	4	435	6	(27.2)	494	6
-in Country	2,027	27	3,423	45	(40.8)	3,247	43
Total Crude Inventory	687	9	1,596	21	(57.0)	1,523	19
- In Transit	317	4	435	6	(27.2)	494	6
- On Hand	370	5	1,161	15	(68.1)	1,029	13
Total Product Inventory	1,657	22	2,262	30	(26.7)	2,218	30

The government continued to enforce the Minimum Inventory Requirement (MIR) given the continuing risks faced by the downstream oil industry sector such as global pandemic, geopolitical instability and supply delivery problems to areas affected by calamities (e.g. typhoon, flood, earthquake, etc.).

Current MIR for refiners is in-country stocks equivalent to 30 days while an equivalent of 15 days stock is required for the bulk marketers and 7 days for the LPG players.

SUPPLY

▪ CRUDE OIL IMPORTS

With the economic shutdown of the two local refiners and the eventual conversion of Pilipinas Shell's refinery to an import terminal, FY 2020 crude oil imports decreased by 45.7 percent from 9,649 Million Liters (ML) of FY 2019 to 5,238 ML. (Table 2)

Table 2. Comparative Crude Oil Imports in Million Liters, ML

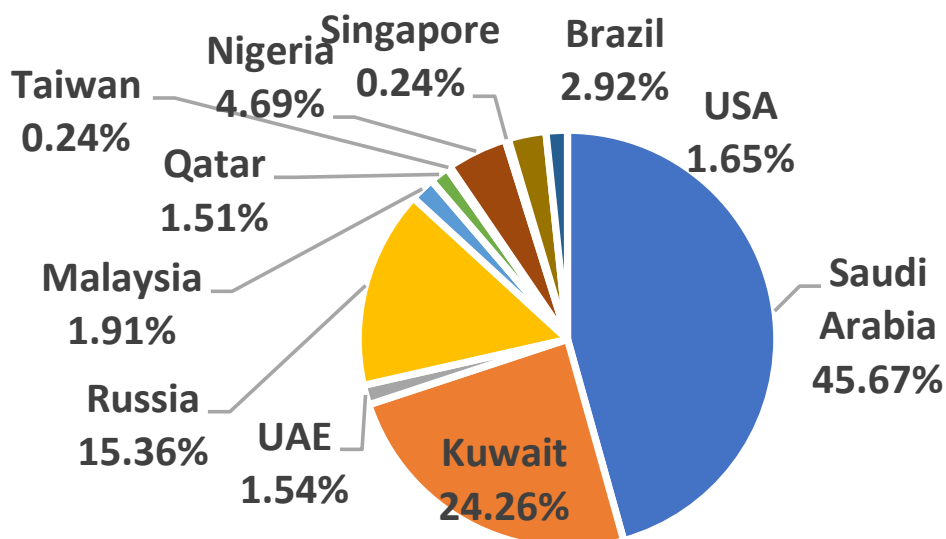
Origin	FY 2020		FY 2019		% Change	FY 2018	
	Volume	%	Volume	%		Volume	%
Total Crude	5,238	100.0	9,649	100.0	(45.7)	13,635	100.0
Middle East	3,822	73.0	6,602	68.4	(42.1)	11,854	86.9
ASEAN/Local Production	113	2.2	932	9.7	(87.9)	617	4.5
Other Asia	818	15.6	1,433	14.8	(42.9)	1,108	8.1
Others*	485	9.3	683	7.1	(29.0)	55	0.4
MLCD	14.3		26.4			37.4	

* Nigeria, Brazil, USA

Majority of the crude oil imports were sourced from the Middle East with a share of 73.0 percent, of which 45.7 percent came from Saudi Arabia (2,392 ML), the country's top exporter of crude oil. Kuwait was next with a 24.3 percent share (1,271 ML), followed by Russia (805 ML) with a 15.4 percent share. Meanwhile, 15.6 percent (818 ML) of the

crude oil imports were from other Asian countries. On the other hand, 9.3 percent were from Nigeria (246 ML), Brazil (153 ML) and USA (87 ML), respectively. The remaining 2.2 percent of the crude was imported from the ASEAN Region (113 ML) (Fig. 1).

Fig. 1 Crude Imports by Origin



▪ **PETROLEUM PRODUCT IMPORTS**

FY 2020 finished product imports of 16,394 ML fell by 8.3 percent from FY 2019's 17,883 ML. The drop was attributed to the decreased demand due to reduced economic activity because of the COVID-19 pandemic. (Table 3).

The top imported product for the period was diesel oil which fell by 15.1 percent from 7,864 ML of FY 2019 to 6,674 ML. Next was gasoline which increased by 12.5 percent from 3,539 ML to 3,981 ML. Kerosene/Avturbo imports was significantly down by 68.4 percent due to a slump in demand among travelers because of travel restrictions, from 1,866 ML of FY 2019 to 589 ML only in FY 2020. Fuel oil on the other hand, grew by 28.1 percent from 805 ML to 1,031 ML. Likewise, LPG import was up by 7.2 percent from 2,537 ML of last year to 2,720 ML. (Table 3)

Table 3. Comparative Product Imports in Million Liters, ML

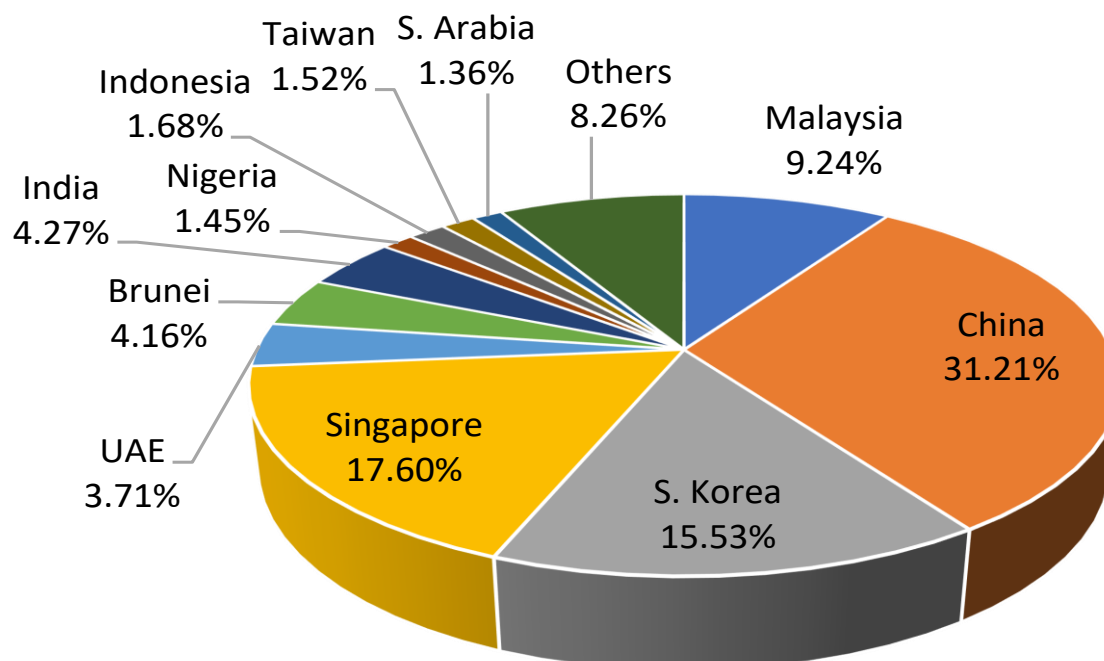
Product	FY 2020	FY 2019	% Change	FY 2020 MIX	FY 2019 MIX	FY 2018	FY 2018 MIX
Gasoline (Base)	3,981	3,539	12.5	24.3	19.8	3,022	19.5
Diesel	6,674	7,864	(15.1)	40.7	44.0	6,167	39.7
Kerosene/Avturbo	589	1,866	(68.4)	3.6	10.4	1,520	9.8
Fuel Oil	1,031	805	28.1	6.3	4.5	834	5.4
LPG	2,720	2,537	7.2	16.6	14.2	2,421	15.6
Others*	1,399	1,271	10.1	8.5	7.1	1,552	10.0
Total	16,394	17,883	(8.3)	100.0	100.0	15,514	100.0

* naphtha, asphalts, avgas

Product imports were mostly sourced from China with an import share of 31.2 percent, followed by Singapore with an import share of 17.6 percent. Next was South Korea with a

15.5 percent import share, trailed by Malaysia with 9.2 percent import share. The country also imported products from India (4.3%), Brunei (4.2%), UAE (3.7%), Indonesia (1.7%), Taiwan (1.52%), Nigeria (1.45%), Saudi Arabia (1.4 %) and other countries (8.3%). (Fig. 2)

Fig. 2 Product Imports



Local refiners (Petron and Pilipinas Shell) accounted for 24.0 percent of the total product imports, including blending stocks, and the direct importers balanced it with their 76.0 percent share. Their import share in the total demand was 17.4 percent while the direct importers' import share was 55.2 percent.

