

# OIL INDUSTRY MANAGEMENT BUREAU'S (OIMB'S) YEAR-END COMPREHENSIVE REPORT (FY2018)



DEPARTMENT OF ENERGY

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# **OIL INDUSTRY MANAGEMENT BUREAU'S YEAR-END COMPREHENSIVE REPORT (FY2018)**

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## **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.

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## 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** – 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 (20) 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.*

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**NUMBER OF PLAYERS WITH INVESTMENTS – TABLE 1**

ACTIVITY	NUMBER OF PLAYERS		INVESTMENTS (IN BILLION PESOS)	
	FY2018	FY2017	FY2018	FY2017
Liquid Fuel Bulk Marketing	263	229	19.25	19.08
Fuel Retail Marketing	17	12	14.31	14.31
LPG Bulk Marketing	11	11	16.61	16.57
Bunkering	13	19	2.61	2.61
Terminalling	19	13	8.82	8.82
Refining*	2	2	119.2	118.3
<b>Grand Total</b>	<b>325</b>	<b>286</b>	<b>180.80</b>	<b>179.69</b>

Note\* - Pilipinas Shell and Petron Corporation

The number of industry participants increase by almost fourteen percent (14%) from 286 in 2017 to 325 in 2018, bringing in a total accumulated investment of PhP 180.80 billion.

For Retailing Activity there were reports on newly constructed retail outlets and at the same time closure and re-branding in the year 2018 to modernize the facilities and services as part of compliance to the newly issued Department Circular No. DC2017-11-0011 “Revised Retail Rules”. The industry reported an increase of one (1%) percent of retail outlets operating nationwide, bringing in a total of 8,630 retail outlets nationwide as of end 2018.

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 – TABLE 2**

REGIONS	NUMBER OF RETAIL OUTLETS	
	2017	2018
NCR	1144	1144
Luzon*	5215	5215
Visayas	1694	1740
Mindanao	1675	1675
<b>Total Country</b>	<b>8584</b>	<b>8630</b>

Note\* Luzon Includes the number of retail outlets in NCR

**TOTAL COUNTRY STORAGE FACILITY**

The country has a total number of 171 storage facilities located in various regions of the country. Of the total number, 56 are import terminals (including the storage facilities of 2 refineries), while the remaining 115 depots are distribution facilities/networks; with a total country storage capacity of 33,944 thousand barrels (MB). All depots are privately owned by downstream oil industry players.

Of the total country’s storage capacity, 14,604 MB or 43% are refinery storage capacities located in Bataan and Batangas.

The Bataan Refinery is owned by Petron Corporation with a total storage capacity of 9,536 MB comprises of crude oil at 4,977 MB; intermediate stocks at 1,321 MB and finished petroleum products at 3,238 MB.

The other refinery is located in Batangas and owned by Pilipinas Shell Petroleum Corp. (PSPC). Batangas refinery has a total storage capacity of 5,068 MB with crude oil at 2,850 MB; intermediate stocks at 1,129 MB and finished petroleum products at 1,090 MB.

The remaining country storage capacities of 14,968 MB or 54 import terminals are capable to receive imported finished petroleum products while the 4,371 MB or 115 depots are distribution facilities/ networks and owned by various downstream oil players.

<i>DEPOTS</i>	Number	CAPACITIES* in thousand barrels (MB)
Majors	35	1,665
Others	80	2,706
<b>TOTAL DEPOTS</b>	<b>115</b>	<b>4,371</b>
<i>IMPORT TERMINALS</i>		
Majors	16	3,421
Others	38	11,547
<b>TOTAL IMPORT TERMINALS</b>	<b>54</b>	<b>14,968</b>
<i>REFINERY (Crudes &amp; Products)</i>		
Petron- Limay, Bataan	1	9,536
Shell - Tabangao, Batangas	1	5,068
<b>TOTAL REFINERY</b>	<b>2</b>	<b>14,604</b>
<b>TOTAL</b>	<b>171</b>	<b>33,944</b>

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

Majors (Petron, Shell and Chevron)

Others (various downstream oil players)

#### **TOTAL COUNTRY STORAGE CAPACITY PER PRODUCT:**

<b>Products</b>	<b>Capacity (in MB)</b>
Crude oil	<b>7,827</b>
Intermediate stocks	<b>2,450</b>
Finished Products (Refinery)	<b>4,328</b>
Gasoline	<b>4,335</b>
Diesel	<b>7,573</b>
LPG	<b>857</b>
Kerosene	<b>282</b>
IFO	<b>2,391</b>
AvTurbo/Jet Fuel	<b>2,573</b>
Other products	<b>1,329</b>
<b>TOTAL</b>	<b>33,944</b>

## OIL SUPPLY AND DEMAND SITUATION (FY2018 vs. FY2017)

### BEGINNING INVENTORY

December 2017 actual crudes and petroleum products inventory closed at 20,362 thousand barrels (MB) or 46-day supply equivalent; 37 days for crude oil and products in country stocks and 9 days in-transit. This was lower by 2.2 percent from December 2016's 20,742 MB (Table1).

	As of end Dec. 2018		As of end Dec. 2017		% Change (Vol.)	FY 2018 Ave. Inv.		As of end Dec. 2016	
	Volume	DS	Volume	DS		Volume	DS	Volume	DS
Total Country Inventory (Crudes and Products)	23,502	50	20,362	46	15.4	20,578	44	20,742	51
-in transit	3,108	6	4,031	9	(22.9)	3,825	8	5,395	13
-in Country	20,394	44	16,331	37	24.88	16,753	36	15,347	38
Total Crude Inventory	9,577	19	9,552	21	0.3	9,060	19	11,279	27
- In Transit	3,108	6	4,031	9	(22.9)	3,825	8	5,395	13
- On Hand	6,469	13	5,521	12	17.2	5,235	11	5,884	14
Total Product Inventory	13,925	31	10,810	25	28.8	11,518	25	9,463	24

The government continued to enforce the Minimum Inventory Requirement (MIR) given the continuing risks faced by the downstream oil industry sector such as 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.

The DOE issued a directive sometime in September 2018, which requires the oil companies to provide updates on the status of their oil supply and facilities in the Northern and Central parts of Luzon which were hit by Typhoons Ompong and Rosita in order to monitor and ensure continuous oil supply in the affected areas.

With the implementation of the 2<sup>nd</sup> tranche of RA 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN Law) in January 2019, the Department also issued a directive to the oil companies that implementation of the new excise tax shall not be applied unless the old stocks of finished petroleum products (December 31, 2018 inventory) are fully exhausted. Hence, the directive requires the oil companies to submit starting January 1, 2019 daily inventory of the remaining balance of the December 31, 2018 stocks on a per product and per depot basis until the same are exhausted to ensure proper implementation of the new tax scheme.

## SUPPLY

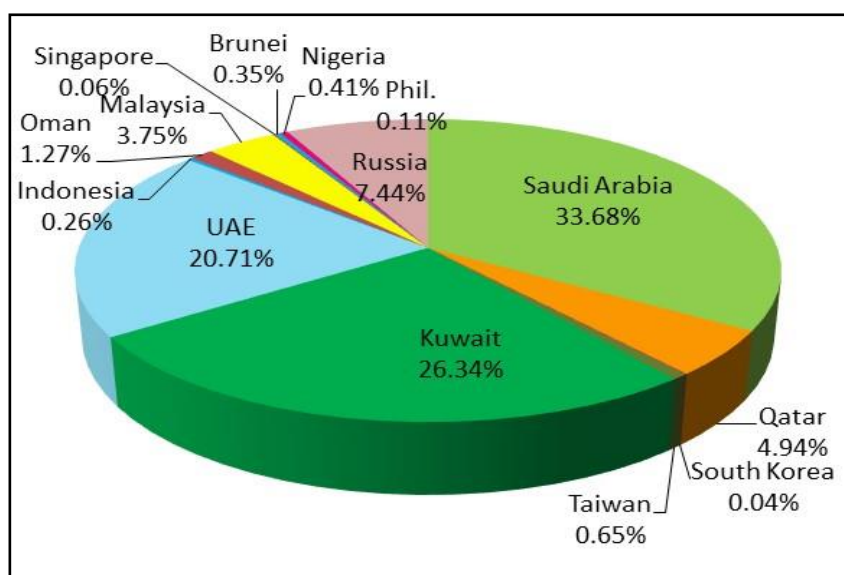
### ▪ CRUDE OIL IMPORTS

Full Year 2018 crude oil import totaled 85,753 MB, an increase of 10.4 percent from 77,641 MB of FY 2017. (Table 2).

Total Crude	FY 2018		FY 2017		% Change	FY 2016	
	Volume	%	Volume	%		Volume	%
	85,753		77,641		10.4	78,782	
Middle East	74,555	86.9	69,345	89.3	7.5	68,537	87
ASEAN/Local Production	3,880	4.5	1,622	2.1	139.2	4,990	6
Other Asia	6,969	8.1	5,629	7.3	23.8	5,256	7
Others	349	0.4	1,045	1.3	(66.6)	0	-
<b>Total MBCD</b>	<b>234.9</b>		<b>212.7</b>			<b>215.3</b>	

Majority of the crude oil imports were sourced from the Middle East (86.9%), of which 33.7 percent came from Saudi Arabia (28,880 MB), the top supplier of crude oil into the country. Next was Kuwait with a 26.3 percent share of the total crude mix, followed by UAE and Russia with 20.9 and 7.4 percent share, respectively. On the other hand, 4.5 percent of the crude import mix originated from the ASEAN Region (3,880 MB) and 0.1 percent from local production (94 MB). A total of 349 MB crude oil was also imported from Nigeria. The remaining 1.9 percent was from Oman (1,091 MB), Taiwan (559 MB) and South Korea (31 MB) (Fig. 1).

Fig. 1 FY2018 Crude Oil Imports





▪ **PETROLEUM PRODUCT IMPORTS**

Total country's FY 2018 petroleum product imports totaled 97,573 MB, slightly rose by 0.2 percent from FY 2017's 97,415 MB (Table 3a).

	FY 2018		FY 2017		% Change	FY 2016	
Total Products	97,573		97,415		0.2	87,240	
	Volume	%	Volume	%		Volume	%
Oil Refiners	10,780	11.0	14,155	14.5	(23.8)	22,856	26.2
Direct Importers	86,793	89.0	83,260	85.5	4.2	64,385	73.8
<b>Total MBCD</b>	267.3		266.9			238.4	

The top imported product for the period was diesel oil which dropped by 3.3 percent from last year's level. Fuel oil imports also decreased by 24.2 percent. On the other hand, gasoline import, was up by 10.7 percent vis-à-vis last year's level. Likewise, LPG and kerosene/avturbo imports increased by 9.4 and 3.8 percent, respectively.

The other industry players accounted for majority of the product imports with 77.1 percent of the total imports volume, up by 1.6 percent to 75,195 MB from last year's 74,023 MB. The oil majors (Petron, Chevron and Pilipinas Shell) accounted for the remaining 22.9 percent which declined by 4.3 percent from last year's 23,391 MB to 22,378 MB (Table 3).

	FY 2018		FY 2017		% Change	FY 2016	
Total Products	97,573		97,415		0.2	87,240	
	Volume	%	Volume	%		Volume	%
Oil Majors*	22,378	22.9	23,391	24.0	(4.3)	13,834	15.9
Other Players/End Users	75,195	77.1	74,023	76.0	1.6	73,407	84.1
<b>Total MBCD</b>	267.3		266.9			238.4	

\* Petron, Chevron, Shell

The local refiners (Petron and Pilipinas Shell) accounted for 11.0 percent of the total product imports, which included blending stocks, as against 89.0 percent share by direct importers (Table 3a).

	FY 2018		FY 2017		% Change	FY 2016	
Total Products	97,573		97,415		0.2	87,240	
	Volume	%	Volume	%		Volume	%
Oil Refiners	10,780	11.0	14,155	14.5	(23.8)	22,856	26.2
Direct Importers	86,793	89.0	83,260	85.5	4.2	64,385	73.8
<b>Total MBCD</b>	267.3		266.9			238.4	

Product import mix comprised mostly of diesel oil at 39.7 percent, gasoline at 19.5 percent, LPG at 15.6 percent, kerosene/avturbo at 9.8 percent, fuel oil at 5.4 percent and other products at 10.0 percent share in the total product mix (Table 3b).

