

ACTION PLAN FOR ESTABLISHMENT AND MAINTAINANCE OF EMERGENCY STOCKS OF CRUDE OIL AND OIL PRODUCTS

June 2021 – December 2026

This document has been prepared in order to help meet the criteria for opening of negotiations on Chapter 15 - Energy, in conjunction with the *acquis* on minimum stocks of crude oil and petroleum products. This second version of the Action Plan replaces the first version submitted to the European Commission for review and comments on 2 December 2015 and all subsequently submitted clarifications and/or versions.

May 2021

Executive Summary

Negotiations have been opened for accession of the Republic of Serbia to the European Union (EU) and negotiations on individual chapters, including Chapter 15 on Energy, should now be undertaken. However, after the screening of the *acquis* under Chapter 15, the Republic of Serbia has been informed by the EU that Serbia cannot be considered sufficiently prepared for negotiations on this chapter. The EU considers that the opening of Chapter 15 is possible only after determining fulfilment of two criteria, one of which is for the Republic of Serbia to submit an action plan for harmonization with the *acquis* on minimum stocks of crude oil and oil products. This is to indicate the schedule for legislative alignment, for establishing measures to be taken in the case of an emergency, for acquiring storage capacity and for gradually increasing the stock levels to the minimum level set by the *acquis*.

This Action Plan has been drafted in order to fulfil the requested submission of an action plan to the EU, while describing the specific plan for the establishment and maintenance of emergency oil stocks as according to Directive 2009/119/EC on minimum stocks of oil and/or oil products (Directive).

This Action Plan describes: the existing legal framework and remaining legislation alignment needed for full transposition of the Directive; the dedicated body fully responsible for establishing of Serbian emergency oil stocks compliant with the Directive; the financing of Serbian emergency oil stockholding; the estimated minimum stockholding obligation under the Directive; the necessary data gathering and reporting for the purposes of the Directive; the composition of emergency stocks to be established over time; the quality specifications of the liquid fuels to be held as emergency stocks; the amount of storage capacities needed for emergency stockholding purposes, including amounts currently available in both public and private facilities; planned dynamics for the establishment of emergency stocks (procurement schedule, subsequent capacity requirements, procurement and capacity investment policy, financing); organizational structure and emergency response planning; and timetable for implementation of Action Plan.

By bringing together all legislative, strategic, institutional, organizational, technical and financial measures taken or intended to be taken by the Republic of Serbia, this Action Plan prepares Serbia to fully meet the Directive and fulfil the criterion for opening of the negotiations on Chapter 15 regarding the *acquis* on minimum stocks of oil and oil products.

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1. Background

Serbia is committed to implementing Council Directive 2009/119/EC (the Directive) imposing an obligation to maintain a minimum level of emergency oil stocks by no later than 31 December 2022. This specific commitment stems from the Energy Community Ministerial Council decision of October 2012 (Decision D/2012/03/MC-EnC) and represents a key element of EU integration requirements.

In December 2013, the National Assembly of the Republic of Serbia adopted the Commodity Reserves Law (Official Gazette of the Republic of Serbia, No. 104/13). By adopting such legislation, the Republic of Serbia transposed the most relevant provisions of the Directive. In order to establish the full legal framework for the transposition of the Directive, several regulations and by-laws have had to be adopted by the Government of the Republic of Serbia and the Ministry of Mining and Energy.

In 2014 and 2015 most of the work to establish the full legal framework has been completed and a dedicated body responsible for emergency oil stocks – the Administration for Energy Reserves - was established within the Ministry of Mining and Energy.

On the other hand, in 2014 Serbian EU accession negotiations formally commenced and following the screening of the acquis in chapter 15, Serbia was considered insufficiently prepared for negotiations on that chapter and presented with two benchmarks in the Screening Report.

The issue of emergency oil stocks is considered a key benchmark for opening EU negotiations in the Energy chapter and one of the main milestones in meeting this benchmark is the presentation of a detailed Action Plan for the alignment of national legislation with the acquis related to emergency 90-day stocks of oil and/or oil products under the Directive.

The action plan should indicate the schedule of harmonization of legislation, the establishment of measures to be taken in emergencies, provision and gradual increase of the level of storage capacity necessary in order to store the minimum required level of emergency stocks as determined by the acquis.

The fully developed Action Plan for Establishment and Maintenance of Emergency Stocks of Crude Oil and Oil Products was submitted to the European Commission in summer 2016. Yet the European Commission announced that the progress report on the Energy chapter will be presented only when both benchmarks related to that chapter are met.

The first version of the Action Plan for Establishment and Maintenance of Emergency Stocks of Crude Oil and Oil Products (the Action Plan) has been drafted in 2015, with PLAC I assistance, on the basis of 2013 data. The second version of the Action Plan was developed in July 2017, with PLAC II assistance. The review carried out in scope of work on update of the previously adopted Long-term Plan showed that the second version of the Action Plan requires significant modifications therefore, the third version of the Action Plan was developed in May 2018.

Having in mind that (a) the Directive was amended as regards the methods for calculating stockholding obligations (Commission Implementing Directive (EU) 2018/1581 of 19 October 2018) and (b) the last version of the Action Plan was developed almost a three years ago, the third version of the Action Plan (May 2018) requires update.

Moreover, the quantity of stocks to established by end 2021 is significantly lower than planned by the Action Plan (May 2018). Instead of establishing by end 2021 stocks in the amount of almost 54 days of consumption, Serbia will establish stocks in the amount of 26 days which clearly indicates that the schedule and approach planned by the previous Action Plans should be adjusted accordingly.

Therefore, although structurally almost identical to the third version of the Action Plan, this fourth version of the Action Plan is in substance a completely new document and represents not an update of the first version but rather an entire replacement of the third version of the Action Plan.

The fourth version of the Action Plan should be the most recent executive and operational document, which takes into consideration all relevant and practical aspects influencing the establishment of Serbian emergency oil stocks within the given deadline. Considering the latter, the fourth version of the Action Plan should serve as a baseline for amending the Long-term Plan and developing the Mid-term Plan, fully in accordance with Articles 17 and 18 of the Commodity Reserves Law.

The fourth version of the Action Plan will be sent into the relevant procedure, i.e., to the European Commission for its opinion.

2. **Legislative framework for the application of Directive 2009/119/EC in the Republic of Serbia**

The issue of establishing and maintaining emergency oil stocks of the Republic of Serbia is regulated by: a) Law on Commodity Reserves (Official Gazette of the Republic of Serbia, Nos. 104/13, 145/14-state law and 95/18-state law), in which there is a separate chapter regulating the establishment and the use of emergency stocks of crude oil and oil products in case of a disruption in the supply of energy and energy products, and b) Energy Law (Official Gazette of RS No. 145/14, 95/18-state law and 40/21), which stipulates that for carrying out the tasks related to the emergency oil stocks, an Administration for Energy Reserves shall be established as a body within the ministry responsible for energy affairs.