Product import mix comprised mostly of diesel oil at 40.7 percent, gasoline at 24.3 percent, LPG at 16.6 percent, fuel oil at 6.3 percent, kerosene/avturbo at 3.6 percent and other products at 8.5 percent share.

Total gasoline import met 67.1 percent of the gasoline demand while diesel oil import satisfied 68.2 percent of diesel demand. LPG import on the other hand, was 86.05 percent of LPG demand. Total product import was 72.6 percent of the total product demand.

Consistent with the drop in gasoline demand, 2020 ethanol imports also fell by 3.3 percent to 248 ML vis-à-vis 2019's 256 ML. 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).

▪ **CRUDE RUN AND REFINERY PRODUCTION**

Pilipinas Shell's decision to permanently shut down its oil refinery operations in Tabangao, Batangas sometime in September, reduced the country's maximum working crude

distillation capacity to 180 thousand barrels per stream day (MBSD). The refinery of Pilipinas Shell will be transformed into a full import terminal to optimize its asset portfolio.

It may be noted that sometime in May, both refineries, Petron and Shell, notified the DOE-OIMB that they will be on a temporary economic/maintenance plant shutdown due to reduced fuel demand caused by the COVID-19 pandemic. This, however, was with the assurance that there will be no supply disruption and healthy inventory will be maintained. Supply will be replenished through importation of finished products.

The temporary economic/plant shutdown has resulted in a decrease in the volume of crude oil processed at the refinery by 41.9 percent, from 9,726 ML of last year to 5,652 ML. Refinery utilization during the period was only 33.6 percent vis-à-vis 2019's 58.8 percent.

Based on the actual reports of the local refiners, the FY 2020 refinery production output of 5,504 ML was significantly down by 41.8 percent from 9,460 ML of FY 2019. The average refining output for the period was 15.04 ML per day.

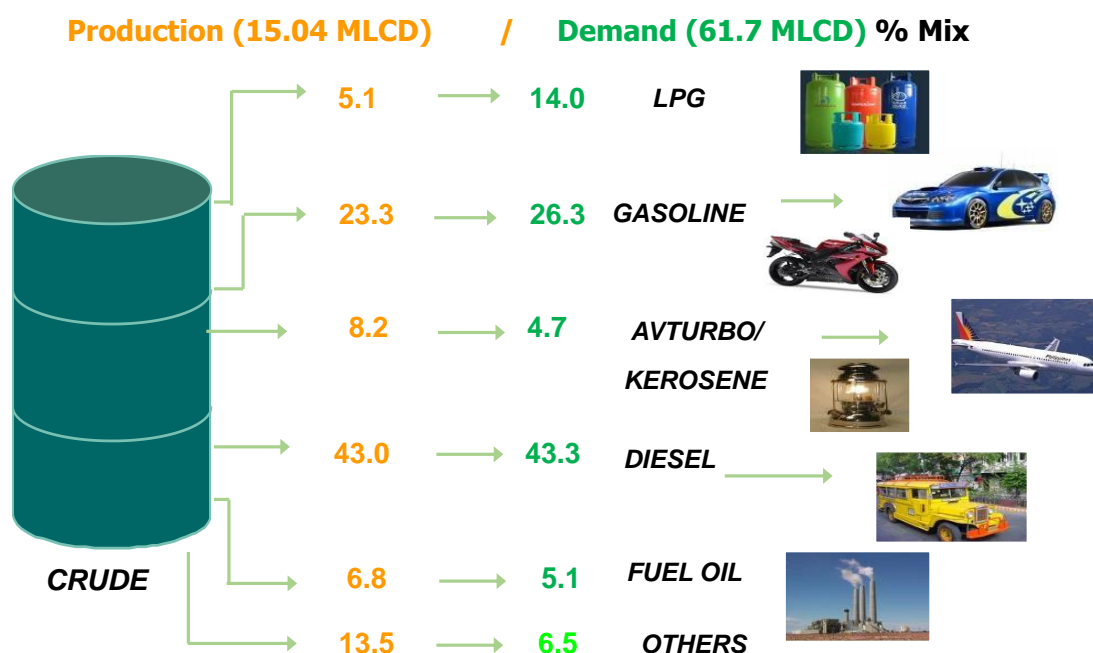
All products decreased vis-à-vis last year's level. Kerosene/Avturbo showed a decline of 56.5 percent, LPG fell by 46.8 percent, fuel oil dropped by 49.3 percent, gasoline down by 44.6 percent, and diesel oil reduced by 36.1 percent (Table 4).

Table 4. Comparative Refinery Production in Million Liters, ML

Product	FY 2020	FY 2019	% Change	FY 2020 MIX	FY 2019 MIX	FY 2018	FY 2018 MIX
Gasoline	1,283	2,315	(44.6)	23.3	24.5	3,337	24.4
Diesel Oil	2,369	3,710	(36.1)	43.0	39.2	5,276	38.6
Kerosene/Avturbo	453	1,040	(56.5)	8.2	11.0	1,343	9.8
Fuel Oil	375	738	(49.3)	6.8	7.8	776	5.7
LPG	282	530	(46.8)	5.1	5.6	942	6.9
Others*	742	1,127	(34.1)	13.5	11.9	1,994	14.6
Total	5,504	9,460	(41.8)	100.0	100.0	13,667	100.0

* naphtha, asphalts, petrochem products, petcoke

Fig. 3. FY 2020 Production/Demand Mix



Diesel oil continued to dominate the production mix with a share of 43.0 percent, followed by gasoline and kerosene/avturbo with 23.3 and 8.2 percent share, respectively. Meanwhile, fuel oil and LPG got 6.8 and 5.1 share, respectively (Fig. 3).

DEMAND

▪ **TOTAL COUNTRY PETROLEUM PRODUCT DEMAND**

The country's FY 2020 demand of petroleum products totaled 22,581 ML, down by 17.3 percent from 27,319 ML last year. This can be translated to an average daily requirement of 61.7 ML compared with last year's level of 74.9 ML. With community quarantine still up in the country to curb the spread of COVID-19, the decrease in demand is attributed to reduced economic activity due to lockdown and travel restrictions.

Compared with 2019 figures, diesel oil and gasoline demand decreased by 15.2 and 14.9 percent, respectively. Similarly, demand of kerosene/avturbo dropped by 63.2 percent. Likewise, fuel oil and LPG went down by 14.4 and 4.3 percent, respectively.