Products	Volume		% Change	FY 2018 % Mix
	FY 2018	FY 2017		
Diesel Oil	38,784	40,105	(3.3)	39.7
Gasoline	19,004	17,162	10.7	19.5
LPG	15,224	13,910	9.4	15.6
Kerosene/Avturbo	9,559	9,205	3.8	9.8
Fuel Oil	5,244	6,921	(24.2)	5.4
Others*	9,757	10,111	(3.5)	10.0
<b>Total</b>	<b>97,573</b>	<b>97,415</b>	<b>0.2</b>	<b>100.0</b>

\* naphtha, alkylate, asphalts, avgas, condensate

Total gasoline import reached 46.9 percent of gasoline demand while diesel oil import was 55.0 percent of diesel demand. LPG import on the other hand, was 74.3 percent of LPG demand. Total product import was 57.8 percent of the total products demand (Table 3d).

Products	Volume (MB)		% Share in Demand
	Import	Demand	
Diesel Oil	38,784	70,482	55.0
Gasoline	19,004	40,510	46.9
LPG	15,224	20,486	74.3
Kerosene/Avturbo	9,559	17,988	53.1
Fuel Oil	5,244	9,335	56.2
Others	9,757	10,004	97.5
<b>Total</b>	<b>97,573</b>	<b>168,805</b>	<b>57.8</b>

The oil majors' import share in the total demand was 13.3 percent while the other players' import share was at 44.5 percent. As for the refiners, their import share in the total demand was 6.4 percent, while 51.4 percent was attributed to direct importers (Table 3e).

Oil Majors	Others	Refiners	Direct Importers
14.2	40.9	6.2	48.9
8.6	38.3	0.8	46.1
5.8	68.5	5.8	68.5
32.0	21.2	16.5	36.7
9.4	46.8	9.4	46.8
10.9	86.7	10.6	87.0
<b>13.3</b>	<b>44.5</b>	<b>6.4</b>	<b>51.4</b>

▪ **CRUDE RUN AND REFINERY PRODUCTION**

The country's current maximum working crude distillation capacity is 285.2 thousand barrels per stream day (MBSD).

As of YTD December 2018, the local refiners processed 86,532 MB of various type of crude oil (Table 5), an increase of 12.1 percent vis-à-vis last year's level of 77,192 MB. Refinery utilization during the period was at 82.0 percent vis-à-vis last year's 74.2 percent (Table 5).

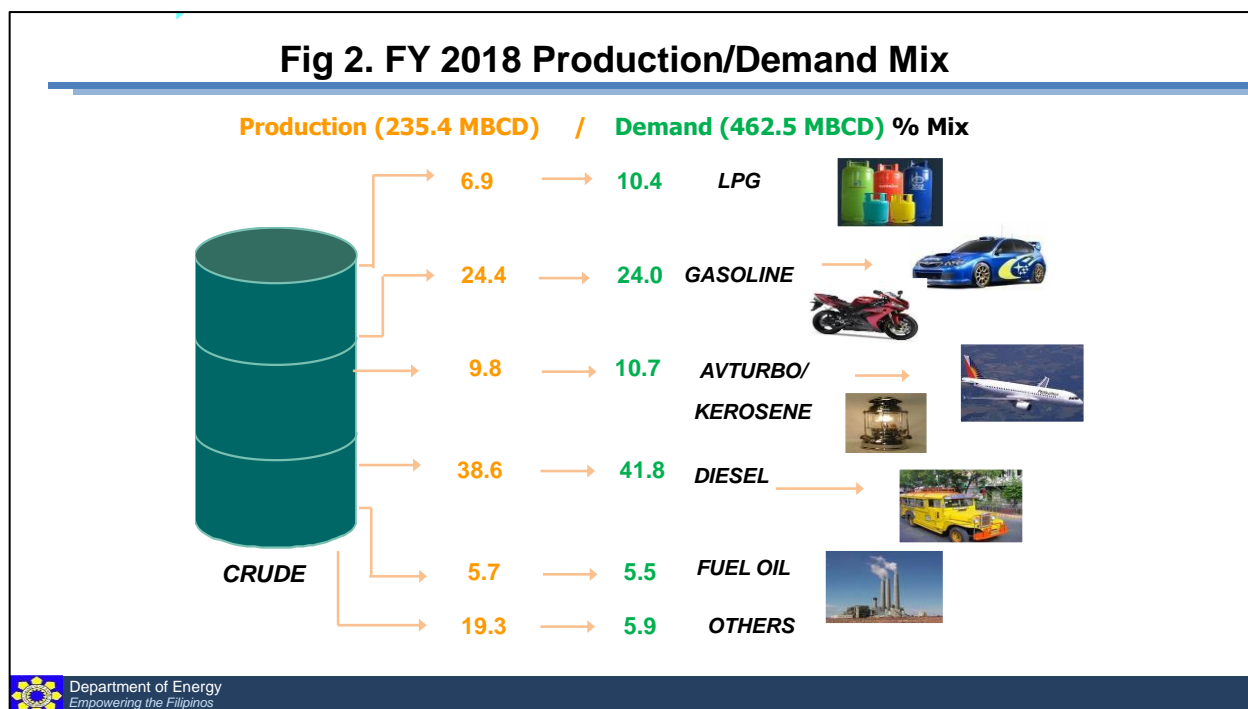
	FY 2018	FY 2017	% Change	FY 2016
Crude Run	86,532	77,192	12.1	79,016
Total MBCD	237.1	211.5		
Refinery Fuel & Loss				
- Crude Input	597	1211	(50.7)	903.0
- Nat. Gas	444	390	13.9	482.0
% Utilization	82.0	74.2	10.5	75.7

Consequently, local petroleum refinery production output was also up by 13.1 percent from 75,981 MB of FY 2017 to 85,935 MB. FY 2018 average refining output was at 235.4 MB per day (Table 4).

Diesel oil and gasoline output increased by 19.5 and 13.1 percent, respectively. Similarly, LPG and kerosene/avturbo output grew by 15.1 and 12.5 percent, respectively. On the other hand, fuel oil output dropped by 24.5 percent (Table 4).

Products	Volume (MB)		% Change	FY 2018 % Mix	Volume
	FY 2018	FY 2017			FY 2016
Diesel Oil	33,181	27,762	19.5	38.6	29,137
Gasoline	20,989	18,557	13.1	24.4	18,941
Kerosene/Avturbo	8,444	7,507	12.5	9.8	8,445
LPG	5,924	5,196	15.1	6.9	5,353
Fuel Oil	4,881	6,467	(24.5)	5.7	5,170
Others*	12,516	10,492	19.3	14.6	11,067
<b>Total</b>	<b>85,935</b>	<b>75,981</b>	<b>13.1</b>	<b>100.0</b>	<b>78,113</b>
<b>Total MBCD</b>	<b>235.4</b>	<b>208.2</b>			<b>213.4</b>

Diesel oil continued to dominate the production mix with a share of 38.6 percent, followed by gasoline and kerosene/avturbo with 24.4 and 9.8 percent shares, respectively. Meanwhile, LPG and fuel oil got 6.9 and 5.7 shares, respectively (Fig. 2/Table 4).



## DEMAND

### ▪ TOTAL COUNTRY PETROLEUM PRODUCT DEMAND

FY 2018 demand of petroleum products totaled 168,805 MB, an increase of 1.4 percent from 166,539 MB of last year. This can be translated to an average daily requirement of 462.5 MB compared with last year's level of 456.3 MB (Table 6).

	FY 2018		FY 2017		% Change	FY 2016
Total Products	168,805		166,539		1.4	155,414
	Volume	%	Volume	%		
Oil Majors	89,152	52.8	91,053	54.67	(2.1)	89,812
Othe Players/End Users	79,653	47.2	75,486	45.33	5.5	65,602
<b>Total MBCD</b>	462.5		456.3			424.6

Compared with FY 2017 figures, diesel oil demand was up by 3.2 percent. Similarly, demand of LPG, kerosene/avturbo and gasoline increased by 10.4, 4.8 and 3.0 percent; respectively. However, fuel oil demand dropped by 20.3 percent.

Product demand mix comprised mostly of diesel oil at 41.8 percent, gasoline at 24.0 percent, LPG at 12.1 percent, kerosene/avturbo at 10.7 percent, fuel oil at 5.5 percent and other products at 5.9 percent share in the total product mix (Fig. 2).

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

In terms of demand of petroleum products by Trade Classification, 38.22 percent share of the total trade demand were distributed to Reseller Trade that is the volumes sold to retail outlets, followed by Industrial/Commercial Trade or the volume sold to commercial,

industrial, transport, power generation and agriculture sectors at 48.85 percent share. The remaining volumes were distributed to Philippine Government, Independent Refillers and International Trades at .40 percent, 4.61 percent, and 7.9 percent, respectively.

For regional demand of petroleum products, the three regions with highest demand are National Capital Region, Region IV-A and Region III at 31.12 %, 16.28% and 14.21 %, shares respectively. While the least consuming region is ARMM with .42% share in the total country demand. (Table7)