The Law on Commodity Reserves, as the primary legislation on emergency oil stocks, envisages the adoption of a set of bylaws that will establish a comprehensive legislative framework for the establishment of emergency oil stocks, as well as the activities to be undertaken in emergency situations. As of May 2021, the following bylaws have been adopted:

- **Decree on the methodology of data collection and processing and calculation of average daily net imports, average daily consumption and amounts of required emergency stocks of crude oil and oil products** (Official Gazette of the Republic of Serbia, No. 108/14). This decree stipulates specifically the manner, procedures and deadlines for the calculation of average daily net imports of oil and oil products, their average daily consumption and the minimum amount of stocks that are to be maintained according to the Directive, entities liable to submit data on imports, exports and consumption of oil and oil products, as well as the methodology for the collection and processing of data in order to determine Serbia's minimum stockholding obligation under the Directive.

More specifically, this regulation transposes the calculation methodology of Annex I, II and III of the Directive and introduces the Monthly Oil Statistics (MOS) data questionnaire as a means of collecting data for the calculations described in the annexes of the Directive.

This regulation will be accordingly adjusted to transpose amendments of the Directive as regards the methods for calculating stockholding obligations (Commission Implementing Directive (EU) 2018/1581 of 19 October 2018).

- **Decree on the amount, method of calculation, payment and disposal of the fee for the establishment of emergency stocks of crude oil and oil products** (Official Gazette of the Republic of Serbia, Nos. 108/14 and 53/15). Funding for the establishment of emergency stocks is allocated in the budget of the Republic of Serbia, for the purpose of financing the establishment of emergency oil stocks, a fee was introduced which is an integral part of the retail price of oil products and which is the revenue of the budget of the Republic of Serbia. The fee for emergency oil stocks was introduced in October 2014 and still amounts to 2.60 RSD/liter or kg of gasoline, diesel, gas oil and fuel oil (about 0.02 EUR/liter).

- **Rulebook on keeping a register of emergency stocks of oil and oil products and preparing of monthly statistical reports on the quantity, quality, composition and deployment of emergency and other stocks of crude oil and oil products** (Official Gazette of the Republic of Serbia, No. 38/15).

- **Long-term plan for the establishment and maintenance of emergency oil stocks** for a period of 10 calendar years (2015-2024) and the **Mid-term plan for the establishment and maintenance of emergency oil stocks** for a period of 3 years (2015-2017).

- **Decree on the plan and criteria of procurement for the purpose of establishment of emergency stocks of crude oil and oil products** (Official Gazette of the Republic of Serbia, Nos. 50/16 and 48/21),

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2015** (Official Gazette of the Republic of Serbia, No. 62/15).

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2016** (Official Gazette of the Republic of Serbia, No. 52/16).

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2017** (Official Gazette of the Republic of Serbia, No. 23/17).

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2018** (Official Gazette of the Republic of Serbia, No. 26/18).

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2019** (Official Gazette of the Republic of Serbia, No. 33/19).

- **Rulebook on the determination of annual programs of establishment and maintenance of emergency stocks of crude oil and oil products for 2020** (Official Gazette of the Republic of Serbia, No. 59/20).

- **Decree on the Methodology for determination of the storage price for holding emergency stocks of crude oil and oil products in publicly owned storages** (Official Gazette of the Republic of Serbia, No. 4/17),

- **Technical Requirements for the storage of the emergency stocks of oil and oil products** (Official Gazette of the Republic of Serbia, No. 47/17),

- **Emergency Response Plan** (Official Gazette of the Republic of Serbia, No. 63/19).

Having adopted these by-laws referred to above, the Republic of Serbia has put in place all secondary legislation nominally required to start the establishment of emergency oil stocks, and the physical establishment of these started in the last quarter of 2015.

The Republic of Serbia's legal framework for emergency oil stocks was completed, in accordance with the Law on Commodity Reserves, with the adoption of an Emergency Response Plan which describes the measures to be taken in the case of an oil supply disruption. The Emergency Response Plan was adopted in June 2019.

In order to fully align its legal framework with the Directive, the Republic of Serbia has to transpose amendments of the Directive as regards the methods for calculating stockholding obligations (Commission Implementing Directive (EU) 2018/1581 of 19 October 2018) by changing the *Regulation on the methodology of data collection and processing and calculation of average daily net imports, average daily consumption and amounts of required emergency stocks of crude oil and oil products*. Realistic deadline for the transposition is December 2021.

3. Administration for Energy Reserves – entity responsible for establishment of emergency oil stocks of the Republic of Serbia

The entity responsible for the establishment of Serbia's emergency oil stocks is the Administration for Energy Reserves (hereinafter: the Administration). The Administration is required to attain, at a minimum and no later than by 31 December 2022, the level of emergency stocks in the amount of either 90 days net imports or 61 days of domestic consumption in the Republic of Serbia, whichever amount is greater.

The Administration is founded based on the Energy Law of December 2014, in order to perform the executive and professional tasks related to emergency oil stocks in accordance with the law regulating commodity reserves.

The Administration is a body within the ministry responsible for energy and is the only body in the Republic of Serbia authorized to establish the emergency oil stocks as defined under the Directive.

The Administration is a legal entity, has its own tax number and is a non-profit entity headquartered in Belgrade. The Administration is represented and managed by a Director who is responsible to the minister in charge of energy.

Activity

The Administration performs the following tasks:

- Establishes, maintains, and, in the case of supply disruption, places on the market emergency stocks of crude oil and oil products, in accordance with the laws governing the emergency stocks;
- Concludes contracts on the purchase and sale of crude oil and oil products for the purpose of establishing, maintaining and releasing (in case of disruption of supply) emergency oil stocks;
- Concludes call option agreements for the purchase of crude oil and oil products and contracts related to other financial instruments for the purpose of establishing emergency stocks and mitigating market and price risks during the establishment and maintenance of emergency stocks;
- Concludes contracts on storage of emergency oil stocks in accordance with ratified international bilateral agreements;
- Concludes contracts on storage of emergency oil stocks with storage owners selected via public procurement procedures, with the Directorate for Commodity Reserves of the Republic of Serbia and energy entities that use storage tanks in public ownership;
- Concludes contracts on monitoring of the quantity and quality of emergency oil stocks, contracts on insurance of emergency oil stocks against destruction as well as other services related to the emergency oil stocks;
- Keeps a register of emergency oil stocks;
- Collects monthly statistical forms on emergency oil stocks;

- Cooperates and coordinates with state authorities for the purpose of carrying out the tasks related to the establishment and functioning of the system of emergency oil stocks;
- Represents the Republic of Serbia in international bodies regarding the issues of emergency oil stocks and the security of supply of crude oil and oil products;
- Implements cross-border contracts and agreements relating to the emergency oil stocks;
- Reports to the Government on the implementation of the annual program of emergency oil stocks;
- Reports to the Government on the amount, composition, deployment and availability of emergency oil stocks;
- Responsible for achieving long-term, mid-term and annual program of emergency oil stocks, sets priorities and proposes to the Government measures and activities for timely implementation of the program;
- Other tasks necessary for the establishment and maintenance of the emergency oil stocks in the Republic of Serbia.