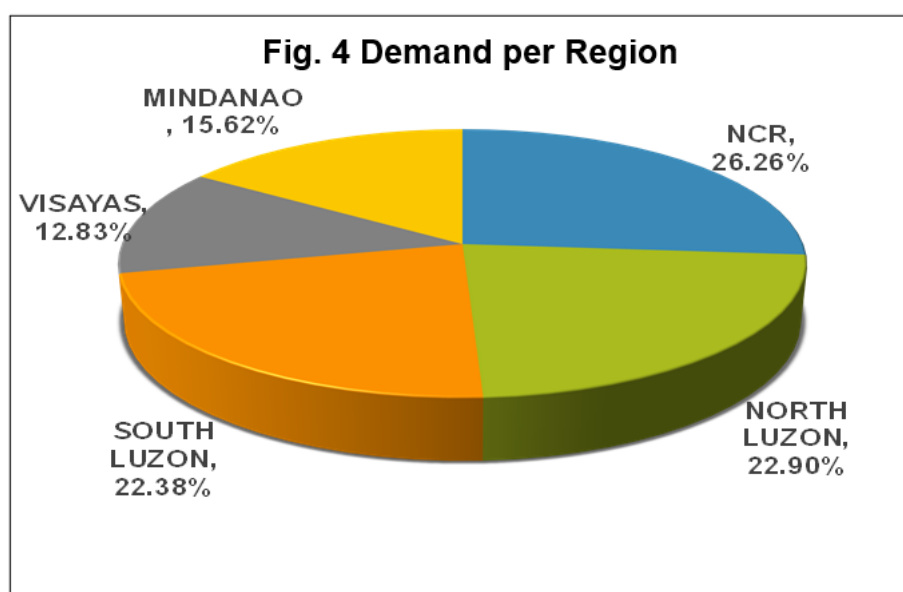
Product demand mix comprises of diesel oil at 43.3 percent, gasoline at 26.3 percent, LPG at 14.0 percent, kerosene/ avturbo at 4.7 percent, fuel oil at 5.0 percent and other products at 6.5 percent share in the total product demand mix. (Table 5)

Table 5. Comparative Product Demand in Million Liters, ML

Product	FY 2020	FY 2019	% Change	FY 2020 MIX	FY 2019 MIX	FY 2018	FY 2018 MIX
Gasoline	5,936	6,973	(14.9)	26.3	25.5	6,441	24.0
Diesel Oil	9,786	11,534	(15.2)	43.3	42.2	11,207	41.8
Kerosene/Avturbo	1,065	2,897	(63.2)	4.7	10.6	2,860	10.7
Fuel Oil	1,161	1,356	(14.4)	5.1	5.0	1,484	5.5
LPG	3,161	3,304	(4.3)	14.0	12.1	3,257	12.1
Others*	1,471	1,255	17.2	6.5	4.6	1,591	5.9
Total	22,581	27,319	(17.3)	100.0	100.0	26,840	100.0

* naphtha, asphalts, petrochem products, petcoke

On a per region basis, the National Capital Region (NCR) captured 26.26 percent of the total market, while North Luzon and South Luzon got 22.9 and 22.4 percent shares, respectively. Mindanao region on the other hand, captured 15.6 percent of the market. The remaining 12.8 percent was from the Visayas region (Fig. 4)



▪ **PETROLEUM PRODUCT DEMAND BY REGION AND BY TRADE CLASSIFICATION**

In terms of demand of petroleum products by Trade Classification, 36.42% of the total trade demand were distributed to Reseller Trade that is the volumes sold to retail outlets, Industrial/Commercial Trade or the volume sold to commercial, industrial, transport, power generation and agriculture sectors got 53.29% share. The remaining volumes were distributed to Philippine Government, Independent Refillers and International Trades at 0.47%, 6.18%, and 3.64%, respectively.

For regional demand of petroleum products, the three regions with highest demand are National Capital Region, Region 4A and Region 3 at 26.26%, 17.64% and 16.12%, shares respectively. While the least consuming region is BARMM with 0.42% share in the total country demand. (Table 7)

Table 6. Comparative Product Demand in Million Liters, ML

TRADE	NCR	REGION 1	REGION 2	REGION 3	CAR	REGION 4A	REGION 4B	REGION 5	REGION 6	REGION 7	REGION 8	REGION 9	REGION 10	REGION 11	REGION 12	REGION 13	BARMM	Grand Total	% MIX
RESELLER	1,621.23	488.60	215.60	942.86	89.89	1,345.84	227.29	250.99	623.86	622.67	222.58	252.85	389.94	479.61	251.35	141.54	57.98	8,224.68	36.42%
GASOLINE	670.29	88.46	65.60	368.30	18.51	565.77	86.63	87.96	224.55	271.08	83.87	111.45	150.37	165.72	99.97	56.33	16.60	3,131.47	13.87%
DIESEL	784.91	131.48	119.77	535.58	57.66	715.00	110.70	119.96	299.01	225.34	94.53	101.95	187.18	237.87	119.91	57.86	21.20	3,919.90	17.36%
KEROSENE	7.86	0.35	0.31	1.31	0.11	3.93	0.57	1.98	2.11	3.45	2.12	1.46	1.24	2.60	0.60	0.36	0.65	31.02	0.14%
LPG	158.17	268.31	29.93	37.67	13.60	61.14	29.39	41.09	98.19	122.80	42.06	37.99	51.15	73.43	30.87	26.99	19.53	1,142.30	5.06%
INDUSTRIAL/COMMERCIAL	2,992.99	242.08	327.88	2,264.18	38.99	2,269.83	147.31	425.23	427.40	745.46	211.03	353.37	650.33	508.19	238.27	154.41	37.18	12,034.10	53.29%
GASOLINE	313.74	113.08	113.69	819.15	15.08	192.82	44.16	154.22	133.51	173.26	77.85	127.32	196.25	190.53	74.29	26.10	20.68	2,785.80	12.34%
DIESEL	1,584.98	114.50	208.55	1,330.99	22.54	979.46	91.89	250.89	237.64	369.32	89.33	194.23	380.42	293.11	147.37	107.22	15.49	5,778.02	25.59%
KEROSENE	21.60	-	-	2.77	-	17.23	0.02	4.50	1.16	3.87	0.05	0.02	0.61	2.36	0.00	-	0.01	54.30	0.24%
AVTURBO	228.74	0.03	0.00	4.37	-	0.50	0.02	0.00	1.34	4.89	1.81	1.30	0.36	4.81	1.00	0.41	0.02	249.62	1.11%
FUEL OIL	527.00	5.73	0.73	48.44	-	182.58	10.89	12.79	33.90	141.49	9.50	21.04	42.85	20.29	0.51	14.36	-	1,072.11	4.75%
LPG	169.70	7.14	1.34	55.46	1.36	216.29	0.04	0.87	13.29	43.35	28.03	9.22	26.36	34.26	11.44	5.17	0.98	624.31	2.76%
OTHER PRODUCTS	147.23	1.58	3.46	2.99	-	1,280.96	0.29	1.96	6.55	9.17	4.48	0.25	3.47	2.73	3.66	1.15	-	1,469.94	6.51%
ASPHALT	32.52	1.42	3.46	2.99	-	28.06	0.29	1.96	6.55	8.52	4.46	0.25	3.47	2.71	3.64	1.15	-	101.44	0.45%
AVGAS	1.19	0.17	-	0.00	-	51.68	-	0.00	0.00	0.65	0.02	0.00	-	0.02	0.02	-	-	2.68	0.01%
CONDENSATE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51.68	0.23%
HYDRO/SOLVENT	70.21	-	-	0.00	-	11.00	-	-	-	-	-	-	-	-	-	-	-	81.21	0.36%
NAPHTHA/REFORMATE	-	-	-	-	-	1,189.62	-	-	-	-	-	-	-	-	-	-	-	1,189.62	5.27%
PETROLEUM COKE	43.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43.31	0.19%
INDEPENDENT REFILLERS	464.75	42.10	72.44	415.43	13.84	343.57	6.38	11.95	-	21.74	-	-	2.16	-	-	-	-	1,394.36	6.18%
LPG	464.75	42.10	72.44	415.43	13.84	343.57	6.38	11.95	-	21.74	-	-	2.16	-	-	-	-	1,394.36	6.18%
PHILIPPINE GOVERNMENT	85.42	-	-	0.08	-	17.42	-	-	0.67	0.26	-	0.18	0.25	0.19	0.53	-	-	105.01	0.47%
GASOLINE	11.31	-	-	0.08	-	6.85	-	-	0.11	0.07	-	0.07	0.09	0.04	0.04	-	-	18.47	0.08%
DIESEL	52.60	-	-	0.08	-	10.35	-	-	0.56	0.26	-	0.11	0.16	0.19	0.49	-	-	64.91	0.29%
AVTURBO	20.49	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	-	-	20.62	0.09%
LPG	-	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06	0.00%
OTHER PRODUCTS	1.02	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	1.05	0.00%
AVGAS	1.02	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	1.05	0.00%
FOREIGN EMBASSIES	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.00%
DIESEL	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.00%
INTERNATIONAL SALES	765.59	-	-	18.11	-	6.58	-	-	-	22.18	0.13	1.36	1.07	0.70	6.55	-	-	822.47	3.64%
DIESEL	18.39	-	-	0.19	-	1.95	-	-	0.06	-	-	1.36	0.17	0.16	1.17	-	-	23.46	0.10%
AVTURBO	675.38	-	-	14.70	-	-	-	-	-	19.84	-	-	-	-	-	-	-	709.93	3.14%
FUEL OIL	71.92	-	-	3.17	-	4.72	-	-	2.28	0.13	-	0.90	0.54	5.37	-	-	-	89.03	0.39%
OTHER PRODUCTS	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	0.00%
AVGAS	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	0.00%
Grand Total	5,930.11	772.76	615.93	3,640.66	142.71	3,983.35	380.98	688.17	1,051.26	1,412.71	434.00	607.58	1,043.68	988.74	496.36	296.48	95.15	22,580.64	100.00%
% Mix	26.26%	3.42%	2.73%	16.12%	0.63%	17.64%	1.69%	3.05%	4.66%	6.26%	1.92%	2.69%	4.62%	4.38%	2.20%	1.31%	0.42%	100.00%	