Table 7 Total Industry Demand by Region by Trade Classification (in MB)																			
TRADE	NGR	REGION 1	REGION 2	REGION 3	REGION 4A	REGION 4B	REGION 5	CAR	REGION 6	REGION 7	REGION 8	REGION 9	REGION 10	REGION 11	REGION 12	ARMM	CARAGA	Grand Total	% Mix
<b>RESELLER</b>	<b>16,804</b>	<b>2,505</b>	<b>1,852</b>	<b>8,693</b>	<b>9,284</b>	<b>1,677</b>	<b>1,901</b>	<b>627</b>	<b>4,183</b>	<b>4,572</b>	<b>1,596</b>	<b>1,656</b>	<b>2,649</b>	<b>3,337</b>	<b>2,005</b>	<b>220</b>	<b>950</b>	<b>64,512</b>	<b>38.22</b>
GASOLINE	6,640	869	534	2,636	3,626	599	639	122	1,479	2,081	626	782	1,092	1,289	806	98	414	24,332	14.41
DIESEL	8,775	1,301	1,108	4,374	5,180	855	966	392	2,162	1,691	740	685	1,237	1,725	959	97	433	32,680	19.36
KEROSENE	81	2	3	13	21	4	13	1	17	22	18	11	10	20	5	0	1	242	0.14
LPG	1,308	332	208	1,670	457	219	283	112	525	778	212	178	310	303	235	24	102	7,258	4.30
<b>INDUSTRIAL/COMMERCIAL</b>	<b>20,656</b>	<b>1,637</b>	<b>1,872</b>	<b>13,759</b>	<b>16,233</b>	<b>1,347</b>	<b>2,443</b>	<b>150</b>	<b>3,611</b>	<b>5,985</b>	<b>1,332</b>	<b>1,624</b>	<b>5,286</b>	<b>3,637</b>	<b>1,593</b>	<b>481</b>	<b>810</b>	<b>82,457</b>	<b>48.85</b>
GASOLINE	2,652	632	450	4,077	1,055	205	762	38	955	1,102	422	327	1,210	1,155	602	210	210	16,064	9.92
DIESEL	8,148	970	1,405	8,792	2,645	974	1,549	99	2,100	2,414	588	1,133	2,916	1,892	902	229	494	37,251	22.07
KEROSENE	172	0	0	80	71	0	23	0	6	28	1	0	3	13				396	0.23
AVTURBO	3,446	7	5	124	0	55	0		84	501	1	10	15	157	3		1	4,409	2.61
FUEL OIL	4,338	14		270	1,160	100	81		246	1,490	106	89	856	75	4	34	31	8,894	5.27
LPG	1,509	6	6	223	2,193	12	18	13	173	377	163	65	270	294	72		56	5,444	3.23
OTHERS	397	8	5	194	9,110	0	10		47	72	52	0	16	51	9	8	19	9,998	5.92
ASPHALT	385	5	5	186	139		10		47	63	52	0	16	48	9	8	19	992	0.59
AVGAS	9	3	0	8	1	0	0		9	0	0	0	0	3				34	0.02
CONDENSATE					254													254	0.15
HYDRO/SOLVENT	3				483													486	0.29
NAPHTHA/REFORMATE					8,233													8,233	4.88
<b>PHILIPPINE GOVERNMENT</b>	<b>217</b>	<b>17</b>	<b>7</b>	<b>72</b>	<b>41</b>	<b>37</b>	<b>13</b>	<b>7</b>	<b>15</b>	<b>62</b>	<b>9</b>	<b>100</b>	<b>26</b>	<b>40</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>676</b>	<b>0.40</b>
GASOLINE	62	1	1	8	6	3	1	2	1	5	1	10	4	4	2	0	1	114	0.07
DIESEL	115	14	4	41	26	29	11	4	11	34	7	68	14	21	5	1	3	409	0.24
AVTURBO	40	2	1	24	5	5	1	0	2	23	1	21	9	14	1			147	0.09
OTHERS	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	7	0.004
AVGAS	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	7	0.004
<b>FOREIGN EMBASSIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
GASOLINE																			0.000
DIESEL																			0.000
AVTURBO													0	0					0.000
<b>INDEPENDENT REFILLERS</b>	<b>3,305</b>	<b>799</b>	<b>271</b>	<b>1,328</b>	<b>1,808</b>	<b>187</b>	<b>73</b>	<b>3</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>7,784</b>	<b>4.61</b>
LPG	3,305	799	271	1,328	1,808	187	73	3	10	10	10	10	10	10	10	10	10	7,784	4.61
<b>INTERNATIONAL SALES</b>	<b>11,550</b>	<b>3</b>	<b>0</b>	<b>138</b>	<b>122</b>	<b>18</b>	<b>2</b>	<b>219</b>	<b>524</b>	<b>119</b>	<b>8</b>	<b>9</b>	<b>625</b>	<b>38</b>	<b>13,376</b>	<b>7.92</b>			
DIESEL	77		0	7	11	1	1		2	4	1	4	2	26	4			142	0.08
AVTURBO	11,391	3		50	111	18	0		204	486	114	4	0	523				12,793	7.58
FUEL OIL	82		0	81	111	0	0		13	33	4	7	76	33				441	0.26
<b>Grand Total</b>	<b>52,533</b>	<b>4,960</b>	<b>4,001</b>	<b>23,991</b>	<b>27,488</b>	<b>3,266</b>	<b>4,432</b>	<b>787</b>	<b>8,028</b>	<b>11,153</b>	<b>3,056</b>	<b>3,389</b>	<b>7,971</b>	<b>7,640</b>	<b>3,643</b>	<b>704</b>	<b>1,764</b>	<b>168,805</b>	<b>100.00</b>
GASOLINE	9,354	1,503	985	6,721	4,686	807	1,402	161	2,436	3,189	1,049	1,119	2,306	2,448	1,410	309	625	40,510	24.00
DIESEL	17,115	2,285	2,517	13,214	7,862	1,859	2,527	496	4,276	4,143	1,336	1,891	4,169	3,665	1,870	327	929	70,482	41.75
KEROSENE	253	2	3	93	92	4	35	1	22	60	18	11	13	33	5	0	1	638	0.38
AVTURBO	14,877	11	6	197	5	77	1	0	290	1,011	115	36	23	694	3	1	1	17,349	10.28
FUEL OIL	4,420	14	0	350	1,271	100	81	-	259	1,523	110	89	863	151	38	34	31	9,335	5.53
LPG	6,116	1,137	484	3,221	4,458	418	375	128	698	1,166	376	243	580	597	307	24	158	20,486	12.14
OTHERS	397	8	5	194	9,115	1	10	-	47	72	52	1	16	51	9	8	19	10,004	5.93
ASPHALT	385	5	5	186	139	-	10	-	47	63	52	-	16	48	9	8	19	992	0.59
AVGAS	9	3	0	8	1	0	0	-	9	0	0	0	0	3				41	0.02
CONDENSATE					254													254	0.15
HYDRO/SOLVENT	3				483													486	0.29
NAPHTHA/REFORMATE					8,233													8,233	4.88
<b>Grand Total Per Region</b>	<b>52,533</b>	<b>4,960</b>	<b>4,001</b>	<b>23,991</b>	<b>27,488</b>	<b>3,266</b>	<b>4,432</b>	<b>787</b>	<b>8,028</b>	<b>11,153</b>	<b>3,056</b>	<b>3,389</b>	<b>7,971</b>	<b>7,640</b>	<b>3,643</b>	<b>704</b>	<b>1,764</b>	<b>168,805</b>	<b>100.00</b>
<b>% Mix by Region</b>	<b>31.12</b>	<b>2.94</b>	<b>2.37</b>	<b>14.21</b>	<b>16.28</b>	<b>1.93</b>	<b>2.63</b>	<b>0.47</b>	<b>4.76</b>	<b>6.61</b>	<b>1.81</b>	<b>2.01</b>	<b>4.72</b>	<b>4.53</b>	<b>2.16</b>	<b>0.42</b>	<b>1.04</b>	<b>100.00</b>	

## ▪ PETROLEUM PRODUCT EXPORTS

Total country's petroleum products exports as of FY 2018 grew by 16.7 percent from 14,600 MB of FY 2017 to 17,043 MB (Table 7b).

Vis-à-vis last year, condensate, the top exported product for the period increased by 9.8 percent. Gasoline exports rose by more than two hundred percent. Naphtha exports also grew by 25.0 percent. On the other hand, fuel oil, pygas and mixed xylene exports dropped by 29.9, 10.0 and 3.4 percent, respectively. Meanwhile, 892 MB diesel oil and 312 MB asphalts were exported this year versus zero export of last year (Table 7b).

The total export mix comprised of condensate (23.2 percent); fuel oil (11.8 percent); gasoline (11.2 percent); propylene (10.8 percent); naphtha (9.9 percent); pygas (9.7 percent); mixed C4 (6.8 percent); diesel (5.2 percent); mixed xylene (4.2 percent); toluene (2.8 percent); asphalts (1.8 percent); reformate (1.7 percent); benzene (1.0 percent) and LPG (0.04 percent) (Table 7b).

Products	Volume (MB)		% Change	FY 2018 % Mix	Volume (MB)
	FY 2018	FY 2017			FY 2016
Condensate	3,946	3,592	9.8	23.2	3,964
Fuel oil	2,008	2,863	(29.9)	11.8	1,584
Gasoline	1,908	600	217.9	11.2	1,817
Propylene	1,841	1,745	5.5	10.8	1,491
Naphtha	1,680	1,344	25.0	9.9	1,624
Pygas	1,646	1,828	(10.0)	9.7	1,330
Mixed C4	1,157	1,126	2.8	6.8	474
Diesel	892	-	100.0	5.2	-
Mixed Xylene	715	740	(3.4)	4.2	703
Toluene	480	402	19.3	2.8	425
Asphalts	312	-	100.0	1.8	-
Reformate	282	99	184.7	1.7	154
Benzene	172	193	(10.8)	1.0	168
LPG	6	66	(91.1)	0.04	39
<b>Total</b>	<b>17,043</b>	<b>14,600</b>	<b>16.7</b>	<b>100.0</b>	<b>13,772</b>

The oil refiners' exports accounted for 60.4 percent of the total export mix while the remaining 39.6 percent was accounted to export of other players (Table 7a).

#### ▪ **CRUDE OIL EXPORTS**

A total of 1,066 MB crude oil from Galoc (Palawan Light) sourced from US, was exported in 2018 yet crude oil export dropped by 24.3 percent from FY 2017's 1,409 MB (Table 7a).

Total Products	FY 2018		FY 2017		% Change	FY 2016	
	Volume	%	Volume	%		Volume	%
Total Products	17,043		14,600		16.7	13,772	
Oil Refiners	10,289	60.4	8,051	55.1	27.8	7,986	58.0
Others	6,754	39.6	6,549	44.9	3.1	5,785	42.0
<b>Total MBCD</b>	<b>46.7</b>		<b>40.0</b>			<b>37.6</b>	

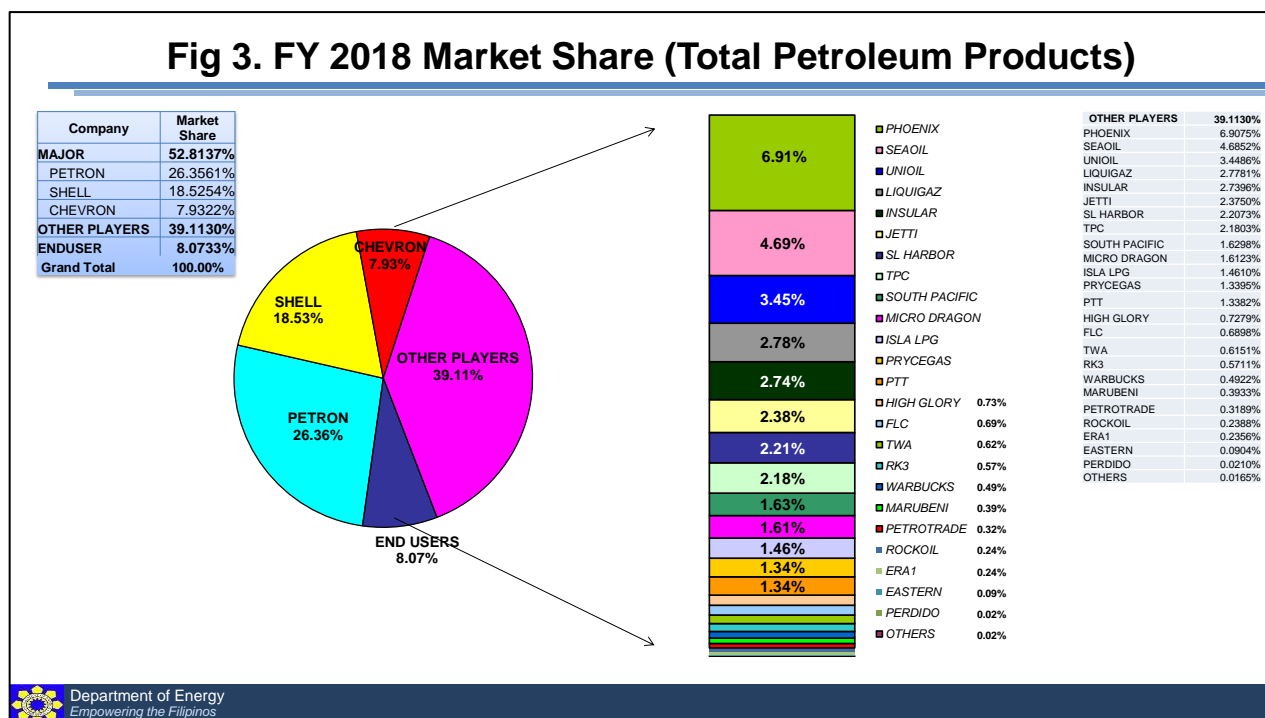
#### **ENDING INVENTORY**

As of end-month December 2018, actual crudes and petroleum products inventory closed at 23,502 thousand barrels (MB) or 50-day supply equivalent; 44 days for crude oil and products in country stocks and 6 days in-transit. This was higher by 15.4 percent from December 2017's 20,362 MB (Table 1).

#### **MARKET SHARE**

##### ▪ **TOTAL PETROLEUM PRODUCTS**

The major oil companies (Petron Corp., Chevron Phils. and Pilipinas Shell Petroleum Corp.) got 52.8 percent market share of the total demand, while the other industry players which include PTT Philippine Corp. (PTTPC), Total Phils., Seaoil Phil. Inc., TWA Inc., Phoenix, Liguigaz, Prycegas, Micro Dragon, Unioil, Isla Gas, Jetti Petroleum, Eastern Petroleum, Petrotrade, South Pacific, Marubeni, SL Harbour, Rockoil, RK3 Int'l., Insular, ERA 1, High Glory, Warbucks, Perdido and Filoil Logistics Corp., as well as the end users who imported directly most of their requirement captured 47.2 percent of the market (Fig. 3/Table 6b).



Meanwhile, the local refiners (Petron Corp. and Pilipinas Shell) captured 44.9 percent of the total market demand while 55.1 percent was credited to direct importers/end-users (Table 6b).