Organization

The Administration is managed by the Director, appointed by the Government for a period of five years. As of May 2021, the Administration employs the (Acting) Director, 1 full time employee and 1 employee under the limited duration employment contract.

In line with the rules on systematization and internal organization of jobs in the Ministry of Mining and Energy, it is planned that the Administration shall consist of two organizational units:

- a unit with 4 job positions which carries out activities related to: the establishment, maintenance, investment and reporting on emergency oil stocks; the preparation and monitoring of the implementation of long-term, mid-term plans and annual program of emergency stocks; the preparation of contracts and drafting of documents related to emergency oil stocks, as well as other activities;
- a unit for public procurements, financial and general affairs, with 4 job positions and which performs tasks related to: planning, organization and implementation of public procurement procedures; monitoring of implementation of public procurement contracts; organizational activities on the preparation of plans and programs as well as reports on the work of the Administration; as well as other activities in the field of public procurements, financial and general affairs.

Immediately upon the adoption of regulations that will govern the reform of the state administration, the adoption of the rules on systematization and internal organization of jobs in the Ministry of Mining and Energy is expected, as well as the advertising of vacancies for new employees in the Administration. The planned total number of employees in the Administration is 10, and a realistic deadline for filling the vacancies in the Administration is December 2022.

4. Funding of emergency stockholding system

The funds for financing the work of the Administration and the establishment of the emergency oil stocks are allocated in the budget of the Republic of Serbia, in the manner according to the Law on Budget, within the section of the ministry responsible for energy affairs within the Administration.

These funds are intended for: the purchase of crude oil and oil products which shall constitute the emergency oil stocks; the purchase of contractual rights for oil products (tickets); the storage of purchased emergency oil stocks; the preparation of technical documentation for investments in maintenance and construction of storage facilities in public ownership; the maintenance and construction of storage capacity in public ownership; and, any consultancy and related services necessary to establish and manage the emergency oil stocks.

The funds allocated for financing the work of the Administration and the establishment of emergency oil stocks are coming from the dedicated fee for the establishment of emergency oil stocks. The intention is to finance the emergency oil stockholding program by a fee charged on each litre of petroleum products. Ideally, this fee should be stable over the full establishment period, however the fee could be adjusted as needed (either raising or lowering, for example if the current low product price levels were to be sustained over the period).

The fee was introduced in September 2014 at the amount of 0.02 EUR/litre. This amount has been derived from the overall estimated amount necessary to cover the full costs of emergency oil stocks and establishes a sufficiently solid basis for the whole period of activities. The appropriateness of the amount of the fee would be continually evaluated (based on assessment of capacity needs and market prices) as to whether and by how much the fee would need to be adjusted from the 0.02 EUR/litre.

The stockholding fee is an income to the budget of the Republic of Serbia and the funds for financing the emergency oil stockholding program are allocated in the budget of the Republic of Serbia. While the budget only covers 3 years (executive for the current year and projections for two following years) this would be the case for the full period cover by this Action Plan.

The stockholding fee set at a rate of 0.02 EUR/litre of petroleum products generates an annual revenue in the budget of the Republic of Serbia in the amount of more than 8 billion RSD (cca 70 million EUR annually). In 2020 a revenue dropped to 65 million EUR due to pandemic, however it is expected that the revenue would recover quickly.

The budgetary allocations from 2015 until 2020 for the purposes of the emergency oil stockholding amounted, as follows:

- 2015 – 7 billion RSD (cca 58 million EUR),
- 2016 – 3.8 billion RSD (cca 31 million EUR),
- 2017 – 4.3 billion RSD (cca 36 million EUR),
- 2018 – 4,3 billion RSD (cca 37 million EUR),
- 2019 – 4,5 billion RSD (cca 38 million EUR),
- 2020 – 4,6 billion RSD (cca 39 million EUR).

Currently, the full amount of the revenue from the collected fee is still not actually allocated in the budget for the purposes of emergency oil stockholding. The Law on Budget for 2021 and the Financial Plan for the period 2021-2023 for the purposes of emergency oil stockholding allocate (2021) and plan to allocate (2022 and 2023) the following funds:

2021 – 5.3 billion RSD (cca 45 million EUR),

2022 – 5.3 billion RSD (cca 45 million EUR),

2023 – 5.3 billion RSD (cca 45 million EUR).

However, the quantity of emergency stocks established by end-April 2021, which is significantly lower than planned by the previous version of the Action Plan, clearly indicates that the budgetary allocations from 2015 until 2021 were inadequate.

Therefore, for the purpose of this Action Plan, the budgetary allocations for emergency oil stockholding purposes from 2022 until 2026 are now planned in the amount of 6.6 billion RSD (55 million EUR) annually and this annual amount over this period should allow for fulfillment of the stockholding obligation within 2023 and physical purchase of stocks by 2026, as planned by this Action Plan (see Chapter 8 below). From 2027 onwards, the budgetary allocations for emergency oil stockholding are planned in the amount of 4.8 billion RSD (cca 40 million EUR) annually to maintain the stock level equal to 61 days of local consumption.

In any case, the fee for the establishment of emergency oil stocks which is defined in the amount of 0.02 EUR/litre provides a very solid basis for the successful financing of the activities envisaged by this Action Plan.

5. Estimated level of emergency stockholding obligation

Emergency stocks of crude oil and oil products are to be established at a level equal to at least either 90 days of average daily net imports or 61 days of average daily consumption in the Republic of Serbia, whichever of the two quantities is greater.

Between 2013 and 2018, average daily net imports and average daily consumption were calculated in accordance with the methodology prescribed by the *Regulation on the methodology of data collection and processing and calculation of average daily net imports, average daily consumption and amounts of required emergency stocks of crude oil and oil products* (Official Gazette of the Republic of Serbia, No. 108/14). Regulation was fully consistent with the Directive, particularly with Annexes I and II of the Directive.

In parallel with the Regulation, the Tables 1 and 2 of *Monthly Oil Statistics (MOS) Questionnaire* have been introduced as a means of data collection for the purposes of calculating net imports and domestic consumption, and, starting from January 2015, data are collected on a monthly basis and used for the calculation in crude oil equivalent of both daily net imports and daily consumption.

However, the Directive was amended in 2018 and the Regulation is still to be adjusted with the introduced amendments (specifically with Annex I).

For the purpose of this Action Plan, average daily net imports and average daily consumption are calculated on the basis of crude oil equivalent for the previous calendar year, calculated in accordance with the methodology prescribed by the Directive and amendments of the Directive (Commission Implementing Directive (EU) 2018/1581 of 19 October 2018).

Based on data for 2018, 2019 and 2020 of the ministry responsible for energy and State Statistics Office (see Annex below), and in accordance with the methodology prescribed by the Annexes I and II of the Directive and amendments of the Directive, 90 days of net imports expressed in crude oil equivalent were lower compared to 61 days of average daily consumption expressed in crude oil equivalent (a result reflecting a high percentage of naphtha yield in the overall refinery output) (see Table 1).