■ PETROLEUM PRODUCT EXPORTS

Total country's petroleum products export as of YTD December 2020 was down by 32.3 percent, from 1,856 ML of YTD December 2019 to 1,257 ML this year.

Export of gasoline, diesel oil, avturbo, and naphtha increased vis-à-vis 2019 export volume by 171.7 percent, 102.8 percent, 100.0 percent, and 5.8 percent, respectively. However, the export of fuel oil, LPG and condensate dropped versus last year by 11.9 percent, 99.2 percent and 85.3 percent, respectively.

The total export mix comprised of fuel oil (21.1 percent); diesel oil (13.9 percent); naphtha (13.4 percent); gasoline (10.7 percent); condensate (7.9 percent); avturbo (1.4 percent); and LPG/Others (31.6 percent). (Table 6)

Table 6. Comparative Product Exports in Million Liters, ML

Product	FY 2020	FY 2019	% Change	FY 2020 MIX	FY 2019 MIX	FY 2018	FY 2018 MIX
Gasoline	134	49	171.7	10.7	2.7	303	11.2
Diesel Oil	174	86	102.8	13.9	4.6	142	5.2
Avturbo/Jet A-1	18	-	100.0	1.4	-	-	-
Fuel Oil	266	302	(11.9)	21.1	16.2	319	11.8
LPG	0.07	9.1	(99.2)	0.0	0.5	0.9	0.0
Naphtha	168	159	5.8	13.4	8.6	312	11.5
Condensate	99	672	(85.3)	7.9	36.2	627	23.2
Others*	398	579	(31.3)	31.6	31.2	1,005	37.1
Total	1,257	1,856	(32.3)	100.0	100.0	2,710	100.0

* naphtha, asphalts, condensate, petrochem products, pygas, mixed C4

The oil refiners' exports accounted for 78.1 percent of the total export mix while the remaining 21.9 percent was accounted for by the other players.

■ CRUDE OIL EXPORTS

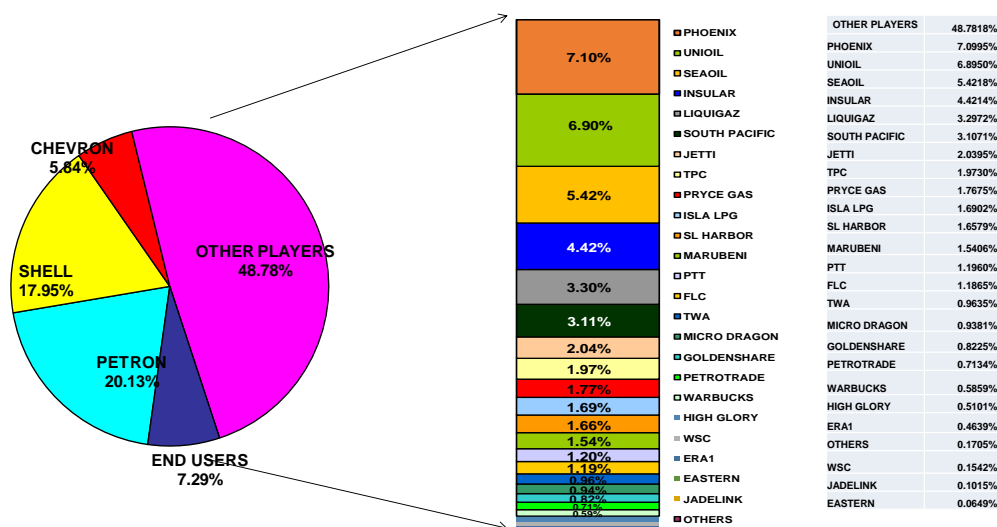
A total of 402 ML crude oil was exported for the year, a raise by more than 100 percent (154.6%) from last year's 158 ML. The increase was attributed to exported excess crude oil of Pilipinas Shell due to closure/conversion of its refinery to an import terminal.

MARKET SHARE

▪ TOTAL PETROLEUM PRODUCTS

Major oil companies (Petron Corp., Chevron Phils. and Pilipinas Shell Petroleum Corp.) got 43.9 percent market share of the total demand while other industry players including Phoenix, Unioil, Seoail, Insular, Liquigaz, South Pacific, TPC, Jetti, Pryce Gas, SL Harbor, Isla LPG, Marubeni, FLC, PTT, Microdragon, TWA, Petrotrade, Warbucks, High Glory, Era 1, Jadelink, Golden Share, Eastern and WSC, as well as the end users who imported directly for their own requirement, captured 56.1 percent of the market.

Fig. 5 FY 2020 Market Share (Total Petroleum Products)

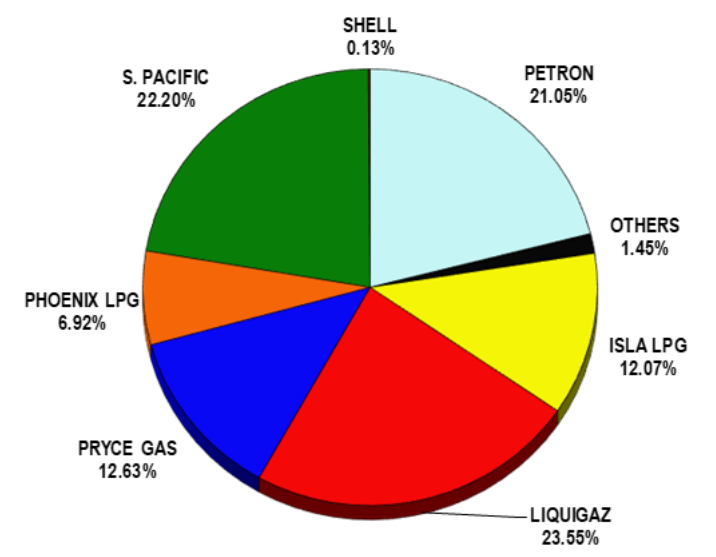


Meanwhile, local refiners (Petron Corp. and Pilipinas Shell) got 38.1 percent of the total market demand while 61.9 percent was credited to direct importers and end-users of finished petroleum product. percent of the market (Fig. 5).

▪ LPG

Other industry players' market share was at 78.1 percent while the remaining 21.9 percent was credited to the oil refiners. Petron's share was 21.05 percent of the total LPG demand while among the other industry LPG players, Liquigaz got the biggest market share with a 23.6 percent share. This was followed by South Pacific, Inc. (SPI) with a share of 22.2 percent. Next were Pryce Gases and Isla Gas with shares of 12.6 and 12.1 percent, respectively.

Fig. 6 LPG Market Share



Oil Import Bill

FY 2020 total oil import bill amounting to \$6,371.6 million was down by 46.2 percent from FY 2019's \$11,838.8 million. This was attributed to the combined effects of lower import costs and decrease in import volume of crude and finished products vis-à-vis 2019 (Table 7).