**Table 6b -FY 2018 % Market Share**

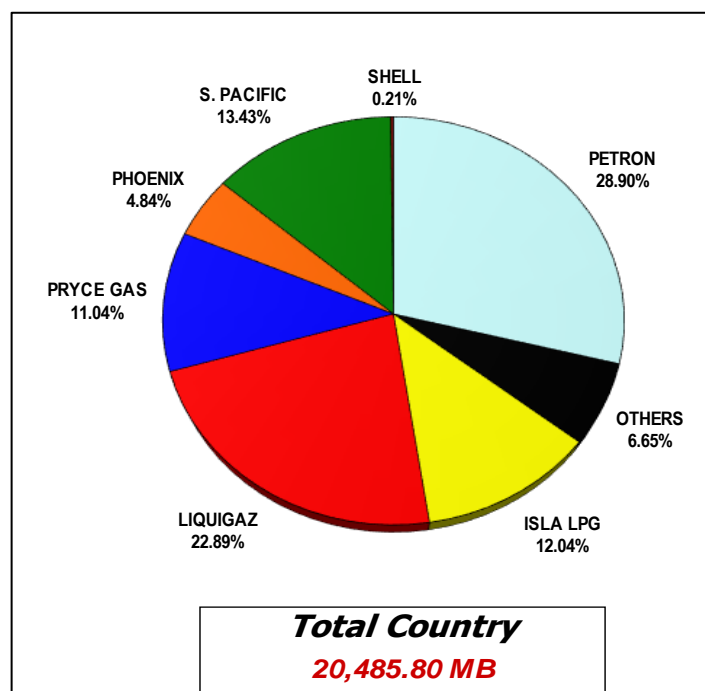
Oil Majors	Others	Refiners	Direct Importers
59.0	41.0	48.8	51.2
54.7	45.3	46.1	53.9
29.1	70.9	29.1	70.9
78.2	21.8	62.9	37.1
43.6	56.4	43.6	56.4
13.0	87.0	13.0	87.0
52.8	47.2	44.9	55.1

#### ▪ LPG

The other players' market share was 70.9 percent while the remaining 29.1 percent was credited to the oil refiners Petron and Pilipinas Shell.

Petron's share was 28.9 percent of the total LPG demand while among the other LPG players, Liquigaz got the biggest market share with a 22.9 percent share. This was followed by South Pacific, Inc. (SPI) with a share of 13.4 percent. Next were Isla Gas and Pryce gases with shares of 12.04 and 11.0 percent, respectively (Fig. 4/Table 6b).

**Fig. 4 FY2018 LPG Market Share**



## OIL IMPORT BILL

FY 2018 estimated total oil import bill amounting to \$13,477.9 million was up by 31.8 percent from FY 2017's \$10,228.7 million. This was attributed to the combined effects of higher import cost and increased import volume of crude oil vis-à-vis last year (Table 8).

	Volume, In MB		FY 2018	FY 2017	% Change Bill	FY 2018 Share in Bill	Ave. CIF (\$/bbl)		% Change	FY 2016
	FY 2018	FY 2017	Cost In Million US\$				FY 2018	FY 2017		In Million US\$
Total Imports and Bill	183,326	175,056	13,477.9	10,228.7	31.8	100.0				7,542.8
i. Crudes	85,753	77,641	6,138.8	4,330.4	41.8	45.5	71.587	55.774	28.4	3,321.5
ii. Products	97,573	97,415	7,339.1	5,898.3	24.4	54.5	75.216	60.548	24.2	4,221.2
Pet. Export Earnings	18,109	16,009	1,361.3	972.5	40.0		Ave. FOB (\$/bbl)			675.0
i. Crudes	1,066	1,409	78.2	77.4	1.0		73.386	54.966	33.5	78.2
ii. Products	17,043	14,600	1,283.06	895.1	43.3		75.284	61.179	23.1	596.8
<b>Net Oil Import and Bill</b>	<b>165,217</b>	<b>159,047</b>	<b>12,116.6</b>	<b>9,256.1</b>	<b>30.9</b>	<b>Ave. FOREX</b>	52.670	50.834	3.6	<b>6,867.7</b>

Total oil import cost was made up of 54.5 percent finished products and 45.5 percent crude oil.

Total import of crude oil amounted to \$6,138.8 million, up by 41.8 percent from \$4,330.4 million of FY 2017 due to higher CIF price of crude oil per barrel from FY 2017's \$55.774/bbl to \$71.587/bbl.

Meanwhile, total product import cost was up by 24.4 percent from \$5,898.3 million at an average CIF cost of \$60.548/bbl vis-à-vis FY 2018's \$7,339.1 million at an average CIF cost of \$75.216/bbl. The increase was attributed to higher import cost this year.

On the other hand, the country's petroleum exports earnings for the period was up by 40.0 percent from \$972.5 million in YTD December 2017 to \$1,361.3 million this year.



Overall, the country's net oil import bill amounting to \$12,116.6 million grew by 30.9 percent from last year's \$9,256.1 million.

Average dollar rate for YTD December 2018 is \$52.670 compared to YTD December 2017's average rate of \$50.834.

### 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 2017 and 2018. From 2017, there is a significant increase of more than 64%, 74%, 45% and 105% in importation, production, sales and consumption, respectively for the said products in 2018. This could be a manifestation of continued growth in the economy of the country, as supported by OIMB data is also the increasing number of companies engaging into lubes business, from 43 companies in 2017 to 72 companies in 2018. This is also shown in the doubling of the consumption data which reflects the end-users sector. On the other hand, the increased in importation by 64% in particular could be attributed to the improvement in the regulatory system of the Bureau of Customs wherein all the importation issuances of all government agencies are strictly observed and implemented.

For 2018 data alone, the sum of importation and production which makeup the supply of lubes/related products is not at far different from the demand data per sum of sales and consumption.

<b>2018 Lubricating Oil / Grease Stock Supply and Demand in Liter Volume*</b>				
<b>Product Type</b>	<b>Importation</b>	<b>Production</b>	<b>Sales</b>	<b>Consumption</b>
<b>Automotive Lubes</b>	69,295,761.18	54,347,964.58	118,667,718.90	839,153.34
<b>Industrial Lubes</b>	9,733,819.02	14,488,560.60	20,569,221.73	1,235,294.47
<b>Aviation Lubes</b>	140,476.04	23,380.00	136,539.99	40,205.66
<b>Marine Lubes</b>	3,650,663.00	4,180,993.00	7,270,176.69	21,295.00
<b>Base Oil</b>	103,986,702.87	425,785.39	195,968.00	102,546,930.26
<b>Grease</b>	2,516,163.70	1,055,012.45	2,813,439.72	368,988.43
<b>Other Lube Oils</b>	970,939.36	1,108,831.92	2,264,061.09	142,239.25
<b>Total</b>	<b>190,294,525.17</b>	<b>75,630,527.94</b>	<b>151,917,126.12</b>	<b>105,194,106.40</b>

2017 Lubricating Oil / Grease Stock Supply and Demand in Liter Volume*				
Product Type	Importation	Production	Sales	Consumption
<b>Automotive Lubes</b>	54,019,409.58	30,607,879.15	84,878,021.77	27,584.66
<b>Industrial Lubes</b>	4,981,299.36	6,950,376.08	12,699,000.33	297,869.24
<b>Aviation Lubes</b>	99,948.30	-	71,731.13	115,525.42
<b>Marine Lubes</b>	1,424,142.00	2,837,974.00	4,220,423.81	-
<b>Base Oil</b>	53,228,926.20	1,491,302.24	10,472.00	50,846,044.71
<b>Grease</b>	1,724,749.13	747,671.73	2,276,483.75	68.61
<b>Other Lube Oils</b>	101,584.30	849,547.63	785,644.19	86.37
<b>Total</b>	<b>115,580,058.86</b>	<b>43,484,750.83</b>	<b>104,941,776.98</b>	<b>51,287,179.00</b>

## PETROLEUM AND FACILITIES STANDARDS

### 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
Petroleum Products - <b>E-Gasoline (E-10)</b> Specification	1. PNS/DO E 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"> <li>In this edition, the PNS provided and limits the coverage only for Euro 4-PH (<b>50 ppm, max. Sulfur content</b>) to align with the emission requirement of DENR under DAO No 2015-04 &amp; 2016-23.</li> </ul>	A technical standard for <b>E10 mandate</b> or 10% bioethanol blend <b>under the Biofuels Act of 2006</b> .  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

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
	➤ DC No.2019-02-002		<ul style="list-style-type: none"> <li>Improvement was also made on several specs, incorporated other properties and its limits as well as updating of test methods.</li> </ul>	internationally/ regional environmental standards for fuels.
<b>DC Implementing the Specifications for PNS/DOE QS 008:2018 – E-Gasoline-Specification</b>		Signed Feb. 4, 2019/DC shall take effect 15 days following its complete publication ( <i>status –on-going BAC for publication</i> )	<p>The Department Circular (DC) features the following:</p> <ul style="list-style-type: none"> <li>All E10 gasoline sold in the country shall be in compliance with PNS/DOE QS 008:2018 specification</li> <li>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.</li> </ul>	Establishing the effectivity of the new PNS along with other applicable rules and guidelines for its effective implementation.
Petroleum Products – <b>CME-blended automotive diesel oil (ADOB2)</b> Specification	2. PNS/DOE QS 004:2017  3. PNS/DOE QS 013:2017	18 December 2017  18 December 2017	<p>This standard is a revision/update of 2012 ADO B2 specs (PNS.DOE QS 004:2012).</p> <ul style="list-style-type: none"> <li>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 &amp; 2016-23.</li> <li>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.</li> </ul>	<p>A technical standard for <b>B2 mandate</b> or 2% biodiesel blend <b>under the Biofuels Act of 2006</b>.</p> <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.</p>
Petroleum Products – <b>CME-blended industrial diesel oil (ADOB2)</b> Specification	➤ <b>Draft DC No._____</b>		<p>This standard is a revision/update of 2012 IDO B2 (PNS/DOE QS 004:2012).</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>DC Implementing the Specification of PNS for CME-Blended Automotive Diesel Oil (ADO) and Industrial Diesel Oil (IDO)</b>		On-going (final draft DC endorsed to OSEC for approval)	<p>Draft DC implementing guidelines to effectively implement the latest PNS:</p> <ul style="list-style-type: none"> <li>PNS/DOE QS 004:2017 (ADO)</li> <li>PNS/DOE QS 013:2017 (IDO)</li> </ul>	<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 automotive diesel oil (ADO) and industrial diesel oil (IDO) for more effective implementation and monitoring</p>
Petroleum Products - <b>High</b>		27 November 2015	This is a new standard developed/formulated to	This standard support future energy policy towards the