The average daily net imports and associated commitments were calculated considering deduction for naphtha yield calculated according the Method 3 (the net actual naphtha consumption).

Table 1: 61 days of daily consumption vs. 90 days of net import during the period 2018-2020

	2018	2019	2020
90 days of net imports (Method 3)	481,168 tcoe*	524,035 tcoe	455,856 tcoe
61 days of average daily consumption	504,685 tcoe	531,274 tcoe	496,798 tcoe

*tcoe – tons of crude oil equivalent

Since the amount of 61 days of average daily consumption is higher than 90 days of net imports, the minimum required amount of emergency oil stocks of the Republic of Serbia should be established at the level of 61 days of average daily consumption.

It is important to note that, in the case of the Republic of Serbia, straight-run naphtha plays a key role in whether the required levels will be based on net imports or on domestic consumption. Because the data available for the period 2013-2020 show that the share of straight-run naphtha is high (above 10%), the obligation is based on average daily consumption.

Changes in the refinery and petrochemical sector in the Republic of Serbia may result in the share of straight-run naphtha yield decreasing significantly in the future, which would result in an immediate increase in required levels of stocks to meet the minimum obligation, i.e., increasing the volume of stocks by approximately 10%.

Bearing in mind that the obligation for the storage of emergency stocks for a given current year is determined on the basis of data from the previous calendar year, the 90 days of net imports and 61 days of consumption calculations will each year be brought into conformity with the actual status of naphtha yield, and therefore the reliability of such data should be taken into special account.

The plans that the Republic of Serbia, in accordance with the Law on Commodity Reserves, already adopted in early 2015 in order to establish emergency oil stocks (Long-term plan, Mid-term plan), were developed based on 2013 data of the ministry responsible for energy, given that at the time of their making, official data for 2014 were not yet available. Consequently, for the purpose of consistency in approach, a previous version of the Action Plan was based on the same data, and the obligation to maintain emergency stocks was estimated at 495,000 tons (457,000 + 8%) of crude oil equivalent for all calendar years over the period 2015-2022.

Revised version of the Action Plan drafted in May 2018 (funded by the EU through the Project PLAC (Policy&Legal Advice Centre)) corrected the estimated emergency stockholding obligation at 525,000 tons of crude oil equivalent.

However, taking into account the growth of domestic consumption during the period 2013 - 2019 (see Annex bellow) and a magnitude of consumption decrease due to pandemic in 2020, the obligation to establish emergency stocks of the Republic of Serbia is estimated to **534,000 tons of crude oil equivalent** instead of 497,000 as calculated for 2021 according to the Directive and its amendments.

Therefore, for the purpose of various calculations (e.g., estimates of composition of stocks and necessary storage capacity) under this Action Plan, the obligation to maintain emergency stocks is estimated at **534,000 tons of crude oil equivalent** (8,750 tcoe – average daily consumption) for all calendar years over the period 2022 - 2030.

The plans that the Republic of Serbia, in accordance with the Law on Commodity Reserves, has already adopted in early 2015 in order to establish emergency oil stocks (Long-term plan, Mid-term plan), will be revised and adjusted accordingly.

In the event that in the meantime there is a significant increase in obligations as compared to the obligations planned under this Action Plan, the missing volumes can be provided in the form of contractual rights to purchase oil products (tickets).

6. Composition of emergency stocks

The emergency oil stocks of the Republic of Serbia will be established in oil products and crude oil, whereas at least one third of the stockholding obligation shall be in finished products of certain oil products whose common representation, expressed in crude oil equivalent, equals to at least 75% of the total domestic consumption from the previous year, calculated in accordance with the Regulation and Annex II of the Directive.

The emergency stocks will be established partly in the form of the physical commodity (crude oil and oil products), and partly (small extent) in the form of contractual rights to purchase certain quantities of oil products (tickets), depending on the availability of financial resources and storage capacities.

Due to logistic and commercial reasons, emergency oil stocks of the Republic of Serbia will be comprised of, for the most part, refined oil products. This is based on the following facts: Serbia has no access to sea ports and therefore no access to the open market of oil and oil products; Serbia's oil pipeline system is not reversible; the logistical capacities of transport on the Danube are limited; Serbia has its own production of crude oil in the amount of approximately 25% of its domestic market needs; and, the Serbian market depends on the operation of a single refinery at the level of 80% of its domestic market demand, meaning any disturbance in the operation of the refinery would be reflected in a lack of finished products on the domestic market.

Based on the composition of consumption of oil products from 2017 to 2020 (see Annex below), the emergency stocks of the Republic of Serbia shall consist exclusively of unleaded motor gasoline, Euro diesel, kerosene jet fuel and residual fuel oil. The common share of these products' consumption in the total consumption of oil products from 2017 to 2020 is more than 97%, calculated in accordance with the Regulation and Annex II of the Directive. At the same time, the composition of the stocks of oil products should reasonably reflect the composition of domestic consumption of oil products in the previous few year(s).

Taking into account the tendency to increase the consumption of euro diesel and jet fuels (despite jet-fuel dramatic drop due pandemic), and the stagnation of consumption of motor gasoline and fuel oil, for the purposes of this Plan the following composition of the 61 days emergency stocks is assumed: Euro Diesel 68%, unleaded motor gasoline 19%, jet fuel 8% and fuel oil 5%.

The required level of stocks

The fulfilment of the stockholding obligation is calculated by converting available stocks of crude oil and oil products to crude oil equivalent by implementing Annex III (b) of the Directive and the amendments of the Directive. Methodological fulfilment of the obligation is also stipulated by the Regulation, which is in accordance with Annex III of the Directive.

To fulfil the stockholding obligation in the amount of 534,000 tons of crude oil equivalent (see Chapter 5 above), it is necessary to maintain a minimum of 495,000 tons of oil product stocks (in case that all emergency oil stocks are kept in the main oil products listed above).

Given the available storage capacity for crude oil, emergency crude oil stocks would amount to **75,000 tons**, and in order to fulfil the total minimum obligation (534,000 tons of crude oil equivalent) it is necessary to hold an additional **435,000 metric tons** of oil products.

Given that the composition of the stocks of oil products should reflect the structure of domestic consumption of oil products, the share of Euro diesel in emergency stocks of oil products would amount to around 68%, of unleaded motor gasoline 19%, jet fuel to 8% and fuel oil 5%.

The following Table 2 shows the estimated amount and composition of emergency stocks of the Republic of Serbia, which corresponds to an obligation in the amount of the estimated 61 daily average consumption (534,000 tons of crude oil equivalent).

Table 2: Estimated amount and composition of emergency oil stocks of the Republic of Serbia

		Amount (tons)	Tons of crude oil equivalent	
Oil products	Motor gasoline	84,000	90,720	469,800
	Diesel	296,000	319,680	
	Jet fuel	35,000	37,800	
	Fuel oil	20,000	21,600	
Crude oil		75,000	64,800	64,800
Total tons of crude oil equivalent:				534,600

Quality of emergency stocks

The quality of oil products which shall form a part of emergency stocks will be in accordance with the current *Rules on technical and other requirements for liquid fuels of petroleum origin* (Official Gazette of the Republic of Serbia, No. 150/20), or of better quality than that which is sold on the Mediterranean market as standard goods.

