

## **Workshop**

### **Reporting of Gas/Diesel Oil**

*Breakdown into Road diesel Other transport diesel and Heating & other gasoil*

*Paris, 2 February 2011*

#### **Minutes of the meeting**

Chairman: Mr Jean-Yves Garnier, Head Energy Statistics Division, IEA

Mrs Reece, Head of the Oil and Gas Statistics Section, gave an opening presentation to the participants about the background and objectives of the meeting. She described the current oil statistics reporting systems (MOS and AOS) and emphasised the importance of having a strong similarity in both systems. She presented the proposal for changing the gas/diesel product breakdown which had been discussed at length at the Energy Statistics Working Group (ESWG) meeting in December 2010.

The split of gas/diesel oil in the current questionnaire is between Transport diesel and Heating and other gasoil. This results in several problems: Marine diesel and diesel used in rail traffic are included with Heating and other gasoil and Transport diesel is only Road diesel.

The proposal at the ESWG therefore was to separate Marine, rail and other transport diesel from Heating and other gasoil, and to rename the category Transport diesel to Road diesel. The discussion at the ESWG was mainly about the fact that a distinction of gas/diesel oil according to its use was no longer possible in many OECD countries.

The conclusion at the ESWG therefore was that the IEA would set up a working group made up of several interested countries, experts from refineries, oil analysts and IEA/Eurostat to examine further possible options.

Mr David Fyfe, Head of the Oil Industry and Markets Division, made the case that gas/diesel oil has become the key driver of the oil market going forward both in terms of price and demand. A clear distinction of the gas/diesel oil used for road diesel, other forms of transport, and fuel for residential/commercial/industrial sector is very important for the global oil market analysis, both in terms of demand and refinery production.

Mr Warren Evans (UK DECC) presented the conclusions of the analysis which they had undertaken in the UK. Conclusion was that for production and trade, separating out rail and marine use of gas-diesel is not easy as it is the same product, the separation of the road-fuel production is achievable because of marker dyes.

Mr Giovanni Perrella (Ministry of Economic Development, Italy) gave a presentation showing the solution Italy had arrived at to provide for the detailed information for gas/diesel oil: refinery output can be estimated using the end-use data (partially based on actual data with some modifications; some refiners can provide data when they sell directly to the market, the other portion can be estimated according to end-use.

In the discussion that followed, the refineries experts mentioned that refineries do not know the final use of the gasoil– the product distinction they make is mainly according to sulphur content. However the sulphur content limits may be different from country to country. Moreover in some countries, a distinction is made according to density (e.g. the Netherlands where high density gasoil is marine diesel). Also, whereas previously the use of the product was determined by the sulphur content (lower sulphur for road transport, higher sulphur for marine use etc), the more recent trend shows that this clear distinction will no longer be so clear in the future, particularly when stricter norms will be adopted for international marine bunkers by IMO in 2015.

There is therefore a mismatch between the supply data for gas/diesel and the demand data for gas/diesel, the former being mostly according to sulphur type, the latter according to use.

The question was then raised to the various countries at the meeting whether they would in future be able to provide the demand breakdown for Road diesel, Marine and other transport diesel and Heating and other gasoil. During the round table, it became clear that most of the countries, with some effort, would be able to provide the split between Road diesel and Heating oil and other gasoil for demand. However marine and other transport diesel as a product column would be less feasible, but the use could be shown as a memo item.

Mr Garnier therefore concluded with the proposal that: the monthly and annual questionnaires would be modified to change the “transport diesel” to “road diesel”; and that a memo item would be added to the monthly questionnaire to better account the deliveries of marine and rail diesel.