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
FAME-Blended Diesel Oils (B5)	4. PNS/DO E QS 010:2015		addresses the technical requirements of high FAME-blended diesel oil (B5) and suitable test methods.	integration of higher biodiesel blends in the petroleum/fuel sector.
	➤ (no DC yet)		<i>To issue DC once mandated (dependent on NBB/REMB's timeline/policy direction on higher blend mandate</i>	
Biofuels - Anhydrous Bioethanol & Bioethanol Fuel (E100 & E98) Specification	5. PNS/DO E QS 007:2014  ➤ Department Circular - DC No. 2015-07-0012	January 29, 2014	This standard is a revision/update of 2005 E100 specs (PNS.DOE QS 007:2005).  • In this edition, the following improvements were made: a) Changes in color, inorganic chloride content, denaturant b) electrical conductivity as new property and c) updating of test methods	This standard specifies the requirement for biofuel grade ethanol in <b>pure form (E100)</b> and <b>denatured (E98)</b> 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.  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 <b>Biofuels Act of 2006</b> .
Implementing the PNS Specifications for Anhydrous Bioethanol Fuel		Signed/Published/Newspaper June 29, 2015/June 29, 2015/PDI	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	6. PNS/DO E QS 02:2015  ➤ Department Circular - DC No. 2016-05-006	November 27, 2015	This standard is a revision/update of PNS/DOE QS 002:2007.  • In this edition, the following improvements were made: 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 <b>coconut methyl ester (B100)</b> suitable for blending to diesel fuel for use in various types of compression ignition engines and other similar types of engines.  This is in line with the DOE's policy and program of updating the fuel quality specification of biodiesel in terms of the current requirements of the industry, its users and manufacturers and also by endeavoring to harmonize international/ regional standards for fuel quality.
Implementing the Modified Philippine National		May 02, 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
Standard Specification for Biofuels – Coconut Methyl Ester (PNS/DOE QS 002:2015)			<ul style="list-style-type: none"> <li>implementation of the standard (PNS/DOE QS 002:2015)</li> <li>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.</li> </ul>	
Petroleum Products - Liquefied Petroleum Gases (LPG) as Non-Motor Fuel	7. PNS/DOE QS 005:2016  8. PNS/DOE QS 012:2016	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	<ul style="list-style-type: none"> <li>DC No. _____ (endorsed to OSEC) <i>Final draft DC was completed with CSW and endorsed to OSEC for approval</i></li> </ul>		<p>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.</p>	This is also in support of the Philippine Government's effort to promote the utilization of alternative and clean fuel technology.
Implementing the New Standard Specification for LPG (PNS/DOE QS 005:2016 & PNS/DOE QS 012:2016)			<p>Draft DC implementing guidelines to effectively implement the latest PNS:</p> <ul style="list-style-type: none"> <li>PNS/DOE QS 005:2016 (LPG as non-motor fuel)</li> <li>PNS/DOE QS 012:2016 (LPG as motor fuel)</li> </ul>	<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 – Fuel Oils (Bunker) Specification	9. PNS/DOE QS 006:2005  <ul style="list-style-type: none"> <li>Department Circular - DC No. 2007-05-0005</li> </ul>	18 April 2006	<p>This standard is a revision/update of 1997 Bunker specs. In this revision no major improvements were made except on the test methods and retained the three grades based on sulfur content: BFO 1, BFO 2, and BFO 3.</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.
Implementing the Philippine National Standard		Signed May 11, 2007 and shall take	<p>The Department Circular (DC) features the following:</p> <ul style="list-style-type: none"> <li>Only BFO conforming to PNS/DOE QS 006:2005 shall</li> </ul>	Effectively said PNS provides the minimum standard requirements for BFO and shall be the reference standard for all BFO

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
<b>Specification for Bunker Fuel Oils (PNS/DOE QS 006:2005)</b>		effect upon publication	be manufactured, imported, sold, offered for sale, dispensed, or introduced into commerce in the Philippines	commercially available in the country.
Petroleum Products – <b>Kerosene Specification</b>	10. <b>PNS/DOE QS 09:2007</b>  • <b>DC No. _____</b> (No DC issued)	24 August 2007	This standard is a revision/update of 1991 kerosene specs. In this edition improvement was made only in the property of color and 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.
			<i>No DC was issued. Development of the standard serves only as a guide to the industry and is voluntary</i>	
Petroleum Products – <b>Aviation Gasoline Grade 100LL Specification</b>	11. <b>PNS/DOE ASTM D 910:2010</b>  • <b>DC No. _____</b> (No DC issued)	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.
			<i>No DC was issued. Development of the standard serves only as a guide to the industry and is voluntary</i>	
Petroleum Products – <b>Two-stroke (2T) lubricating oil Specification</b>	12. <b>PNS/DOE QS 003:2003</b>  • <b>DC No. _____</b> (No DC issued)	06 May 2004	This standard is a revision/update of 1992 2T specs. In this edition the CME is consider as possible feedstock.	This standard was developed to properly classify the minimum 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.
			<i>No DC was issued. Development of the standard serves only as a guide to the industry and is voluntary</i>	
Petroleum Products – <b>Unleaded Motor Gasoline</b>	13. <b>PNS/DOE QS 001:2009</b>  • <b>Department Circular - DC No. 2009-12-0014</b>	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
<b>Implementing the Philippine National</b>		Signed December 28, 2009 and	The Department Circular (DC) features the following:	Establishing the effectivity of the PNS along with other applicable

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
<b>Standard Specifications for Unleaded Gasoline (PNS/DOE QS 001:2009)</b>		shall take effect immediately upon publication	<ul style="list-style-type: none"> <li>Only conventional gasoline complying with PNS/DOE QS 001:2009 shall be sold, offered for sale, dispensed, or introduced into commerce in the Philippines.</li> </ul>	<p>rules and guidelines for its effective implementation.</p> <p>This DC highlighted the distinction of pure gasoline from ethanol blended gasoline.</p>
<b>Completed draft DPNS and Endorsed to BPS</b>				
<b>Petroleum Products - Industrial Fuel Oil - Specification</b>	14. DPNS/DOE QS 006:2018 -	Completed and endorsed to BPS for promulgation and adoption as PNS ( Nov. 5, 2018	<p>This standard is an update/ review of PNS/DOE QS 005:2005 with minor revisions and updating of test methods</p> <p>Also the PNS now named <b>Industrial Fuel Oil from Fuel Oils (Bunker)</b></p>	
<b>Petroleum Products - Residual Marine Fuel - Specification</b>	15. DPNS/DOE QS 014:2018	Completed and endorsed to BPS for promulgation and adoption as PNS ( Nov. 5, 2018	<p>This is a new standard developed/formulated as a new and separate PNS for <b>Residual Marine Fuel Specification</b>, using ISO 8217:2017 (E) Petroleum Products – Fuels (class F)-Specifications of marine fuels as reference standard, specifically the residual marine fuel category <b>ISO-F-RMG 180 and ISO-F-RMK 380</b>. 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:</p> <ul style="list-style-type: none"> <li>- Hydrogen sulfide</li> <li>- Aluminum plus silicon</li> <li>- Pour point</li> <li>- Used Lubricating Oil (ULO)</li> </ul>	<p>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.</p> <p>Also intends to adopt the program/guidelines of the <b>International Maritime Organization (IMO)</b> for the requirement of sulfur content subject to statutory requirements set by MRINA.</p>
<b>Other Issuances</b>				
<b>Directing the Philippine Downstream Oil Industry to Offer Euro-II Compliant Diesel as a Fuel Option for the Transport and Industry Sector</b>	16. Department Order No. DO2018-08-0012	Issued August 10, 2018 and to take effect immediately	Directing all industry players to provide Euro-II compliant automotive diesel oil at the retail level as a fuel option for the transport and industrial customers.	The DO was issued for the purpose of reducing the impact of rising the petroleum prices in the world market and directing all industry players to provide Euro-II compliant automotive diesel oil at the retail level as a fuel option for the transport and industrial customers.
<b>Repealing the Implementation of Department Order No. 2018-08-0012</b>	17. Department Order No. DO2019-01-0002	Signed Dec 28, 2018 (publication)	Directing all industry players shall no longer have the option to offer the Euro-II compliant diesel or 500 ppm, max. sulfur content diesel fuel for the transport and industry sector.	<p>The DO was issued to repeal the DO2018-08-00012 in consideration of the mitigating measures established and in partnership with the stakeholders and other government agencies such as:</p> <ul style="list-style-type: none"> <li>enhanced PUVs discount lane participated by various oil companies</li> </ul>

Title	PNS NUMBER/ DC Number	Date of PNS/DC Issuance	Description	Purpose/significance
				<ul style="list-style-type: none"> <li>expanded the number of nominated stations for Pantawid Pasada Program</li> <li>initiated own Corporate Social Responsibility (CSR) Program</li> <li>Rolled-out the Pantawid Pasada Program</li> <li>Granted the transport group's petition to increase the jeepney fare</li> </ul>

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

FACILITY	PNS NUMBER	DESCRIPTION
Retail Outlet Health, Safety and Environment  Underground Storage Tank Piping System Dispensing Pumps	<b>PNS/DOE FS 1-4: 2005-</b>	This Standard was prepared to complement DC no. 2003-11-010 Providing for the Rules and Regulations Governing Business of Retailing Liquid Petroleum Products
LPG Refilling Plant General Requirement	<b>PNS/DOE 2:2006-</b>	This Standard covers the requirements for the installations of an LPG Refilling Plant, including the associated bulk storage area and tank farm facility
LPG Refilling Plant	<b>PNS/DOE FS 2:2018</b>	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
Auto LPG Dispensing Station	<b>PNS/DOE FS 3:2006-</b>	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	<b>PNS/DOE FS 4:2007-</b>	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	<b>PNS/DOE FS:5-2010</b>	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 B5 in Retail Outlet	<b>PNS/DOE FS: 7:2011</b>	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.
Storing and Handling of E-Gasoline in Retail Outlet	<b>PNS/DOE FS:6-2011</b>	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 requirements that complements PNS/DOE FS 1-1 to 1-4:2005 (Retail Outlet-Health Safety Environment, Underground Storage Tanks, Piping System and Dispensing Pump).
Auto LPG Dispensing Station	<b>PNS/DOE FS 3:2013</b>	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 (On-going)	<b>PNS/DOE FS: 8:2012</b>	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 transverse

▪ **CODE OF SAFETY PRACTICES**

Code of Safety Practice in Auto-LPG Dispensing Station	<b>PNS/DOE FS 9:2016</b>	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	<b>PNS/DOE FS 10:2017</b>	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.
Code of Safety Practice in LPG Refilling Plant	<b>Joint Activity of OISMD and RMMSCD (2017)</b>	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.
LPG Refilling Plant-General Requirement	<b>DPNS/DOE 2:2018</b>	This is a review of PNS/DOE 2:2006. On-going two (2) month circulation to all concerned sectors from April 13-June 13, 2018 for comments. This edition incorporates a new chapter adopting energy resiliency in the planning and programming of the energy sector to mitigate potential impacts of disaster.

## 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.

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 effected in all products.

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

## DEVELOPMENTS IN THE INDUSTRY

The table below summarizes the Oil Industry Management Bureau's (OIMB's) performance for the year 2018. Several policies/issuances were formulated and issued to strengthen the monitoring of activities in the downstream oil and natural gas industry business.

### 2018 ACCOMPLISHMENT

<b>OIL INDUSTRY COMPETITION AND MONITORING DIVISION (OICMD)</b>		
<b>NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION</b>		
<b>DEPARTMENT CIRCULAR NUMBER/TITLE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>DRAFT PRICE UNBUNDLING CIRCULAR</b>	Anchored on the initiative to promote transparency, the draft DC would amend the existing Department Circular No. DC2005-08-007. In addition to the current contents of the notification, to be added in the amended Circular is the Section on Unbundled Price Adjustment which would provide details on how oil players arrived at their pump prices.	<p>The first draft was presented to the oil industry players (first Focused Group Discussion) last 02 May 2018 at the DOE-AVR.</p> <p>The second FGD with the oil industry, which also included the Phil Competition Commission (PCC), Laban Konyumer, Inc. (LKI) and the academe (Dr. Peter Lee U), was conducted last 28 May 2017 at the PNOC Pag-Asa Hall.</p> <p>The amended draft was submitted for appraisal of the ASEC/USEC and the Secretary.</p>

<b>NUMBER OF PROMOTIONAL EVENTS UNDERTAKEN</b>		
<b>ESTABLISHMENTS VISITED/CONDUCTED IECs</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>6 IECs' conducted on the Overview of the Downstream Oil Industry and Oil Pricing and investments</b> <ol style="list-style-type: none"> <li>1. E-Power Baguio City (April 2018)</li> <li>2. E-Power Iloilo City (August 2018)</li> <li>3. E- Power Taguig (June 2018)</li> <li>4. Energy Investment Briefing, Santiago Isabela (July 2018)</li> <li>5. IEC in Catbalogan, Samar and Dulag and Carigara in Leyte (May 29-June 1, 2018) IEC in Naga, Bicol (October 5, 2018)</li> </ol>	<p>The IEC activities are conducted to various audiences such as the academe, stakeholders, consumers, etc., to promote awareness on the downstream oil industry. Other IECs are conducted with the OIMB-RMMSCD under the SAFE LPG Project - OIMB's contribution to the DOE GAD Program and Focal Point System.</p>	Accomplished in 2018
<b>NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED</b>		
<b>ISSUANCE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>3, 338 reports on the following:</b> <ul style="list-style-type: none"> <li>➤ daily Oil Price Monitor</li> <li>➤ weekly Oil Price Situationer</li> <li>➤ weekly Oil Monitor for web posting</li> <li>➤ weekly Oil Inventory Report</li> <li>➤ monthly LPG Monitor for web posting</li> <li>➤ quarterly Supply-Demand Situation Report</li> <li>➤ issuances of Certifications/Endorsements</li> <li>➤ Import/Export Acknowledgement,</li> <li>➤ Acknowledgement of Notice Prior to engagement in the Business</li> <li>➤ Bioethanol program accreditation</li> <li>➤ BOI Endorsements</li> </ul>	<p>Compliance to existing laws, rules, and regulations relative to the activities in the downstream oil industry.</p> <p>To ensure that the government continuously monitor the engagement of business and other activities in the downstream oil industry.</p>	Accomplished in 2018