The crude oil which will be kept as part of the emergency stocks of the Republic of Serbia will be of such a quality, which is regularly imported for processing purposes in oil refinery in Pančevo and in accordance with the actual *Regulation on the plan and criteria of procurement for the purpose of establishment of emergency stocks of crude oil and oil products* (Official Gazette of the Republic of Serbia, Nos. 50/16 and 48/21).

7. Storage capacities

In order for the Republic of Serbia to fulfill its obligation to establish emergency stocks of crude oil and oil products in the amount of 61 days of average consumption, estimated in the amount of 534,000 tons of crude oil equivalent, the Administration shall ensure that storage capacities for the purpose of storing emergency oil stocks are available for **435,000 metric tons of oil products** and **75,000 metric tons of crude oil**.

Emergency stocks of crude oil and oil products of the Republic of Serbia, regardless of whether they are maintained as physically accessible stocks or as tickets, as a general rule, will be stored at different locations and terminals that have already been intended for the storage of oil and oil products, which have the possibility of expansion, which oil companies regularly use for their own purposes, where there is the possibility of receiving / shipping of goods by various means of transport, which have the status of an excise or customs warehouse and that comply with the principles of environmental protection. This approach reduces the purchase price of the stocks and the cost of maintenance and renewal of stocks, and also ensures efficient placing of stocks into the market in case of an emergency.

The strategic goal is for the largest part of the emergency oil stocks to be stored in the Republic of Serbia, while emergency oil stocks will be also stored to a lesser extent in the territories of other countries with which have been previously concluded interstate agreements on storage of emergency oil stocks. The conclusion of bilateral agreements/memorandums is planned with the following countries: Federal Republic of Germany, the Republic of Hungary, the Italian Republic and the Republic of Romania.

The Law on Commodity Reserves provides that, first the storage capacities in the territory of the Republic of Serbia shall be filled, more precisely the ones in public ownership. Publicly owned storage capacities are the storages owned by the Directorate for Commodity Reserves of the Republic of Serbia (Directorate) and storage capacities managed by the public company Transnafta. Strategically, the most part of stocks held in Serbia will be on storage in publicly owned storage capacities.

When the publicly owned storage capacities are full, the storage of emergency oil stocks shall be performed also in the privately owned storage facilities. These storage capacities will be provided through public-private partnership.

In accordance with the Law on Commodity Reserves, the Directorate stipulates the technical requirements for the storages in which the emergency stocks shall be stored.

Estimated required storage capacity

For the purpose of establishing emergency stocks of crude oil and oil products of the Republic of Serbia in the amount of 61 days of average domestic consumption, the Administration should ensure the storage capacity in the amount of approximately 680,000 m³ for the purpose of storing 435,000 metric tons of oil products and 75,000 metric tons of crude oil, as presented in Table 3.

The required storage capacity, considering the composition of emergency stocks is presented in the table below and has been estimated based on the assumption that all emergency oil stocks will be stored exclusively in the form of the physical commodities, and has been increased by 10% to account for the deduction made in the methodology for unavailable stocks.

Table 3: Grand total storage capacity for 61 days of emergency oil stocks of the Republic of Serbia

			Density	Required nominal capacity
Oil products	Unleaded motor gasoline	84,000 tons	755 kg/m ³	123,000 m ³
	Euro diesel	296,000 tons	845 kg/m ³	386,000 m ³
	Jet fuel	35,000 tons	800 kg/m ³	49,000 m ³
	Fuel oil	20,000 tons	900 kg/m ³	25,000 m ³
	Total products:	435,000 tons		583,000 m³
Crude oil	75,000 tons		865 kg/m³	96,000 m³
Total emergency oil stocks:		506,000 tons		679,000 m³

The requirements for storage capacity in Serbia could be lowered by holding the part of the emergency oil stocks abroad either maintaining physical stocks or in options contracts (tickets).

Emergency oil stocks of the Republic of Serbia will be stored in publicly owned storages and in privately owned storages, however available capacities in private ownership will be used after the possibilities of publicly-owned storages have been exhausted.

Publicly owned storage capacities

Publicly owned storage capacities are managed by the Directorate and the public company Transnafta. The existing storage capacities managed by the Directorate for Commodity Reserves and Transnafta are generally in good operational state but require investment in terms of maintenance in order to fully comply with current European standards and best practices related to safety and environmental protection.

Publicly owned capacities that are currently available for storage of emergency oil stocks (either already filled with emergency stocks or still empty) are as follows:

Table 4: Publicly-owned storage capacities available for emergency oil stocks as of May 2021

	Directorate for Commodity Reserves	Transnafta	Total capacity	
Oil products	Unleaded motor gasoline	30,000 m ³	-	30,000 m ³ 20,000 tons
	Euro diesel	80,000 m ³	59,000 m ³	139,000 m ³ 105,000 tons
	Jet fuel	4,000 m ³	-	4,000 m ³ 3,000 tons
	Fuel oil	30,000 m ³	-	30,000 m ³ 24,000 tons
Total oil products			203,000 m³	152,000 tons
Crude oil	21,000 m ³	75,000 m ³	96,000 m³	75,000 tons

Publicly-owned storage capacities will be enlarged in order to accumulate most of the emergency stocks. It is envisaged that the Directorate and the Administration shall build in the period 2020 - 2024 around 80,000 m³ of additional capacities for emergency storage at the terminal in Smederevo (4 x 20,000 m³ for diesel) (2 tanks - construction underway; 2 tanks – tender procedure underway). It is planned also that Transnafta would build additional capacities for emergency storage of 32,000 tons of jet-fuel.

After completing the abovementioned constructions, publicly-owned storage capacities would be able to accommodate most of the emergency oil stocks held in Serbia in physical form. Around **246,000 tons of oil products** and **75,000 tons of crude oil**, theoretically could be stored by the Directorate and Transnafta, as presented in the following Table 5:

Table 5: Publicly-owned storage capacities theoretically available for emergency oil stocks as of 2026

	Directorate for Commodity Reserves	Transnafta	Total capacity
Oil products	Unleaded motor gasoline	20,000 tons	- 20,000 tons
	Euro diesel	126,000 tons	45,000 tons 171,000 tons
	Jet fuel	3,000 tons	32,000 tons 35,000 tons
	Fuel oil	20,000 tons	- 20,000 tons
Total oil products			246,000 tons
Crude oil	17,000 tons	58,000 tons	75,000 tons

However, due to taxation issue (inability to obtain deferred excise duty payment status for part of the existing capacities), not all capacities for euro-diesel would be used for emergency stockholding. It is estimated that **216,000 tons of oil products** and **75,000 tons of crude oil** would be stored in publicly-owned capacities. The remaining amount of 219,000 tons of oil products would be stored within privately owned capacities and/or in option contracts (tickets).