Table 7. Comparative Oil Import Bill (in Million US Dollars)

	Volume in Million Liters, ML		% Change in Volume	Cost In Million US\$		% Change in Cost
	FY 2020	FY 2019		FY 2020	FY 2019	
Total Imports Vol. and Bill	21,632.0	45,415.6	(21.4)	6,371.6	11,838.8	(46.2)
i. Crudes	5,237.8	27,532.5	(45.7)	1,470.4	4,039.7	(63.6)
ii. Products	16,394.2	17,883.0	(8.3)	4,901.3	7,799.1	(37.2)
Total Pet. Export Earnings	1,659.3	2,014.5	(17.6)	439.4	763.6	(42.5)
i. Crudes	402.3	158.0	154.6	111.7	62.8	77.7
ii. Products	1,256.9	1,856.5	(32.3)	327.8	700.8	(53.2)
Net Oil Import Vol. and Bill	15,137.2	16,026.6	(21.7)	5,932.2	11,075.2	(46.4)

Total oil import cost was made up of 75.8 percent finished products and 24.2 percent crude oil.

Total import of crude oil amounted to \$1,470.4 million was down by 63.6 percent from \$4,039.7 million of last year due to lower CIF prices of crude oil per barrel from FY 2019's \$66.565/bbl to \$44.634/bbl.

Meanwhile, total product import cost dropped by 37.2 percent from 2019's \$7,799.1 million at an average CIF cost of \$69.342/bbl to \$4,901.3 million at an average CIF cost of

\$47.535/bbl. The decline was attributed to lower import costs and decreased product import volume because of the slowdown in demand caused by the pandemic.

On the other hand, crude export earnings in 2020 rose by 77.7 percent due to increased crude export volume from \$62.8 million in 2019 to \$111.7 million this year. However, product export cost fell by 53.2 percent from 2019's \$700.8 million to \$327.8 million.

Overall, the country's net oil import bill amounted to \$5,932.2 million, a decrease of 46.4 percent from last year's \$11,075.2 million.

Average dollar rate for YTD December 2020 was \$49.61 compared to YTD December 2019's average rate of \$51.79.

LUBRICATING OILS AND GREASES

The succeeding table below shows the submitted report on the importation, production, sales and consumption of lubricating oils and greases for the years 2020 and vis-a-vis 2019. From 2019, there is a significant decrease of more than 53%, 49%, 42% and 27% in importation, production, sales and consumption, respectively for the said products in 2020. The above significant decrease in supply and demand for 2020 is an indication of slowdown in the lubes business which apparently the result of the restrictions imposed during the pandemic period.

Table 8. Total Industry Lubricating Products and Base Oils Stock Supply and Demand in Liter Volume – Full Year 2020

Product Type	Importation	Production	Sales	Consumption
A. Automotive Lube Oil	32,843,391.14	24,743,180.99	62,021,738.65	1,114,653.84
B. Industrial Lube Oil	7,908,993.67	4,765,193.00	11,205,858.25	1,455,932.06
C. Aviation Lube Oil	54,356.63	0.00	49,656.80	0.00
D. Marine Lube Oil	898,363.00	1,539,398.00	2,640,899.68	800.00
E. Base Oil	6,846,038.92	91,331.00	2,846,308.90	50,999.75
F. Grease	1,915,182.49	591,954.35	2,153,223.56	199,975.62
G. Other Lubricants/Specialty Products	1,319,475.71	201,149.60	2,272,247.99	103,632.88
TOTAL VOLUME	51,785,801.56	31,932,206.94	83,189,933.83	2,925,994.15

Table 9. 2019 vs. 2020 Supply Comparison

Product Type	Importation			Production		
	2019	2020	% Change	2019	2020	% Change
A. Automotive Lube Oil	62,353,093.50	32,843,391.14	-47.33	47,106,696.22	24,743,180.99	-47.47
B. Industrial Lube Oil	13,975,979.29	7,908,993.67	-43.41	10,525,551.00	4,765,193.00	-54.73
C. Aviation Lube Oil	215,857.79	54,356.63	-74.82	8,656.00	-	-100.00
D. Marine Lube Oil	2,671,734.44	898,363.00	-66.38	3,559,269.00	1,539,398.00	-56.75
E. Base Oil	25,939,038.13	6,846,038.92	-73.61	-	-	-
F. Grease	2,404,298.95	1,915,182.49	-20.34	1,119,396.87	591,954.35	-47.12
G. Other Lubricant/Specialty Product	4,555,572.25	1,319,475.71	-71.04	1,081,962.68	201,149.60	-81.41
TOTAL VOLUME	112,115,574.35	51,785,801.56	-53.81	63,401,531.77	31,840,875.94	-49.78

Table 10. 2019 vs. 2020 Demand Comparison

Product Type	Sales			Consumption		
	2019	2020	% Change	2019	2020	% Change
A. Automotive Lube Oil	105,859,727.13	62,021,738.65	-41.41	1,151,594.81	1,114,653.84	-3.21
B. Industrial Lube Oil	23,288,352.42	11,205,858.25	-51.88	1,856,235.17	1,455,932.06	-21.57
C. Aviation Lube Oil	104,793.30	49,656.80	-52.61	32,134.87	-	-100.00
D. Marine Lube Oil	6,844,854.45	2,640,899.68	-61.42	26,307.75	800.00	-96.96
E. Base Oil	784,836.34	2,846,308.90	262.66	114,179.88	50,999.75	-55.33
F. Grease	2,981,632.50	2,153,223.56	-27.78	291,032.63	199,975.62	-31.29
G. Other Lubricant/Specialty Product	4,259,944.44	2,272,247.99	-46.66	525,290.49	103,632.88	-80.27
TOTAL VOLUME	144,124,140.58	83,189,933.83	-42.28	3,996,775.60	2,925,994.15	-26.79

PETROLEUM AND FACILITIES STANDARDS

Standards Development (PNS)

The OIMB-OISMD is responsible for the setting of the appropriate national standards for the downstream oil industry, and duly recognized by the Bureau of Philippine Standards (BPS), the OISMD has led the development of the various fuel quality and facility standards applicable for the Philippine setting and state of the industry through the creation of the two Technical Committees as chair:

1. Technical Committee on Petroleum Products and additives (TCPPA)
2. Technical Committee on Petroleum Processes and Facilities (TCPPF)

The development and formulation of the standards were aligned and guided starting from the mandate of the Philippine Clean Air Act of 1999 (RA 8749), the Biofuels Act of 2006 (RA9367) and the evolving clean fuel initiatives as well as environmental policies relating to the fuel quality both for local mandates and international agreements. Further, it is also the DOE's policy and program of updating the fuel quality specification in terms of the current requirement of the industry, its users, and manufacturers also by endeavoring to harmonize internationally/regional environmental standards and global trends.

The engineering designs, operations, and practices for the product of retailing, storage, handling, and logistics are similarly under the OISMD. Accordingly, appropriate facility standards and code of practices were initiated, developed, and adopted for the enforcement to the various industry players of the downstream sector.

Summary of Department of Energy/Philippine National Standards (DOE/PNS) Adopted and Promulgated for Petroleum Products and Petroleum Processes and Facilities

The DOE OIMB in cooperation with various concerned government agencies, academe, private sectors formulate and promulgates the Philippine National Standards both for quality of petroleum products and petroleum processes and facilities to ensure public safety and establish a minimum quality of service to all consumers.