<ul style="list-style-type: none"> <li>➤ <b>SEC Endorsements</b></li> <li>➤ <b>Standard Compliance Certificate for LPG Bulk Suppliers</b></li> </ul>		
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<b>NUMBER OF DOWNSTREAM OIL AND GAS FIELD WORK WITH CORRESPONDING REPORTS SUBMITTED AND OPERATIONAL MONITORING ACTIVITIES CONDUCTED</b>		
<b>INSPECTION OF ESTABLISHMENTS / FACILITIES</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>49 INSPECTION REPORTS ON VERIFICATION OF THE EXISTENCE OF THE PLAYERS/STORAGE FACILITIES AND OF RETAIL OUTLETS GIVING FUEL DISCOUNTS TO PUVs</b>	Counterchecking of the existence of facilities in the database vis-à-vis actual	Accomplished in 2018

<b>OIL INDUSTRY STANDARDS AND MONITORING DIVISION (OISMD)</b>		
<b>NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION</b>		
<b>DEPARTMENT CIRCULAR NUMBER/TITLE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>PNS/DOE FS 2:2018 - LPG REFILLING PLANT - GENERAL REQUIREMENTS</b>	This Standard covers the requirements for the installations of and LPG Refilling Plant, including the associated bulk storage and tank farm facility.	Endorsed to BPS for promulgation (RECOMMENDED for adoption)
<b>GUIDELINES ON THE REQUIREMENTS FOR OTHER TYPES OF RETAIL OUTLETS AND THEIR REQUIREMENTS</b>	This guideline covers Department Circulars 2017-11-0011, particularly Rule IV - Section 15-Other Types of Retail Outlet and their requirements.	Memorandum was prepared for the Secretary's consideration and approval. Said memorandum was returned to the OIMB because of Petron's non-signature on the proposed addendum despite other TWG member's concurrence. A reconsideration memorandum was prepared citing that Petron's stand has already been considered in the said Addendum.
<b>PNS/DOE QS 008:2018 - PETROLEUM PRODUCTS - E-GASOLINE FUEL (E10) - SPECIFICATION</b>	This standard is an update/review of PNS/DOE QS 008:2012 and limiting the PNS coverage only for Euro 4-PH to align with the emission requirement of DENR under DAO No 2015-04 & 2016-23	Accomplished in 2018  Completed and endorsed to BPS for promulgation and adoption as PNS (March 21, 2018)

		(RECOMMENDED for adoption and implementation)
<b>DPNS/DOE QS 014:2018 - PETROLEUM PRODUCTS - RESIDUAL MARINE FUEL - SPECIFICATION</b>	This standard is adopted from ISO 8217:2017 (E) Petroleum Products - Fuels (class F) – Specifications of Marine Fuels, specifically the residual marine fuel category ISO-F-RMG 180 and ISO-F-RMK 380.	Accomplished in 2018  Completed and endorsed to BPS for promulgation and adoption as PNS (November 5, 2018) (Formulated)
<b>DPNS/DOE QS 006:2018 - PETROLEUM PRODUCTS - INDUSTRIAL FUEL OIL - SPECIFICATION</b>	This standard is an update/ review of PNS/DOE QS 005:2005 with minor revisions and updating of test methods.	Accomplished in 2018  Completed and endorsed to BPS for promulgation and adoption as PNS (November 5, 2018) (Updated)
<b>DEPARTMENT ORDER NO. DO2018-08-0012 “DIRECTING THE PHILIPPINE DOWNSTREAM OIL INDUSTRY TO OFFER EURO-II COMPLIANT DIESEL AS A FUEL OPTION FOR THE TRANSPORT AND INDUSTRY SECTOR</b>	The DO was issued for the purpose of reducing the impact of rising the petroleum prices in the world market and directing all industry players to provide Euro-II compliant automotive diesel oil at the retail level as a fuel option for the transport and industrial customers.	Accomplished 2018  The DO was issued in August 10, 2018 and to take effect immediately  (additional accomplishment)
<b>DRAFT DEPARTMENT CIRCULAR (DC) IMPLEMENTING THE SPECIFICATION OF E-GASOLINE</b>	Implementing Guideline to effectively implement the latest PNS/DOE QS 008:2018 – E-Gasoline (E10) Specification	Finalized DC and endorsed to OSEC for approval (September 2018)  (additional accomplishment)
<b>DRAFT DEPARTMENT CIRCULAR (DC) IMPLEMENTING THE PROPER RETENTION OF DUPLICATE LIQUID PETROLEUM FUEL SAMPLES IN DEPOTS AND RETAIL OUTLETS</b>	Implementing Guideline to effectively implement the proper retention of duplicate liquid petroleum fuel samples in depots and retail outlet an consider the clear glass sampling bottle in the specification for the type of sampling bottle	Finalized DC and endorsed to OSEC for approval (September 2018)  (additional accomplishment)
<b>NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED</b>		
<b>ISSUANCE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>3,803 issuances of the following:</b>  <ul style="list-style-type: none"> <li>• <b>Fuel Additive Registration (CFAR)</b></li> <li>• <b>Acknowledgement of notices of Lubricating</b></li> </ul>	Issuances of SEC, CFARs, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the activities in the downstream oil industry.  To ensure that the government continuously monitor the engagement of business and	Accomplished in 2018

<p><b>Product Importation (PLRs)</b></p> <ul style="list-style-type: none"> <li>• <b>Notice to Purchase Local Bioethanol</b></li> <li>• <b>SEC Endorsement</b></li> <li>• <b>Notice to Engage (Lube Activity)</b></li> </ul>	<p>other activities in the Downstream Oil Industry.</p>	
<p><b>NUMBER OF DOWNSTREAM OIL AND GAS FIELD WORK WITH CORRESPONDING REPORTS SUBMITTED AND OPERATIONAL MONITORING ACTIVITIES CONDUCTED</b></p>		
<p><b>INSPECTION OF ESTABLISHMENTS / FACILITIES</b></p>	<p><b>DESCRIPTION/SIGNIFICANCE</b></p>	<p><b>STATUS</b></p>
<p><b>1,515 NUMBER OF DENATURING ACTIVITIES ATTENDED</b></p>	<p>Under the Fuel Bioethanol Program and Revenue Regulations, a DOE-BIR joint activity is regularly done through the conduct of sampling of imported bioethanol, witness laboratory test on bio-ethanol purity and denaturing process for bioethanol, and actual gauging/inventory of bioethanol/denatured bioethanol.</p> <p>To ensure compliance to Bioethanol program and Revenue regulations (EO449).</p> <p>To ensure ethanol will be rendered unfit for oral intake and qualify for tax privileges.</p>	<p>Accomplished in 2018</p>
<p><b>113 DEPOT PRODUCT SAMPLING IN THE FOLLOWING AREA:</b></p> <ul style="list-style-type: none"> <li>• <b>CAPIZ</b></li> <li>• <b>AKLAN</b></li> <li>• <b>NEGROS ORIENTAL</b></li> <li>• <b>DAVAO</b></li> <li>• <b>CAMARINES SUR</b></li> <li>• <b>MISAMIS OCCIDENTAL</b></li> <li>• <b>NEGROS OCCIDENTAL</b></li> <li>• <b>BATAAN</b></li> <li>• <b>METRO MANILA</b></li> <li>• <b>LEYTE</b></li> <li>• <b>CEBU</b></li> <li>• <b>BULACAN</b></li> <li>• <b>ZAMBALES</b></li> <li>• <b>ILOILO</b></li> <li>• <b>PALAWAN</b></li> <li>• <b>GENERAL SANTOS</b></li> <li>• <b>MISAMIS ORIENTAL</b></li> <li>• <b>MINDORO</b></li> <li>• <b>LA UNION</b></li> <li>• <b>CAVITE</b></li> <li>• <b>BOHOL</b></li> <li>• <b>BATANGAS</b></li> <li>• <b>ZAMBOANGA DEL NORTE</b></li> <li>• <b>PAMPANGA</b></li> </ul>	<p>The strict compliance of the industry players to the standards of quality is consistently being monitored by the OIMB-DOE through the conduct of regular/routine or on-the-spot or complaint-initiated inspections and sampling from the refineries, bulk plants, depots, terminals and gasoline stations nationwide.</p> <p>To ensure continuous compliance of industry players to the standards of quality.</p>	<p>Accomplished in 2018</p>



<ul style="list-style-type: none"> <li>• ZAMBOANGA CITY</li> <li>• AGUSAN DEL NORTE</li> <li>• MISAMIS ORIENTAL</li> </ul>		
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## RETAIL MARKET MONITORING AND SPECIAL CONCERNS DIVISION (RMMSCD)

### NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION

DEPARTMENT CIRCULAR NUMBER/TITLE	DESCRIPTION/SIGNIFICANCE	STATUS
<b>DOE DEPARTMENT CIRCULAR No. 2018-03-0004</b> <b>PROHIBITING THE SALE AND DISTRIBUTION OF SMALL-SIZED 2.7 KG CAPACITY AND BELOW LPG CYLINDERS WITHOUT THE REQUIRED “ FOR OUTDOOR USE ONLY” MARKING IN ADDITION TO THE USUAL MANDATORY MARKINGS FOR LPG CYLINDERS, AND FOR OTHER PURPOSES</b>	Department Circulars on 2.7 kg LPG Markings to limit outdoor use. To mandate the implementation of the provision of the PNS on the required outdoor use only marking for 2.7 kg LPG cylinder and provide the immediate stop-gap measure in the absence of the DTI DAO since 2014 PNS promulgation.	Status: Approved and signed by the Secretary
<b>JOINT ADMINISTRATIVE ORDER (JAO) FOR THE DISTRIBUTION AND TRANSPORTATION OF LPG CYLINDERS</b>	Supplementing DOE DC 2013-09-0022, entitled “Directing All LPG Industry Participants to Observe the Minimum Safety Standards in the Transportation and Distribution of LPG in Cylinders”	Status: Signed by DOE – DILG (BFP/BLGS) – DOTr (LTO) last September 2018.

### NUMBER OF PROMOTIONAL EVENTS UNDERTAKEN

ESTABLISHMENTS VISITED/CONDUCTED IECs	DESCRIPTION/SIGNIFICANCE	STATUS
<b>12 IECs conducted under the SAFE LPG Project in the following areas:</b>  <b>1. San Francisco, Agusan del Sur</b> <b>2. Bayugan City, Agusan del Sur</b> <b>3. Gingoog City, Misamis Oriental</b> <b>4. Malaybalay City, Bukidnon</b> <b>5. Cagayan de Oro City, Misamis Oriental</b> <b>6. Dagupan, Pangasinan</b> <b>7. San Carlos, Pangasinan</b> <b>8. Miagao, Iloilo</b> <b>9. Guimbal, Iloilo</b> <b>10. Catbalogan City, Samar</b> <b>11. Carigara, Leyte</b> <b>12. Dulag, Leyte</b>	Conduct of IEC campaigns under the SAFE LPG Project is OIMB-RMMSCD's contribution to the DOE Gender and Development (GAD) Program and Focal Point System targeting women's associations or groups in the society. The main objective of the SAFE LPG Project is to increase the awareness and knowledge of women in the proper handling and safe usage of LPG. Most women are the ones who are left behind in their respective homes to attend to the household chores such as cooking requirements for their families.	Accomplished in 2018

<b>NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED</b>		
<b>ISSUANCE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>Issuances of 1591 COC, SCC, Endorsements, Acknowledgment letters and Certifications</b>	<p>Issuances of COCs, SCCs, SEC Endorsements, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business of retailing petroleum products in the downstream oil industry.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.</p>	Accomplished in 2018
<b>NUMBER OF DOWNSTREAM OIL AND GAS FIELD WORK WITH CORRESPONDING REPORTS SUBMITTED AND OPERATIONAL MONITORING ACTIVITIES CONDUCTED</b>		
<b>INSPECTION OF ESTABLISHMENTS / FACILITIES</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>2,165 INSPECTION REPORTS ON GASOLINE STATIONS AND LPG ESTABLISHMENTS WITH CORRESPONDING REPORTS</b>	<p>The enforcement and monitoring functions of OIMB-RMMSCD is to ensure that the business of retailing petroleum products are of best quality, right quantity and safe and most importantly conforms to the Philippine National Standard (PNS) for petroleum products.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.</p>	Accomplished in 2018