Privately owned storage capacities

In order to reach the goal of having huge majority of physical oil stocks for emergency purposes held in Serbia, the establishment of emergency oil stocks requires strong involvement of oil industry.

Based on the data made available by the ministry responsible for energy and data received from licensed storage operators, it is estimated that the oil market of the Republic of Serbia can offer up to 150,000 m³ of existing storage capacity for the purpose of storage of emergency stocks of crude oil and oil products (these are storage capacities that are in accordance with the basic principles established by the Administration, that a specific storage needs to fulfil in order to be acceptable for the storage of emergency oil stocks of the Republic of Serbia).

Yet, a large majority of these capacities are placed within the single location/facility and controlled by a single company. In addition to that, a significant portion of the grand total mentioned storage capacities requires investment in refurbishments in order to be brought into optimal working order what requires at least mid-term signed storage contracts as a critical precondition for investment in refurbishment.

Additionally, it may be realistically expected that in the near future existing storage capacities in private ownership that are available for storage of emergency oil stocks will be lower than estimated, as manufacturers and importers of oil products as well as producers of heat and electricity are obligated to maintain operating stocks for their own needs, in accordance with the Energy Law.

Having in mind all stated above including the fact that the public procurement law does not allow long-term contracts (10+ years) for storage activities, privately owned storage capacities will be provided based on a **public-private partnership (PPP)**.

Such an approach will: 1) allow for a long-term cooperation, what is the main precondition for investment (in both reconstructions or new constructions), 2) significantly release pressure on the state budget and, equally relevant, 3) speed-up the overall process of establishment of emergency oil stocks.

It is planned by this Action Plan that the private partners will provide storage capacities equivalent to store **205,000 tons** of oil products in Serbia. These capacities in full should be available for the purpose of emergency oil stocks from 2025 onwards.

The subject of a public-private partnership would be a storage of emergency oil stocks in existing tanks (fit for purpose or requiring reconstruction) or tanks to be built exclusively for this purpose and delivery of oil products needed to fill-up the tanks in question.

8. Building up emergency stocks

Planned schedule

The Administration is required to establish emergency stocks of the Republic of Serbia in accordance with the Law on Commodity Reserves and the Directive no later than 31 December 2022, and this Action Plan estimates that the obligation of establishing emergency oil stocks will be determined on the basis of domestic consumption and in a total amount of 534,000 tonnes of crude oil equivalent.

The establishment of the emergency oil stocks commenced in 2015 in accordance with the Long-term plan that the Government of the Republic of Serbia adopted in June 2015, and the previous versions of this Action Plan. Based on the schedule introduced by the aforementioned plans, Serbia was supposed to establish by 2021 stocks in the amount of 54 days of consumption. However, by end 2021 Serbia will establish stocks in the amount of only 26 days (inclusive of 7 days held in tickets) of average consumption in 2020 (8,110 tcoe average daily consumption calculated according to the Annex III (b) of the Directive and the amendments of the Directive).

This lagging is caused by: 1) the insufficient budgetary allocations for emergency stockholding purposes during the period 2015-2021, 2) payment of excise duty and VAT on purchased emergency stocks and 3) use of tickets at so early stage of the emergency stocks establishment. Approach to each of these issues which caused such a delay will be changed in this Action Plan however, opportunity to build up stocks gradually is missed.

Consequently, instead of gradually establishing the remaining amount of 534,000 tonnes of crude oil equivalent by 31 December 2022, the Republic of Serbia will establish emergency oil stocks in amount of 61 days of consumption in 2022 by making a big, almost single increase in a stock amount.

This is to be provided primarily through a public-private partnership which will include not only the utilization of existing/construction of new storage capacities and providing storage services on a long-term basis but also filling it up with oil products stock in amount of **205,000 tons** (221,400 tons of crude oil equivalent).

By end 2021 tender documentation for a public-private partnership will be prepared and tender launched in early 2022. By end September 2022, procurement process should be completed and contracts awarded.

During the last quarter of 2022, private partners should purchase physical oil products which are the subject of a public-partner partnership agreement and store it Serbia (if tanks are fit for purpose) or abroad until storage capacities in Serbia are completed. By 2025/2026, storage capacities under a public-private partnership in Serbia should be reconstructed/built and stocks repatriated to Serbia.

In parallel with the work on a public-private partnership, the Administration will be gradually buying physical stocks over the period 2021-2026 to fill up the existing capacities owned by the Directorate (Pančevo refinery and Smederevo) and Transnafta (Novi Sad), and their new capacities which are already under construction (Smederevo) or yet to be built (Smederevo, Batajnica).

By doing so, the Administration will reduce the amount of stock held in tickets (as shown in Table 6) as the remaining amount to 534,000 tcoe will be held in option contracts (tickets). Tickets will be used also in a case that the process of awarding and contracting the public-private partnership is delayed to 2023.

In case that the private partners show no interest or limited interest in financing of filling up the tanks with oil stocks, the Administration on its own will purchase the remaining amount to fill up the private partners' tanks. However, in such a case the amount of emergency stocks will not reach 61 days of consumption in 2022. For how long it would be delayed, depends on the size of remaining quantities.

The remaining amount of 534,000 tons of crude oil equivalent will be established according to the schedule expressed in days of average consumption, as shown in Table 6 below. Table 6 also shows the required quantity of stocks that need to be established in a given year, expressed in tonnes of crude oil equivalent, i.e., in the necessary quantities of oil products and crude oil in metric tons in order to reach the required amount of crude oil equivalent.

Table 6: Schedule of establishment of emergency oil stocks of the Republic of Serbia: 2021-2026

	2021	2022	2023	2024	2025	2026
Days of average consumption	26	61	61	61	61	61
Required amount of stocks in tons of crude oil equivalent (tcoe)	210,000	534,000	534,000	534,000	534,000	534,000
Required amount of stocks of oil products (metric tons)	148,000	435,000	435,000	435,000	435,000	435,000
Physical stocks (publicly owned storage)	98,000	118,000	151,000	184,000	200,000	216,000
Tickets	50,000	112,000	79,000	46,000	30,000	14,000
Physical stocks (PPP)	0	205,000	205,000	205,000	205,000	205,000
Required amount of stocks of crude oil (metric tons)	58,000	75,000	75,000	75,000	75,000	75,000

Methodology for the calculation of fulfilling the obligations applied in Table 6 and through this Action Plan is prescribed by the *Regulation on the methodology of data collection and processing and calculation of average daily net imports, the average daily consumption and the amount of emergency stocks of oil and oil products*, which complies with Annex III (b) of the Directive and amendments of the Directive (Commission Implementing Directive (EU) 2018/1581 of 19 October 2018).

It means that a) crude oil equivalent of crude oil stocks was calculated by multiplying the quantities by a factor of 0,96 (deduction of 4% due to naphtha yield) and b) crude oil equivalent of oil products stocks was calculated by multiplying the quantities by a factor of 1.2. The quantities calculated as set above are then reduced by 10% (unavailable stocks) and divided by the average daily consumption (8,110 tcoe for 2021 and 8,750 tcoe from 2022 onwards).