The table below summarizes the DOE-PNS for (i) Quality of Petroleum Products (ii) Petroleum Processes and Facilities and (iii) Code of Safety Practices that were developed and currently implemented:

▪ **DOE-PHILIPPINE NATIONAL STANDARDS (DOE-PNS) & CORRESPONDING IMPLEMENTING DEPARTMENT CIRCULARS (DC) FOR QUALITY OF PETROLEUM PRODUCTS**

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
A. Blended Fuels & Biofuels				
Petroleum Products - E-Gasoline (E-10) Specification	PNS/DOE QS 008:2018	May 2018	This standard is revision/update of 2012 E10 specs (PNS/DOE QS 008:2012). <ul style="list-style-type: none"> • In this edition, the PNS provided and limits the coverage only for Euro 4-PH (50 ppm, max. Sulfur content) to align with the emission requirement of 	A technical standard for E10 mandate or 10% bioethanol blend under the Biofuels Act of 2006 . This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
			DENR under DAO No 2015-04 & 2016-23. <ul style="list-style-type: none"> Improvement was also made on several specs, incorporated other properties and its limits as well as updating of test methods. 	users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.
DC Implementing the Specifications for PNS/DOE QS 008:2018 – E-Gasoline Fuel-Specification	DC No.2019-02-0002	07 February 2019	The Department Circular (DC) features the following: <ul style="list-style-type: none"> All E10 gasoline sold in the country shall be in compliance with PNS/DOE QS 008:2018 specification. Section 3 of DC 2015-06-005 on the temporary relaxation of ethanol blend for premium plus gasoline grade (97 min RON) remains in effect. 	Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation and monitoring
Petroleum Products – CME-blended automotive diesel oil (ADOB2) Specification	PNS/DOE QS 004:2017	18 December 2017	This standard is a revision/update of 2012 ADO B2 specs (PNS.DOE QS 004:2012). <ul style="list-style-type: none"> In this edition, the PNS provided and limits PNS coverage only for Euro IV-PH (50 ppm, max. Sulfur content) to align with the emission requirement of DENR under DAO No 2015-04 & 2016-23. Further the PNS provided only the requirements for <i>automotive diesel oil (ADO)</i> separate from <i>industrial diesel oil (IDO)</i> for effective implementation and monitoring. 	<p style="text-align: center;">A technical standard for B2 mandate or 2% biodiesel blend under the Biofuels Act of 2006.</p> This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.
Petroleum Products – CME-blended industrial diesel oil (ADOB2) Specification	PNS/DOE QS 013:2017	18 December 2017	This standard is a revision/update of 2012 IDO B2 (PNS/DOE QS 004:2012). <ul style="list-style-type: none"> In this edition, a new PNS number was created to separate the requirements of <i>industrial diesel oil (IDO)</i> from <i>automotive diesel oil (ADO)</i> which carried the original designation of PNS/DOE QS 004. 	
DC Implementing the Specifications for PNS/DOE QS 004:2017 CME-Blended Automotive Diesel Oil and PNS/DOE QS 013:2017 CME-	DC No.2019-05-0006	15 May 2019	DC implementing guidelines to effectively implement the latest PNS: <ul style="list-style-type: none"> PNS/DOE QS 004:2017 (ADO) PNS/DOE QS 013:2017 (IDO) 	Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation. <p>This DC will highlight the distinction of the two PNS based on general applications, for automotive diesel oil (ADO) and industrial diesel oil (IDO)</p>

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
Blended Industrial Diesel Oil- Specifications				for more effective implementation and monitoring
Petroleum Products - High FAME-Blended Diesel Oils (B5)	PNS/DOE QS 010:2015	27 November 2015	This is a new standard developed/formulated to addresses the technical requirements of high FAME-blended diesel oil (B5) and suitable test methods.	This standard support future energy policy towards the integration of higher biodiesel blends in the petroleum/fuel sector.
	(no DC yet)		<i>To issue DC once mandated (dependent on NBB/DOE-REMB's timeline/policy direction on higher blend mandate)</i>	
Biofuels - Anhydrous Bioethanol & Bioethanol Fuel (E100 & E98) Specification	PNS/DOE QS 007:2014	January 29, 2014	<p>This standard is a revision/update of 2005 E100 specs (PNS.DOE QS 007:2005).</p> <ul style="list-style-type: none"> • In this edition, the following improvements were made: <ul style="list-style-type: none"> a) Changes in color, inorganic chloride content, denaturant b) electrical conductivity as new property and c) updating of test methods 	<p>This standard specifies the requirement for biofuel grade ethanol in pure form (E100) and denatured (E98) for use as <u>blending component</u> of automotive gasoline suitable for various types of automotive spark ignition engine and other similar types of engines.</p> <p>This standard was made in line with the goal of the Department for development and utilization of alternative fuels that is indigenous and provides major benefit to the environment in support of the Biofuels Act of 2006.</p>
DC Implementing the PNS Specifications for Anhydrous Bioethanol Fuel	Department Circular - DC No. 2015-07-0012	29 June 2015	This DC features standard implementation that local bioethanol producers shall comply with PNS/DOE QS 007:2014 for their bioethanol and fuel bioethanol fuel production while accredited Oil Industry Participants in the Fuel Bioethanol Program shall purchase bioethanol conforming to the said PNS.	For more effective implementation and monitoring in compliance with the PNS.
Biofuels – Coconut Methyl Ester (B100) Specification	PNS/DOE QS 02:2015	27 November 2015	<p>This standard is a revision/update of PNS/DOE QS 002:2007.</p> <ul style="list-style-type: none"> • In this edition, the following improvements were made: <ul style="list-style-type: none"> a) Iodine number as new property b) Increased the minimum limit of oxidation property and c) Reduced the maximum sulfur content 	This standard specifies the requirement for coconut methyl ester (B100) suitable for blending to diesel fuel for use in various types of compression ignition engines and other similar types of engines.
DC Implementing the Modified	Department Circular - DC	02 May 2016	The Department Circular (DC) features the following:	For more effective implementation and monitoring in compliance with the PNS.

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
Philippine National Standard Specification for Biofuels – Coconut Methyl Ester (PNS/DOE QS 002:2015)	No. 2016-05-0006		<ul style="list-style-type: none"> implementation of the standard (PNS/DOE QS 002:2015) Requiring the CME producers to ensure that all CME deliveries are accompanied by COQ to be issued the same, indicating properties should be compliance to the PNS. 	
B. Petroleum and other Petroleum Related Products				
Petroleum Products - Liquefied Petroleum Gases (LPG) as Non-Motor Fuel	PNS/DOE QS 005:2016	22 December 2016	<p>This standard is a revision/update of 2005 LPG specs. In this edition improvement was made in the requirements on the use of odorant for health and safety consideration and updating of test method.</p> <p>Said PNS provided only the requirements for LPG as non-motor fuel separate from LPG as motor fuel for effective implementation and monitoring.</p>	This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.
Petroleum Products - Liquefied Petroleum Gases (LPG) as Motor Fuel	PNS/DOE QS 012:2016	22 December 2016	This standard is a revision/update of 2005 LPG specs. This edition, a new PNS number was created to separate the application of <i>LPG as motor fuel</i> from <i>LPG as non-motor fuel (domestic, commercial and industrial fuel)</i> which carried the original designation PNS/DOE QS 005 for more effective implementation and monitoring.	This is also in support of the Philippine Government's effort to promote the utilization of alternative and clean fuel technology.
DC Implementing the Modified Philippine National Standard Specification for Liquefied Petroleum Gases (PNS/DOE QS 005:2016 and PNS/DOE QS 012:2016)	DC No. 2019-06-0009	06 June 2019	<p>The DC implementing guidelines to effectively implement the latest PNS:</p> <ul style="list-style-type: none"> PNS/DOE QS 005:2016 (LPG as non-motor fuel) PNS/DOE QS 012:2016 (LPG as motor fuel) 	<p>Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation.</p> <p>This DC will highlight the distinction of the two PNS based on general applications, for LPG as non-motor and motor fuel for more effective implementation and monitoring</p>
Petroleum Products – Industrial Fuel Oils (IFO) Specification	PNS/DOE QS 006:2018	18 December 2018	This standard is a revision/update of 2005 (PNS/DOE QS 006:2005) specs with minor revision made particularly the deletion of the word “bunker” and referred only as industrial fuel oil as well as updating of test methods.	This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/ regional environmental standards for fuels.
	(no DC yet)		<i>Draft DC on-going</i>	