## NATURAL GAS AND MANAGEMENT DIVISION (NGMD)

<b>NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION</b>		
<b>DEPARTMENT CIRCULAR NUMBER/TITLE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>DRAFTED AND SUBMITTED THE DOE VERSION OF THE PROPOSED NATURAL GAS BILL BOTH TO SENATE AND CONGRESS</b>	To update the 2002 draft Natural Gas Bill filed both in Senate and Congress to make it responsive in the present economic conditions. The 2002 version of the draft Natural Gas Bill is patterned with the Malampaya Supply. Considering that the government is looking LNG importation, there is a need to consider in the Bill both imported and domestic supply including Third Party	Submitted in August 22, 2018. Congress created a TWG for the amendment of the Nat Gas Bill already incorporated the DOE version. The Senate was requesting DOE to create a TWG to work with Senate Energy Committee on the



<p><b>B. Conducted two (2) “Familiarization to Existing Natural Gas Facilities and Natural Gas Users” for the Technical Staff of the following:</b></p> <p><b>1. Senate of the Philippines</b>  <b>2. DOE OIMB with C-REC Secretariat</b></p>	<p>To enhance the appreciation of participants on the operation of gas</p>	
<p><b>NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED</b></p>		
ISSUANCE	DESCRIPTION/SIGNIFICANCE	STATUS
<p><b>A. Issued the following Permit:</b></p> <p><b>1. Energy World Corporation - Permit to Construct</b>  <b>2. Tanglawan Philippine LNG Inc. - Notice to Proceed</b></p> <p><b>B. Issued acknowledgement and endorsement on the following:</b></p> <p><b>b.1) Acknowledgement to Supply and Transport Natural Gas by SPEX to Pilipinas Shell Refinery(PSPC)</b></p> <p><b>b.2) Acknowledgement to Supply and Transport Natural Gas by PNOC to PSPC</b></p> <p><b>b.3) Endorsement for Securities and Exchange Commission registration to the following:</b></p> <p><b>1. Fil Rich Resources Development Corp.</b>  <b>2. ENN Synergy</b>  <b>3. Hazekiah Energy</b>  <b>4. CNOOC Gas and Power Philippines Inc.</b>  <b>5. Tanglawan Philippine LNG</b>  <b>6. Liberty Call Logix</b>  <b>7. South Pacific Eng. Inc.</b></p>	<p>To ensure that potential applicants complied with the required documentary requirements to determine of their legal, technical and financial capabilities to implement the LNG terminal Project and/or natural gas related projects</p> <p>To monitor the flow of supply of natural gas to end users as well as on the legality of the potential investors on natural gas projects</p>	<p>Accomplished in 2018</p> <p>Accomplished in 2018</p>

<p><b>Conducted 18 pre-application conferences:</b></p> <ol style="list-style-type: none"> <li>1. Cleanway Energy Development Corp</li> <li>2. First Gen Corporation</li> <li>3. Tokyo Gas Co. Ltd.</li> <li>4. China National Offshore Oil Corporation</li> <li>5. Philippine National Oil Company</li> <li>6. VIRES Energy Corporation</li> <li>7. SK E&amp;S Co., Ltd.</li> <li>8. Carmine Energy Pte. Ltd.</li> <li>9. Transformation LLC</li> <li>10. Limay LNG Power Corporation</li> <li>11. KEPCO E&amp;C</li> <li>12. Atlantic, Gulf &amp; Pacific Company of Manila, Inc.</li> <li>13. Osaka Gas Co., Ltd</li> <li>14. Chevron, JERA and NYK Consortium</li> <li>15. Lloyds Energy</li> <li>16. PhiLNG Ltd., Ptd</li> <li>17. BKB Consortium</li> <li>18. Excelerate Energy Singapore Pte., Ltd.</li> </ol>	<p>To familiarize the project concepts of the potential investors that signified interest to develop the LNG Terminal Facility as well as an opportunity for the said investors to make clarifications on the Permit Guidelines in the DC 2017-011-0012 known as the Rules &amp; Regulations Governing the Philippine Downstream Natural Gas Industry and Regulations</p>	<p>Accomplished in 2018</p>
<p><b>NUMBER OF DOWNSTREAM OIL AND GAS FIELD WORK WITH CORRESPONDING REPORTS SUBMITTED AND OPERATIONAL MONITORING ACTIVITIES CONDUCTED</b></p>		
<p><b>INSPECTION OF ESTABLISHMENTS / FACILITIES</b></p>	<p><b>DESCRIPTION/SIGNIFICANCE</b></p>	<p><b>STATUS</b></p>
<p><b>Conducted Inspection and Monitoring activities in coordination with the inter-agency Inspection and Monitoring Team on compliance of HSSE program by Operators to the following:</b></p> <ol style="list-style-type: none"> <li>1. Energy World Corporation Ltd. – Liquefied Natural Gas Storage &amp; Regasification Terminal</li> <li>2. National Power corporation Tabangao to Ilijan Natural Gas Pipeline &amp; Receiving Facility (NPC-TINGPRF)</li> <li>3. Malampaya Onshore Gas Plant (MOGP)</li> <li>4. Tabangao to Sta. Rita Natural Gas Pipeline (TSRP)</li> </ol>	<p>To ensure safety operations of natural gas facilities during construction, operation and maintenance activities.</p>	<p>Accomplished in 2018</p>

<b>5. Pilipinas shell Petroleum Corporation (PSPC) 800 meters Own Use Pipeline</b> <b>6. 504 km undersea Malampaya Gas Export Pipeline</b>		
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## OIMB WORK PROGRAM AND TARGETS FOR FY2019

To attain the overall objective of the Department by 2040, the DOE-OIMB envisioned to accomplish the goal to improve the policy governing the downstream oil and natural gas industry in ensuring continuous supply of high quality and right quantity of petroleum products in the market and establishing a world-class, investment driven and efficient natural gas industry that makes natural gas a bridge fuel by all end-use sectors through the following plans and programs:

<b>MFO 1: ENERGY SECTOR POLICY SERVICES</b>		
<b>NUMBER OF PLANS AND POLICIES UPDATED, FORMULATED, MONITORED AND RECOMMENDED FOR ADOPTION AND IMPLEMENTATION</b>		
<b>GAS SECTOR</b>		
<b>DEPARTMENT CIRCULAR TITLE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>NATURAL GAS AND MANAGEMENT DIVISION (NGMD)</b>		
<b>DRAFTED THE JOINT ADMINISTRATIVE ORDER (JAO) FOR THE CREATION OF THE PHILIPPINE INTER-AGENCY HEALTH SAFETY, SECURITY AND ENVIRONMENT (HSSE) INSPECTION MONITORING TEAM OF DEPARTMENT CIRCULAR</b>	To strengthen the MOU for the organization of the Inter-agency HSSE Inspection and Monitoring Team for Natural Gas facilities	For consultation with the IMT-HSSE members on the 2Q 2019 Target Issuance: 3Q 2019
<b>JOINT ADMINISTRATIVE ORDER ON HSSE STANDARDS</b>	Consolidated HSSE standards among members of inter-agency HSSE IMT  To provide a consolidated, readily available and easy-to-refer HSSE standards from different government agencies.	On-going formulation and target Issuance: 1Q-2Q 2020.
<b>JOINT ADMINISTRATIVE ORDER ON INSPECTOR'S MANUAL</b>	Standard Operating Procedure in the conduct of an effective and efficient inspection activities in the existing and planned natural gas facilities among the inter-agency HSSE IMT To provide a consolidated, harmonized and standard procedure in the conduct of the inter-agency inspection/ monitoring of all existing and planned downstream natural gas facilities	On-going formulation and target Issuance is on the 3Q-4Q of 2020.
<b>DOWNSTREAM NATURAL GAS DEVELOPMENT PLAN</b>	The natural gas framework will provide a clear, defined and effective plans and programs for the development of the downstream natural gas industry as it is aligned and responsive to the current policy thrusts and directions of the energy sector.	Update the 2002 Natural Gas Development Plan. The framework provides the plans, programs and directions towards the development of the downstream natural gas industry in the Philippines

		Target Issuance: 2020
<b>DOWNSTREAM NATURAL GAS LAW</b>	Advocate the passage of the governing law on the Downstream Natural Gas Industry.	Continuing
<b>PNS ON LNG FACILITY AND CODE OF SAFETY</b>	Create TWG consist of DNGI stakeholders for the development of the PNS and safety code for the LNG facility and its operation. To provide a consolidated harmonized and standard procedure in the operation of the LNG facility in the country	Continuing
<b>OIL SECTOR</b>		
<b>OIL INDUSTRY COMPETITION AND MONITORING DIVISION (OICMD)</b>		
<b>DOE DEPARTMENT CIRCULAR - DRAFT PRICE UNBUNDLING CIRCULAR</b>	Anchored on the initiative to promote transparency, the draft DC would amend the existing Department Circular No. DC2005-08-007. In addition to the current contents of the notification, to be added in the amended Circular is the Section on Unbundled Price Adjustment which would provide details on how oil players arrived at their pump prices.	Conducted three (3) FGD with the Oil Industry. OIMB is now finalizing the draft. Target Issuance: 1Q 2019.
<b>DOE DEPARTMENT CIRCULAR - DRAFT REVISED MINIMUM INVENTORY REQUIREMENT CIRCULAR TO CLARIFY THE REQUIRED NUMBER OF DAYS SUPPLY FOR EACH PRODUCT</b>	Considering that the country's oil supply situation is highly dependent on imports, the DC shall maintain a periodic schedule of present and future total industry inventory of petroleum products for the purpose of determining the level of supply on a per-product basis (as opposed to the current average 15-day inventory).	Drafted the DC for review and consultation will be made on the 2Q 2019.  Target Issuance: 2Q 2019
<b>OIMB OMNIBUS CIRCULAR ON NOTICE AND REPORTORIAL REQUIREMENTS COMPLIANCE</b>	Relative to the compliance of oil industry players to the notice and reportorial requirements of RA 8479 and RA 9367, OIMB aims to unify notice formats for easy monitoring and simple compliance of industry players. To improve the quality and timeliness of reports submitted by the industry.	Drafted the DC for review and consultation will be made on the 2Q 2019.
<b>ISSUANCE OF THE DEPARTMENT ORDER ON THE IMPLEMENTATION OF OIL STOCKPILING THROUGH PNOC-EC</b>	To start the implementation of the establishing the Philippine Oil Stockpiling Program through the PNOC-EC: 1.) Conduct of the feasibility study on the implementation of stockpiling;	Drafted the Department Order and Target Issuance: 2Q 2019.