For each calendar year, the stockholding obligation will be calculated separately, in relation to data on net imports and domestic consumption in the previous calendar year. Based on this, the required amount of emergency oil stocks will be calculated and expressed in tonnes of crude oil equivalent and metric tons of oil products in relation to the fixed target number of days of average domestic consumption and fixed amount of emergency stocks of crude oil, as defined in Table 6.

Procurement policy and plan

The task of the Administration is to establish the emergency stocks within the given budget, ideally in quantity as shown in Table 6 and in terms of quality and composition as planned by this Action Plan, despite the market volatility of oil products prices.

The procurement plan is determined considering the storage availability (see Chapter 7 – Storage capacities), available budget (see Chapter 4 – Funding of emergency oil stocks), intended composition of stocks (see Chapter 6 - Composition of emergency oil stockholding system) and estimated oil product prices.

The planned purchases at an annual level are given in Table 7 here in:

Table 7: Planned annual procurement of emergency oil stocks in the period 2021 - 2026

		2021	2022	2023	2024	2025	2026
Motor gasoline (tons)	Physical form	0	17,000	0	0	0	0
	PPP	0	50,000	0	0	0	0
	Tickets	0	14,000	14,000	14,000	14,000	14,000
Euro diesel (tons)	Physical form	0	0	33,000	33,000	0	0
	PPP	0	155,000	0	0	0	0
	Tickets	50,000	98,000	65,000	32,000	16,000	0
Jet fuel (tons)	Physical form	0	3,000	0	0	16,000	16,000
	Tickets	0	0	0	0	0	0
Fuel oil (tons)	Physical form	15,000	0	0	0	0	0
	Tickets	0	0	0	0	0	0
Total physical oil products purchase (tons)		15,000	20,000	33,000	33,000	16,000	16,000
Crude oil (tons)		26,000	17,000	0	0	0	0

Plan is that in 2021 and 2022 all available existing capacities for crude oil, mazut, gasoline and jet-fuel in publicly owned storages is to be filled-up.

From 2022 onwards, all goods delivered physically for the purpose of emergency stocks to store in a new tank or reconstructed one and owned either by public entities (the Directorate or Transnafta) or private partners, will be purchased with delayed excise duty payment or by any other means with the same effect and with no fuel markers added.

Along with the stocks purchase, during 2021, 2022 and 2023, investments in the construction of emergency oil storage capacities within the competence of the Directorate will be completed (Smederevo – 80,000 m³). These capacities will be filled-up with stocks in 2023 (33,000 tons) and 2024 (33,000 tons).

During the last quarter of 2022, private partners would purchase physical stocks of gasoline and diesel and store it abroad until the storage capacities in Serbia under the public-private partnership is completed/available. The title of the stocks shall remain with the private partners until stocks are fully repaid by the Administration. Those stocks will be fully available at all times i.e., there should be no restrictions or limitations on the right of ownership of those stocks that could hamper their use in case of oil supply disruption (e.g. those stocks should not be pledged). In case of oil supply disruption, the quantity of stocks that would be released on the market, would be instantly repaid by the Administration (if it's not already repaid).

It is planned that Transnafta shall complete construction of additional capacities for jet-fuel in Batajnica by 2025/2026, and the Administration to fill it up with stocks in 2025 (16,000 tons) and 2026 (16,000 tons).

By doing so, the Administration will further reduce the amount of stock held in tickets (as shown in Table 5) and ultimately, limiting the share of tickets up to 5% in 2026. Namely, the remaining amount to 534,000 tcoe will be held in tickets.

Purchase of physical goods with delayed excise duty payment or by any other mean with the same effects at latest from 2022 onwards is a critical precondition for successful implementation of this Action Plan. Otherwise amount of tickets would reach an extremely high share in meeting emergency stockholding obligation and the overall rationale of the stockholding system would disappear from an effectiveness and security of supply point of view.

Composition of stocks

The planned composition and amount of emergency stocks of the Republic of Serbia for the period 2021 - 2026 are given in Table 8.

The planned composition was developed taking into account the aforementioned planned schedule of establishing emergency oil stocks, the approved Administration's business plan for 2021, procurement policy and the principle that the composition of these emergency stocks in 2026 should reasonably reflect the composition of domestic consumption of oil products (see Chapter 6 - Composition of emergency stocks). The storage policy and storage availability were also taken into consideration (see Chapter 7 – Storage capacities).

Table 8: Planned composition of emergency oil stocks in the period 2021-2026

	2020	2021	2022	2023	2024	2025	2026
Motor gasoline (tons)	3,000	3,000	84,000	84,000	84,000	84,000	84,000
Physical stocks (public storage)	3,000	3,000	20,000	20,000	20,000	20,000	20,000
Physical storage (PPP)	0	0	50,000	50,000	50,000	50,000	50,000
Tickets	0	0	14,000	14,000	14,000	14,000	14,000
Diesel (tons)	125,000	125,000	328,000	328,000	328,000	312,000	296,000
Physical stocks (public storage)	75,000	75,000	75,000	108,000	141,000	141,000	141,000
Physical storage (PPP)	0	0	155,000	155,000	155,000	155,000	155,000
Tickets	50,000	50,000	98,000	65,000	32,000	16,000	0
Jet fuel (tons)	0	0	3,000	3,000	3,000	19,000	35,000
Physical stocks (public storage)	0	0	3,000	3,000	3,000	19,000	35,000
Tickets	0	0	0	0	0	0	0
Fuel oil (tons)	5,000	20,000	20,000	20,000	20,000	20,000	20,000
Physical stocks (public storage)	5,000	20,000	20,000	20,000	20,000	20,000	20,000
Tickets	0	0	0	0	0	0	0
Total oil products (tons):	133,000	148,000	435,000	435,000	435,000	435,000	435,000
Amount of physical oil stocks (tons)	83,000	98,000	323,000	356,000	389,000	405,000	421,000
Crude oil (tons)	32,000	58,000	75,000	75,000	75,000	75,000	75,000

Storage capacities

The storage capacities ultimately required for physical oil products and crude oil owned by the Administration (and private partners until 2040) under the planned schedule and composition of emergency oil stocks are given in the following Table 9. The required capacities were calculated based on inputs provided in Tables 7 and 8.

In accordance with the Long-term plan for establishing emergency oil stocks adopted by the Government of the Republic of Serbia, the bulk of stocks held in Serbia will be stored in publicly owned storage capacities, as presented in Tables 9 and 10.