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
Petroleum Products – Kerosene Specification	PNS/DOE QS 09:2019	23 December 2019	This standard is a revision/update of PNS/DOE QS 009:2007 with revision made on property of flash point with two limits based on test method use and limiting the scope kerosene to energy related applications as well as updating the test method.	This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/regional environmental standards for fuels.
DC Implementing the Philippine National Standard Specification for Kerosene (PNS/DOE QS 009:2019)"	DC No. 2020-12-0025	09 December 2020	The DC implementing guidelines to effectively implement the latest for Kerosene (PNS/DOE QS 009:2019)	Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation.
Petroleum Products - Residual Marine Fuel - Specification	PNS/DOE QS 014:2018	22 December 2018	This is a new standard developed/formulated as a new and separate PNS for Residual Marine Fuel Specification , using ISO 8217:2017 (E) Petroleum Products – Fuels (class F)-Specifications of marine fuels as reference standard, specifically the residual marine fuel category ISO-F-RMG 180 and ISO-F-RMK 380 . In this standard, the statutory requirement for the sulfur content is set at 3.0%, mass, maximum based on PNS for Fuel Oils (PNS/DOE QS 006). Some changes were also made on the following properties: <ul style="list-style-type: none"> - Hydrogen sulfide - Aluminum plus silicon - Pour point - Used Lubricating Oil (ULO) 	This standard specifies the fuel quality specification for marine vessels domestic and international in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/regional environmental standards for fuels. Also intends to adopt the program/guidelines of the International Maritime Organization (IMO) for the requirement of sulfur content subject to statutory requirements set by MRINA.
	(no DC yet)		<i>Draft DC on-going</i>	
Petroleum Products – Aviation Gasoline Grade 100LL Specification	PNS/DOE ASTM D 910:2010	2010	The standard is derived from ASTM D 910-07A Standard Specification for Aviation Gasoline and is limited only for Grade 100LL all other grades are excluded for the purpose of complying with the Clean Air Act of the Philippines	This standard is in line with the DOE's policy and program of updating the fuel quality specification in terms of current requirement of the industry, its users and manufacturers and also by endeavoring to harmonize internationally/regional environmental standards for fuels.
	No DC issued		<i>No DC was issued. Development of the standard serves only as a guide to the industry and is voluntary</i>	
Petroleum Products – Two-	PNS/DOE QS 003:2003	06 May 2004	This standard is a revision/update of 1992 2T	This standard was developed to properly classify the minimum

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
stroke (2T) lubricating oil Specification			specs. In this edition the CME is consider as possible feedstock.	quality levels of motor oils for two-stroke spark ignition engines and in response to the government's thrust for the development and utilization of indigenous, renewable, and environmentally-friendly alternative lubricants, such as plant-based esters or plant-derived esters.
Petroleum Products – Unleaded Motor Gasoline	PNS/DOE QS 001:2009	June 2009	This standard is a revision/update of 2005 ULG specs. In this edition ULG is pure petrol and distinct from E10 specification.	This standard provides clear guidance on fuel classification for conventional gasoline distinct from the ethanol-blended gasoline (E-Gasoline). Note: E10 is not yet mandated
DC Implementing the Philippine National Standard Specifications for Unleaded Gasoline (PNS/DOE QS 001:2009)	Department Circular - DC No. 2009-12-0014	28 December 2009 and shall take effect immediately upon publication	The Department Circular (DC) features the following: Only conventional gasoline complying with PNS/DOE QS 001:2009 shall be sold, offered for sale, dispensed, or introduced into commerce in the Philippines.	Establishing the effectivity of the PNS along with other applicable rules and guidelines for its effective implementation. This DC highlighted the distinction of pure gasoline from ethanol blended gasoline.
Other Issuances:				
DC Implementing the Proper Retention of Duplicate Liquid Petroleum Fuel Samples in Depot and Retail Outlets	DC No. 2019-02-005	13 February 2019	The Department Circular (DC) features the following: <ul style="list-style-type: none"> The minimum volume of the retained duplicate sample per product (1 liter) Procedures in maintaining the integrity of the samples 	The DC provides guidelines to the industry for the proper retention of the duplicate samples at the depot and retail stations.
DC Amending Certain Sections of Department Circular No. 2007-02-0001 Entitled “Guidelines Implementing the Registration of Fuel Additives Under Republic Act No. 8479 and 8749”	DC No. 2020-03-0007	26 February 2020	The Department Circular (DC) amendments considered unnecessary procedures/requirements to improve in accordance with the objective and principle of RA No. 11032	The DC provides guidelines to the industry/proponent for the issuances of the Certificate of Fuel Registration (CFAR)

▪ **DOE/PNS FOR PETROLEUM PROCESSES AND FACILITIES**

FACILITY	PNS NUMBER	DESCRIPTION
Retail Outlet- <ul style="list-style-type: none"> Health, Safety and Environment 	PNS/DOE FS 1-1: 2005 PNS/DOE FS 1-2: 2005	These Standards were prepared to complement DC no. 2003-11-010 Providing for the Rules and Regulations Governing

<ul style="list-style-type: none"> • Underground Storage Tank • Piping System • Dispensing Pumps 	<p>PNS/DOE FS 1-3: 2005 PNS/DOE FS 1-4: 2005</p>	Business of Retailing Liquid Petroleum Products
LPG Refilling Plant General Requirement	PNS/DOE 2:2006	This Standard covers the requirements for the installations of an LPG Refilling Plant, including the associated bulk storage are and tank farm facility
Auto-LPG Dispensing Station	PNS/DOE FS 3:2006	This Standard covers the requirements for the installation of Auto-LPG Dispensing Stations for Retail Operation and Garage based sites for on-vehicle dispensing of LPG for vehicle of any type
Liquid Petroleum Product Depot	PNS/DOE FS 4:2007	This Standard covers the design and constructions of depots and associated facilities involved in marketing/redistribution of liquid petroleum product
Storing and Handling of CME and CME-Diesel Blends at Liquid Petroleum Depot	PNS/DOE FS 5:2010	This Standard describes practices and requirements for the storing and handling and fire protection of CME and CME blends at LPP Depot
Storing and Handling of E-Gasoline in Retail Outlet	PNS/DOE FS 6:2011	This Standard describes good engineering practices, as well safety, environmental and fire protection requirements for the storing and handling of E-gasoline in Retail Outlets. This Standard is an additional requirement that complements PNS/DOE FS 1-1 to 1-4:2005 (Retail Outlet-Health Safety Environment, Underground Storage Tanks, Piping System and Dispensing Pump).
<p>Storing and Handling of B-5 in Retail Outlet-</p> <ul style="list-style-type: none"> • Health, Safety and Environment • Underground Storage Tank • Piping System • Dispensing Pumps 	<p>PNS/DOE FS 7-1:2011 PNS/DOE FS 7-2:2011 PNS/DOE FS 7-3:2011 PNS/DOE FS 7-4:2011</p>	This Standard is a review of PNS 1-4 Retail Outlet pursuant to Sec. 8 of the BPS Directives, Second Edition 2004 (Maintenance of Standards) and likewise covers the facilities, clearances and distances therein intended for retail outlets storing and handling up to B5 and applicable to all kinds of locations either with mid-block lot, corner lot and passing- thru lot.
Auto LPG Dispensing Station	PNS/DOE FS 3:2013	This Standard covers the requirements for the installation of Auto-LPG Dispensing Stations for Retail Operation and Garage based sites for on-vehicle dispensing of LPG for vehicle of any type. This is a review of PNS/DOE 3:2006
Transportation of Petroleum Product by Pipeline	PNS/DOE FS: 8:2013	This Standard covers operation and maintenance, reporting requirements and other applicable provisions in the on-shore transportation of liquid petroleum products for white (such as but not limited to gasoline, diesel, kerosene and Jet A-1) and (such as but not limited to) black (bunker fuel) products to ensure the safety of the general public and pipeline workers and the protection of the environment against the risk of petroleum contamination, fire and other similar hazards in areas where the pipeline system operates and/or transverses

Code of Safety Practice in Auto-LPG Dispensing Station	PNS/DOE FS 9:2016	This Standard is a guide for managers/operators collectively referred to as Responsible Officer of Auto-LPG Dispensing Station focusing on safety and good practice procedures with reference to health and safety standards.
Code of Safety Practice in Liquid Petroleum Product in Retail Outlet	PNS/DOE FS 10:2017	The Code of safety practices is intended for managers/operators of LPP Retail Outlet focusing on safety and good practice procedures with reference to relevant health and safety standards.
LPG Refilling Plant	PNS/DOE FS 2:2018	This Standard is a review of PNS/DOE FS 2: 2006 which covers the requirements for the installation of an LPG Refilling Plant, including the associated bulk storage area and tank farm facility. This edition incorporates a new chapter adopting energy resiliency in the planning and programming of the energy sector to mitigate potential impacts of disaster.
Liquefied petroleum gas (LPG) refilling plant – General Requirements AMENDMENT 1	PNS/DOE FS 2:2018 Amd. 1:2020	This amendment to the subsisting Standard qualifies the reduction of the minimum separation distance between each of the fixed storage tank of the bulk plant and the nearest point of the cylinder filling hall from fifteen (15) to as low as three (3) meters provided that the specified conditions are met.

