



Snapshot of the Refined Petroleum Market in LEBANON

Petroforum Oman Sept. 2015

APIC President

Maroun N. Chammas www.maroun.tel

Market Activity:

- **Lebanon entirely depends on imports of all petroleum products for the private & public Energy sectors.**
- **High sulfur Gas Oil for certain industries and home heating and Fuel Oil for the power plants, are imported exclusively by the government.**
- **Gasolines (95/98), Diesel, Jet A1, LPG and Bitumen, are imported by the private sector. There are today 14 oil companies, active in the importation, transportation & distribution of the products**
- **‘APIC’, is the “Association of Petroleum Importing Companies in Lebanon. It groups all 14 companies.**

The Players in the Lebanese Petroleum Market

- ✓ The Association of Petroleum Importing Companies APIC
- ✓ The Association of Tank Trucks Owners
- ✓ The Association of Gas Stations Owners
- ✓ The Ministry of Energy and Water MoEW (licences and market regulator)
- ✓ The Ministry of Environment
- ✓ The Ministry of Interior Affairs and the Ministry of Transportation responsible of the regulations related to the transportation and the distribution of the petroleum products & roads safety
- ✓ The Ministry of Economy through the Consumer Protection Department is responsible of the control of the petroleum products distributed in the market
- ✓ Libnor responsible of issuing the standards related to the specifications of the imported Petroleum Products
- ✓ the government Oil Installations responsible of the importation of the Gas Oil for the Lebanese Market and runs the Tripoli & Zahrani Terminals, laboratories & Refineries.
- ✓ The Lebanese Petroleum Administration responsible of promoting the potential petroleum resources in Lebanon including the laws related to the exploration of the Natural Gas in the sea.



APIC Members are:

1. APEC
2. Cogico
3. Coral Oil
4. Gaz Orient
5. Gefco
6. Hypco
7. IPT
8. Liquigas
9. Medco/Phoenicia
10. Sidaco
11. Total - Liban
12. United Petroleum
13. Uniterminals
14. Wardieh Holdings





A.P.I.C Strategy

❑ **Mission:**

- ✓ To upgrade the level of the professional practice related to quality, security & environment protection according to International standards.
- ✓ To cooperate and coordinate with various governmental bodies for developing projects laws relating to the Petroleum sector in Lebanon.
- ✓ To work for the development of the National Economy in general through the strengthening of the Petroleum sector.
- ✓ Maintain a continuous dialogue with various governmental bodies, in particular the ministry of E&W, in the perspective of establishing a positive constructive relation that can be useful to ensure the participation of *A.P.I.C* in the definition of the government strategy related to the oil Industry

❑ **Safety & Standards:**

- Encourage and assist various Oil Sector players to apply “Best Practice” standards and self regulate in relation to the safety of their operations. (Terminals, Transportations, & Services Stations, etc...)..
- ✓ Organizing International Oil Conferences in Lebanon in order to share expertise for the purpose of upgrading the standard of the national Oil Industry.
- ✓ Organize special Training session for the employees to upgrade their level of professional skills in various subjects.



A.P.I.C Strategy (Cont.)

Relation with the Economical Bodies:

- ✓ Active member of the Lebanese Economical Organizations.
- ✓ Ensure a proactive role for the A.P.I.C in the design & implementation of national economical policies & strategies.

Consumer Oriented strategy:

- ✓ Increase consumer Awareness in relation to Quality & Safety thru the design & implementation of special dedicated campaigns.
- ✓ Coordination with the “consumer protection service” (Ministry of Economy & Trade) in order to help overcoming the problems of quality & quantity fraud.

Environment Protection & Development:

- ✓ Encourage the environment protection culture thru a clear strategy based on the participation & contribution in developing sustainable projects that can be of an interest to the society & the environment.
- ✓ Assist governmental bodies such as the Ministry of Environment, the Civil defense, etc, in their mission to protect and save the environment.
- ✓ Contribute in various Projects of environmental aspect, such as: Used Oil collection & Treatment etc... .

Petroleum Products imported by APIC members

1. Gasoline Unleaded 98 octane
2. Gasoline Unleaded 95 octane
3. Diesel Oil
4. Kerosene Jet A1
5. LPG (Butane / Propane)
6. Light Fuel Oil (Industrial Fuel)
7. Bitumen
8. Lube Oil
9. Solvents



The Lebanese Petroleum Industry Facts and Figures

1-Industry Components:

- ✓ Number of Storage Terminals : 14
- ✓ Number of Government facilities: 2 (previous refineries)
- ✓ White Products Storage Capacity: 430 M Liters
- ✓ LPG Storage Capacity : 44,668 m³
- ✓ Number of Service Stations : 2403 (50% are branded)
- ✓ Number of Tank Trucks : 1500

2. Importations / Year :

- ✓ EDL (Power plants) Fuel: 1,500,000 MT
- ✓ Private Sector: Gasoline: 1,900,000 MT
 - Diesel 1,450,000 MT
 - Gasoil 523,000 MT
 - LPG: 200,000 MT
 - Jet A1: 240,000 MT



The Lebanese Petroleum Industry

3. Investments:

- ✓ **Human Resources:** *Importation service stations ~ 12,000 employees
*Transportation & Distribution: ~ 2,000 employees
- ✓ **Fixed Assets:** ~ 3-4 billion USD
- ✓ **Convenience stores:** 130 (Challenges)

4. Contribution in the National Economy:

- ✓ **A substantial direct source of revenue to the government treasury (Income Taxes, Customs Taxes & VAT)**



Pricing of Petroleum Products in Lebanon

- ✓ **The Pricing Formula is issued on weekly basis by the Lebanese Ministry of Energy & Water (MoEW). Based on the average of the last 4 weeks of Platts Med plus a premium (freight / insurance, finance charges, Lab, demurrage etc..)**
- ✓ **The Market price is not affected by local supply and demand. Lebanon's national petroleum bill is a function of international oil prices and international market fluctuations.**