	2.) Based on the feasibility study, proposed an implementation plan.	
<b>IMPLEMENTATION OF THE DOWNSTREAM OIL INFORMATION SYSTEM: “ENTERPRISE RESOURCE PLANNING SOLUTION – OIL PRODUCTS INFORMATION SYSTEM”</b>	To upgrade OIMB and Oil Industry’s application and reportorial data management. The information system shall implement an on-line application and digitized reportorial management system capable of producing analytical reports.	Target Implementation: 3Q 2019  (Subject for bidding through ITMS)
<b>DOWNSTREAM OIL DEVELOPMENT PLAN</b>	The plan in its essence shall provide all stakeholders the view on both the indicative and committed projects of the downstream oil industry under the OIMB short-term to long-term sectoral roadmap.  1.) The DOI Plan would serve as the concrete input to PEP and for inclusion to the proposed projects of national significance. 2.) This will also aim to synchronize the establishment of facilities, i.e. refinery, import terminals, depots and retail outlets at the proper location (economic centers)	Target consultation, drafting and issuance: 2020
<b>ISSUANCE OF DOE DEPARTMENT CIRCULAR ON LIQUID FUEL INDUSTRY RULES</b>	To provide a comprehensive regulation governing the application on the entry to Downstream Oil Industry and the subsequent supervision and monitoring of their operations.	Target Issuance: 2020
<b>RETAIL MARKET MONITORING AND SPECIAL CONCERNS DIVISION (RMMSCD)</b>		
<b>ISSUANCE OF THE DEPARTMENT ORDER ON OMNIBUS INSPECTOR’S MANUAL FOR RETAIL MARKET MONITORING</b>	To provide the specific guidelines and procedures on how to properly conduct the field inspections, establish custody of evidence, testing of samples, filing of cases and disposal of forfeited items.	Draft is now subject for consultation with Field Offices on March 2019  Target Issuance: 3Q 2019
<b>DOE DEPARTMENT CIRCULAR - CREATION OF SPECIAL TWG ON THE DISPOSAL OF CONFISCATED PETROLEUM PRODUCTS AS SUPPORT TWG TO THE DOE DISPOSAL COMMITTEE</b>	To provide a specific body to handle the proper assessment and recommendation on the disposal of the confiscated petroleum products.	Drafted the department circular and will be finalized for endorsement to the Legal Services.  Target Issuance: 2Q 2019
<b>REVISION OF DOE DEPARTMENT CIRCULAR ON LPG INDUSTRY RULES</b>	To provide a comprehensive regulation governing the application on the entry to Downstream Oil Industry and the subsequent supervision and monitoring of their operations.	Target Issuance: 2020

<b>OIL INDUSTRY STANDARDS AND MONITORING DIVISION (OISMD)</b>		
<b>PNS FOR KEROSENE</b>	Review/update of kerosene based on current requirements of the industry its users and manufacturer. This standard is 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 manufacturer and also by endeavoring to harmonize international/regional environmental standards for fuels.	Started deliberation in 4 <sup>th</sup> Q 2018 and targeted to be accomplished in 3Q 2019. (Note: PNS development involves deliberation by TCPA, TCPFF/TWGs, general circulation, finalization of the draft PNS and endorsement to BPS for promulgation and adoption as PNS)
<b>PNS FOR EMULSIFIED FUEL</b>	Review/update of emulsified fuel based on current requirements of the industry its users and manufacturer. This standard is 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 manufacturer and also by endeavoring to harmonize international/regional environmental standards for fuels.	Started in 2018 and targeted to be accomplished on 4Q 2019
<b>CODE OF SAFETY PRACTICES FOR LPP DEPOT (NEW)</b>	To develop a Code of Safety Practice that will guide the managers/operator as well as their respective personnel of LPP depot focusing on safety and good practice procedures with reference to relevant health and safety standards.	Tentative date of deliberation to start on February 2019 and onwards Target issuance : 4Q 2019
<b>DOWNSTREAM OIL TRAINING CURRICULUM THROUGH TESDA</b>	To introduce a formal training curriculum for the personnel of Downstream Oil Industry through TESDA and standardize the training programs.	Target Accomplishment: 2Q 2020
<b>STANDARD ON TRANSPORT FACILITIES</b>	To develop standards for using vehicles to transport liquid fuels and LPG	Target Issuance: 3Q 2020
<b>CODE OF SAFETY PRACTICE FOR TRANSPORT</b>	To develop a Code of Safety Practice that will guide the managers/operator as well as their respective personnel of LPP in transport of Liquid fuels and LPG focusing on safety and good practice procedures with reference to relevant health and safety standards.	Target Issuance: 3Q 2020

<b>MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION NUMBER OF PROMOTIONAL EVENTS UNDERTAKEN</b>		
<b>TARGET ESTABLISHMENTS/INDUSTRIES FOR THE CONDUCT OF IECs</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>NAT GAS DIVISION</b>		
<b>5 TARGET INDUSTRIES FOR THE MARKET PROFILING</b>	The market profiling on the other hand involves market survey on the profile of the energy requirement of industries to determine if the said industry can convert to natural gas use if gas is readily available. The market survey aims to have an energy profile requirement of the industries to determine the energy requirement of the industry as basis in considering the potential to use natural gas.	Target: 1Q-4Q 2019
<b>RETAIL DIVISION</b>		
<b>7 IECs IN LUZON, VISAYAS AND MINDANAO.</b>	The conduct of Information, Education, and Communication (IEC) campaigns under the SAFE LPG Project is OIMB-RMMSCD's contribution to the DOE Gender and Development (GAD) Program and Focal Point System targeting women's associations or groups in the society.  The main objective of the SAFE LPG Project is to increase the awareness and knowledge of women in the proper handling and safe usage of LPG. Most women are the ones who are left behind in their respective homes to attend to the household chores such as cooking requirements for their families.	Target: 1Q-4Q 2019
<b>MFO 3: ENERGY SECTOR REGULATION NUMBER OF APPLICATIONS FOR PERMITS, SERVICE / OPERATING CONTRACTS, AND ACCREDITATIONS PROCESSED GAS SECTOR</b>		
<b>ISSUANCE</b>	<b>DESCRIPTION/SIGNIFICANCE</b>	<b>STATUS</b>
<b>NAT GAS DIVISION</b>		
<b>CONDUCT OF 5 PRE-APPLICATION CONFERENCES AND 3 ISSUANCES OF NOTICE TO PROCEED, PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN SEC ENDORSEMENTS, ACCREDITATION OF IMPORTER AND ACKNOWLEDGE TO IMPORT, SUPPLY AND TRANSPORT LNG/NATURAL GAS</b>	The Pre-application conference is a first step for the investor in the process to present the major concept of the proposed project as well as seek clarification on the provisions of the Circular. The Issuances of NTP, PTC, POM, AI, and AST are in accordance or compliance to the DC 2017-11-0012 on business activities of the	Target: 1Q-4Q 2019

	<p>downstream natural gas industry. The SEC Endorsement on the other hand is a cooperative effort of the SEC to ensure that business activities they will register are in existence and available.</p> <p>The non-pricing regulation by the government ensures that applicants of the downstream natural gas project have the capacity to meet the legal, technical and financial in implementing the proposed project. The regulation also ensures that operator of the project are employing the international standards and best practices during construction, operation and maintenance activities of the natural gas facilities to ensure safety.</p>	
<b>OIL SECTOR</b>		
<b>OIL INDUSTRY COMPETITION AND MONITORING DIVISION (OICMD)</b>		
<p><b>1,060 ISSUANCES / REPORTS ON THE FOLLOWING:</b></p> <ul style="list-style-type: none"> <li>➤ <b>DAILY OIL PRICE MONITOR</b></li> <li>➤ <b>WEEKLY OIL PRICE SITUATIONER</b></li> <li>➤ <b>WEEKLY OIL MONITOR FOR WEB POSTING</b></li> <li>➤ <b>WEEKLY OIL INVENTORY REPORT</b></li> <li>➤ <b>MONTHLY LPG MONITOR FOR WEB POSTING</b></li> <li>➤ <b>QUARTERLY SUPPLY-DEMAND SITUATION REPORT</b></li> <li>➤ <b>ISSUANCES OF CERTIFICATIONS/ENDORSEMENTS</b></li> <li>➤ <b>IMPORT/EXPORT ACKNOWLEDGEMENT,</b></li> <li>➤ <b>ACKNOWLEDGEMENT OF NOTICE PRIOR TO ENGAGEMENT IN THE BUSINESS</b></li> <li>➤ <b>BIOETHANOL PROGRAM ACCREDITATION</b></li> <li>➤ <b>BOI ENDORSEMENTS</b></li> <li>➤ <b>SEC ENDORSEMENTS STANDARD COMPLIANCE</b></li> <li>➤ <b>CERTIFICATE FOR LPG BULK SUPPLIERS</b></li> </ul>	<p>Compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry.</p> <p>To ensure that the government continuously monitor the engagement of business and other activities in the Downstream oil Industry.</p>	Target: 1Q-4Q 2019
<b>RETAIL DIVISION</b>		
<b>ISSUANCES OF 700 COC, SCC, ENDORSEMENTS AND CERTIFICATIONS</b>	<p>Issuances of COCs, SCCs, SEC Endorsements, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business of retailing petroleum products in the downstream oil industry.</p>	Target: 1Q-4Q 2019

	Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.	
<b>STANDARDS DIVISION</b>		
<b>1,040 ISSUANCES OF THE FOLLOWING:</b> 1. <b>CERTIFICATE OF FUEL ADDITIVE REGISTRATION (CFAR)</b> 2. <b>ACKNOWLEDGEMENT OF NOTICES OF LUBRICATING PRODUCT IMPORTATION (PLRs)</b> 3. <b>NOTICE TO PURCHASE LOCAL BIOETHANOL</b> 4. <b>SEC ENDORSEMENT</b> 5. <b>NOTICE TO ENGAGE (LUBE ACTIVITY)</b> 6. <b>VALIDATION CERTIFICATE FOR INTERNATIONAL OIL POLLUTION COMPENSATION (IOPC) FUND</b>	Issuances of SEC, CFARs, Certifications, and Acknowledgement Letters of Prior Notice are in accordance or compliance to existing laws, rules, and regulations relative to the business retailing of petroleum products in the downstream oil industry.  To ensure that the government continuously monitor the engagement of business and other activities in the Downstream oil Industry.	Target: 1Q-4Q 2019
<b>SUPERVISION AND MONITORING</b>		
<b>GAS SECTOR</b>		
<b>NAT GAS DIVISION</b>		
<b>2 MONITORING AND INSPECTION ACTIVITIES OF EXISTING NATURAL GAS FACILITIES ISSUED WITH A PERMIT BY THE DOE IN COORDINATION WITH THE INTER-AGENCY IMT-HSSE</b>	The monitoring and inspection activities ensures that operator of the natural gas facilities are in compliance to international standard and best HSSE practices during construction, operation and maintenance activities in the facilities.  The participation of the inter-agency IMT-HSSE ensures a holistic conduct of inspection.	Target: 1Q-4Q 2019
<b>OIL SECTOR</b>		
<b>COMPETITION DIVISION</b>		
<b>11 INSPECTION / VERIFICATION OF THE EXISTENCE OF THE PLAYERS/STORAGE FACILITIES AND OF RETAIL OUTLETS GIVING FUEL DISCOUNTS TO PUVs WITH CORRESPONDING REPORTS</b>	Counterchecking of the existence of facilities in the database vis-à-vis actual	Target: 1Q-4Q 2019
<b>RETAIL DIVISION</b>		
<b>640 INSPECTION REPORTS (IR) ON GASOLINE STATIONS AND LPG ESTABLISHMENTS</b>	The enforcement and monitoring functions of OIMB-RMMSCD is to ensure that the business of RETAILING PETROLEUM products are of best quality, right quantity and	Target: 1Q-4Q 2019

	<p>safe and most importantly conforms to the Philippine National Standard (PNS) for petroleum products.</p> <p>Although the downstream oil industry is a deregulated industry, the DOE through OIMB-RMMSCD is still mandated to supervise and oversee the formulation of policies, plans, programs, and projects to the oil retail market and other special concerns affecting the downstream oil industry management and ensures effective implementation thereof.</p>	
<b>STANDARDS DIVISION</b>		
<b>400 DENATURING ACTIVITIES WITNESSED</b>	<p>In compliance to the Fuel Bioethanol Program and Revenue Regulations, a DOE-BIR joint activity is regularly being undertaken since 2006 through the conduct of sampling of imported bioethanol, witness laboratory test on bio-ethanol purity and denaturing process for bioethanol, and actual gauging/inventory of bioethanol/denatured bioethanol. Denaturing the bioethanol with ULG will render it unfit for oral intake and qualify for availment of tax privileges. To ensure compliance to Bioethanol program and Revenue regulations (EO449). To ensure ethanol will be rendered unfit for oral intake and qualify for tax privileges.</p>	Target: 1Q-4Q 2019
<b>40 DEPOT PRODUCT SAMPLING</b>	<p>The strict compliance of the industry players to the standards of quality is consistently being monitored by the OIMB-DOE through the conduct of regular/routine or on-the-spot or complaint-initiated inspections and sampling from the refineries, bulk plants, depots, terminals and gasoline stations nationwide. On-the-spot field tests and other confirmatory examinations are also being performed to detect any form of adulteration.</p> <p>To ensure continuous compliance of industry players to the standards of quality</p>	Target: 1Q-4Q 2019