▪ **CODE OF SAFETY PRACTICES**

Code of Safety Practice in LPG Refilling Plant	Joint Activity of OISMD and RMMSCD (2017)	This Code covers the typical activities associated in the normal operations of an LPG Refilling Plant. The company Authorized Personnel or the Responsible Officer/s including its personnel should be able to demonstrate their competence on how to achieve an appropriate understanding of safety, health and environment risk as well as mitigation measures. This Code also identifies minimum training requirements for all personnel involve and working within the LPG Refilling Plant premises.
Handbook on Code of Safety in LPP Depot		This Code constitutes good industry practices for oil terminals/ depots and is designed to prevent accidents at LPP terminal/ depot facilities and ensure product quality. This Code was prepared by the OIMB Oil Industry Standards and Monitoring Division (OISMD) – Facilities Section in collaboration with the

		downstream oil industry stakeholders and other concerned government agencies.
Modules of Instruction for LPG Cylinder Refillers	In partnership with TESDA (2019)	This Modules of Instruction aims to uphold competency among those considered as front liners in an LPG Refilling Plant – the LPG Cylinder Refillers. This provides for the minimum coverage of topics that must be introduced to the workers to assure competency in the operational level and the minimum set of conditions and methodologies to ensure the sufficiency and effectiveness of the training to be undertaken. This initiative is in partnership with the Technical Education and Skills Development Authority (TESDA).

PETROLEUM TAX TABLE

SUMMARY TABLE OF THE NEW EXCISE TAX WITH THE IMPLEMENTATION OF THE TRAIN LAW (R.A. 10963)

Before the implementation of the TRAIN Law (RA10963), the inclusion of petroleum products within the ambit of the VAT system in 1996 simultaneously reduced the excise tax of socially sensitive like diesel and fuel oil (LPG is already zero rated) to zero, thereby mitigating the impact of the VAT.

IMPACT OF EXCISE TAX ON PETROLEUM PRODUCTS PRICES (PER R.A. 10963)

Product	Pre-TRAIN Law			1ST TRANCHE - JAN 2018				
	Excise Tax	12% VAT	Total	Excise Tax	12% VAT	Total	Grand Total, 2018	
							Excise Tax	With 12% VAT
	Peso/liter							
Gasoline	4.35	0.52	4.87	2.65	0.32	2.97	7.00	7.84
Avturbo	3.67	0.44	4.11	0.33	0.04	0.37	4.00	4.48
Kerosene	0.00	0.00	0.00	3.00	0.36	3.36	3.00	3.36
Diesel	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
Fuel oil	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
LPG (motive fuel)	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
LPG, P/kg	0.00	0.00	0.00	1.00	0.12	1.12	1.00	1.12

Product	2ND TRANCHE - JAN 2019			3RD TRANCHE - JAN 2020						
	Excise Tax	12% VAT	Total	Grand Total, 2019		Excise Tax	12% VAT	Total	Grand Total, 2020	
				Excise Tax	With 12% VAT				Excise Tax	With 12% VAT
	Peso/liter									
Gasoline	2.00	0.24	2.24	9.00	10.08	1.00	0.12	1.12	10.00	11.20
Avturbo	0.00	0.00	0.00	4.00	4.48	0.00	0.00	0.00	4.00	4.48
Kerosene	1.00	0.12	1.12	4.00	4.48	1.00	0.12	1.12	5.00	5.60
Diesel	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
Fuel oil	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
LPG (motive fuel)	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
LPG, P/kg	1.00	0.12	1.12	2.00	2.24	1.00	0.12	1.12	3.00	3.36

However, with the implementation of R.A. 10963 (TRAIN Law), all petroleum products are now imposed with excise tax as shown in the table. Implementation is made into three (3) tranches – 2018 to 2020. By 2020, the full amount of the tax is thus implemented in all products.

TEMPORARY TARIFF UNDER EXECUTIVE ORDER NO. 113

With the issuance of Executive Order No. 113 on 02 May 2020, the imported crude and petroleum products were imposed with temporary ten percent (10%) tariff as the Government took measures to carry out the declared national policy under the Bayanihan To Heal as One Act or Republic Act No. 11469.

The tariff revenue collected under EO 113, from its effectivity in May until the Bayanihan To Heal as One Act ended on 25 June 2020, was intended to augment the Government's resources to sufficiently finance the programs and measures to mitigate the effects of COVID-19 situation.

OIMB ACCOMPLISHMENT

OMNIBUS CIRCULAR ON BIOFUEL ACCREDITATION, NOTICES & REPORTORIAL REQUIREMENTS PURSUANT TO THE BIOFUEL ACT

- This DC aims to prescribe the consolidated and updated accreditation qualifications and requirements, and version of notices and reportorial formats in compliance with the Biofuels Act for better data submission, reconciliation and preparation of reports.
- OIMB conducted three (3) consultations on the draft DC with the oil players, first in November 27, 2020, then on February 2 and 15, 2021.
- The said DC is now being finalized, incorporating the comments of the players; after which it will be endorsed for the approval of the Secretary.
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OMNIBUS CIRCULAR ON NOTICES AND REPORTORIAL REQUIREMENTS PURSUANT TO THE OIL DEREGULATION LAW

- The Omnibus Circular on DOI aims to prescribe the consolidated and updated version of notices and reportorial formats in compliance with the Oil Deregulation Law for better data submission, reconciliation, and preparation of reports.
- Finalization of the Circular will be after the conduct of consultations with the industry, after which it will be endorsed for approval of the Secretary.

CREATION OF THE OIL CONTINGENCY TASK FORCE (OCTF) UNDER THE INTER-AGENCY ENERGY COORDINATING COMMITTEE (IECC)

- OIMB seeks to develop an inter-agency platform that will directly tackle the drafting, review and issuance of the Oil Contingency Plan and the Strategic Petroleum Reserve Bill.

- OIMB has already commenced this activity, with the first organizational meeting last 29 January 2021 where the draft IECC Resolution for the creation of the OCTF, and its draft Implementing Rules, were presented to the meeting.
- These drafts are revised following the comments raised during the meeting and are now for transmittal to the agencies for further comments. The second letter for the purpose is now being routed for signature.

MEMORANDUM OF AGREEMENT (MOA) FOR THE UPDATING OF THE 2002 PHILIPPINE NATIONAL OIL CONTINGENCY PLAN WITH JAPAN OIL, GAS AND METALS NATIONAL CORPORATION

- The objective of the (MOA) is to update the 2002 Philippine National Oil Contingency Plan including the creation of a Strategic Petroleum Reserve (SPR) for the country
- The MOA is targeted to be signed and entered into by the DOE and JOGMEC on April 2021.

DEPARTMENT CIRCULAR ON STRATEGIC PETROLEUM RESERVE (SPR) PROGRAM

- This is accordance with the order of the Secretary to the PNOC.
- This DC prescribes the guideline for PNOC to initiate the conduct of appropriate study and thereafter the formulation of an implementing plan for the SPR Program as part of the planned promulgation of the Oil Contingency Plan with the Inter-agency Energy Contingency Committee (IECC).
- OIMB will conduct consultations with PNOC, then the finalization of the draft circular before its endorsement for the approval of the Secretary.

DEVELOP THE OIMB ENTERPRISE RESOURCE PLANNING- OIL PRODUCTS INFORMATION SYSTEM (ERP-OPIS)

- The ERP-OPS Project, with AppcentricSolutions, Inc. as developer and the DOE-ITMS, seeks to transition from manual data system to an online and digitized platform and data base.
- The OIMB participates as the direct end user resource in the development of the program.
- This is currently on-going and envisioned to be completed within the year.