



UEIL STATEMENT
concerning the
Draft Directive on Crude oil and/or petroleum products
Obligation on Member States to maintain minimum stocks

29 May 2009, Brussels. The Commission has put forward a proposal entitled “Imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products” (repeal. Directive 73/238/EEC, Directive 2006/67/EC and Decision 68/416/EEC) aiming at ensuring enough oil stocks in all Member States on the grounds of security of supply in Europe. Whilst UEIL agrees with the aim and spirit of this draft Directive, it is concerned that lubricants – which are included in the Directive– are considered as products of strategic importance for security reasons.

UEIL would therefore like to draw attention to the fact that lubricants –as industrial products manufactured in most of Member States–, have a relatively lower strategic importance in terms of security of supply if compared to some other more sensitive products such as gasoline or diesel oil. Consequently, UEIL calls upon EU authorities to exclude lubricants from the list of strategic products considered in this proposal.

The objective of the European Union’s security of supply policy is to ensure that all Member States maintain, at all times, a minimum stock of crude oil and petroleum products as a safeguard to protect against any unexpected cuts in supply. Therefore, the Commission is asking Member States to establish dedicated stocks equivalent to 90 days of net imports or 70 days of inland consumption of crude oil products. These stocks can comprise several types of oil products, including, but not limited to, gasoline, diesel oil and lubricants.

While UEIL appreciates the EU’s precautionary measures, we believe that in light of the range of products covered, the draft Directive is too far reaching and goes beyond what is necessary to achieve the set objective. Therefore, UEIL calls on the Commission to consider narrowing the scope of application of the draft Directive so that it responds to the real strategic energy supply needs with respect to securing oil supplies. The list of products covered by the proposed Directive comprises many products of low strategic importance to many countries, such as lubricants.

It needs to be taken into account that, compared with the other products listed such as gasoline or diesel oil, lubricants do not constitute a product of major importance in terms of strategic energy value, and therefore its exclusion would not go against the spirit of this Directive. UEIL believes that lubricants should fall under a category of exemption from the oil stocks Directive.

Furthermore, from a technical perspective lubricant products are composed of base oils and additives, which vary depending on the specific use of the lubricant. There are hundreds of different lubricants products and formulations, which are usually stocked in very small



quantities (in packages ranging from 0.25 l. to 200 l.). For these reasons, the storage of this particular product would become considerably difficult should Member States be required to have dedicated stocks of all the existing varieties of lubricants.

Nevertheless, and understanding the need for dedicated stocks, UEIL is of the opinion that an obligation to stock base oils which can later be transformed into lubricants would fulfil the needs of securing derived oil product stocks. Likewise, stocks of base oil would be more manageable and of greater value to Member States.

To summarise, UEIL considers that there are no sufficient reasons from a security perspective for the inclusion of lubricants in the scope of the draft Directive on oil stocks since these cannot help the EU achieve its strategic goal. Therefore, UEIL on behalf of the European producers of lubricants, calls on the Commission to exclude lubricants from the scope of this draft Directive.

About UEIL

UEIL is the pre-eminent Trade Association in Europe representing the interests of companies involved in the Lubricant Industry. With members in sixteen Member States and a unique collective experience of lubricants and the lubricants market, UEIL is the strongest representative body for independent producers of lubricants in Europe.

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