Table 9: Required nominal storage capacity in Serbia regarding the composition of emergency stocks in the period 2021-2026

	2021	2022	2023	2024	2025	2026
Unleaded motor gasoline (m³)	5,000	30,000	30,000	30,000	103,000	103,000
Directorate	5,000	30,000	30,000	30,000	30,000	30,000
Transnafta	0	0	0	0	0	0
PPP	0	0	0	0	73,000	73,000
Euro diesel (m³)	98,000	98,000	138,000	178,000	380,000	380,000
Directorate	39,000	39,000	79,000	119,000	119,000	119,000
Transnafta	59,000	59,000	59,000	59,000	59,000	59,000
PPP	0	0	0	0	202,000	202,000
Jet fuel (m³)	0	4,000	4,000	4,000	26,000	48,000
Directorate	0	4,000	4,000	4,000	4,000	4,000
Transnafta	0	0	0	0	22,000	44,000
Fuel oil (m³)	25,000	25,000	25,000	25,000	25,000	25,000
Directorate	25,000	25,000	25,000	25,000	25,000	25,000
Total oil products (m³):	128,000	157,000	197,000	237,000	534,000	556,000
Total crude oil (m³):	74,000	74,000	83,000	95,000	95,000	95,000

The following split between publicly owned and privately owned (PPP – public-private partnership) storage capacities is planned by this Action Plan:

Table 10: Split between publicly owned and privately owned storage of emergency stocks in 2026

	Publicly owned	Privately owned (PPP)
Unleaded motor gasoline	30,000 m ³	73,000 m ³
Euro diesel	178,000 m ³	202,000 m ³
Jet fuel	48,000 m ³	0
Fuel oil	25,000 m ³	0
Crude oil	95,000 m³	0
Grand Total	376,000 m³	275,000 m³

Funding

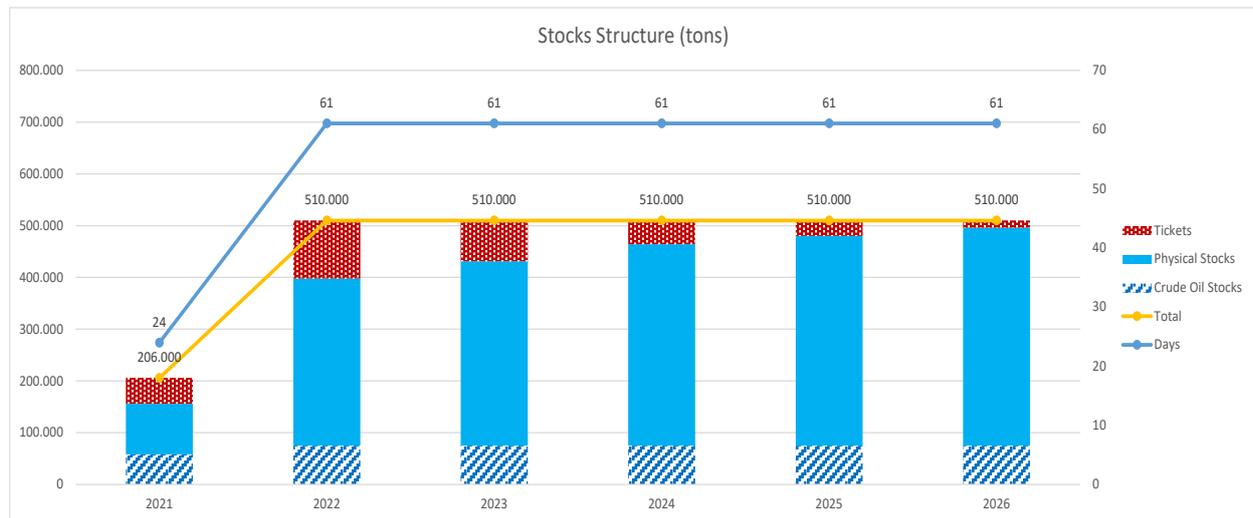
In this revised Action Plan, the build-up of stocks as indicated in Table 6 above has been analyzed based on a fixed annual funds in the amount of 6.6 billion RSD (55 million EUR) for a period 2022 – 2026, and fixed annual funds of 4.8 billion RSD for a period 2027 – 2040, generated from collecting the stockholding fee set at a rate of 0.02 EUR/liter for gasoline, diesel/gasoil, fuel oil and kerosene jet-fuel (see Chapter 4 – Funding of emergency oil stockholding system).

In addition to the establishment of emergency stocks in line with the estimates and procurement policy of this Action Plan, these funds are sufficient to enable financing of storage capacity construction, assuring 80,000 m³ during the period 2021 - 2023. This investment is estimated in the amount of 21.9 million EUR (290 EUR/m³).

Based on the Budget Law for 2021 and the Financial Plan for the period 2021 - 2023, for the purposes of emergency oil stocks, the funds in annual amount of 5.3 billion RSD (cca 45 million EUR) have been already allocated for 2021 and planned for 2022 and 2023. However, this will be changed as described in introductory paragraph.

The planned build-up of emergency stocks in the amount of 534,000 tcoe has been calculated for different average price scenarios (and combination of different prices) of physical stocks to be purchased varying between 523 and 0 EUR/ton (delayed excise duty and VAT payment or any other mechanism applied with the same effect) during the period 2022 – 2026.

The following chart (data sourced from the Table 11) and Table 11 demonstrate that planned annual allocations for the period 2022 - 2026 permits Serbia to establish emergency oil stocks with a dominant share of physical stocks.



From 2027 until 2040, the budgetary allocations for emergency oil stockholding are planned in the amount of 4.8 billion RSD (cca 40 million EUR) annually to maintain the stock level equal to 61 days of local consumption i.e., to cover the cost of storage operations and PPP.

However, the allocation of fixed annual funds of 6.6 billion RSD (55 million EUR) for a period 2022 – 2026 for emergency stockholding purposes and the delayed excise duty payment or any other mean with the same effect for all physical stocks purchased from 2022 onwards, are two critical preconditions for successful implementation of this Action Plan.

The following assumptions were used for the purpose of these calculations: average yearly cost of oil products storage at Transnafta - 107 EUR/tonne; average yearly cost of storage of crude oil at Transnafta – 55 EUR/tonne; average yearly cost of storage at Directorate – 30 EUR/tonne; average yearly cost of tickets – 60 EUR/tonne; average yearly cost of PPP – 100 EUR/tonne; crude oil purchase price of 620 – 720 EUR/tonne; oil products average purchase price varying between 523 and 850 EUR/tonne in the period 2021 - 2026; investments in the Directorate’s tanks in Smederevo – 7.6 million EUR in 2021, 10 million EUR in 2022 and 4.3 million EUR in 2023; 1 EUR=120 RSD exchange rate.

Table 11: Emergency stock build-up scenario

	Units	2021	2022	2023	2024	2025	2026
Physical stocks	tons	98.000	323.000	356.000	389.000	405.000	421.000
Tickets	tons	50.000	112.000	79.000	46.000	30.000	14.000
Total Emergency Oil Products Stocks (tons)	tons	148.000	435.000	435.000	435.000	435.000	435.000
Physical Stocks	tons	58.000	75.000	75.000	75.000	75.000	75.000
Emergency Stocks of Crude Oil (tons)	tons	58.000	75.000	75.000	75.000	75.000	75.000
Average Oil Product Price	EUR/t	550	523	650	700	850	850
Average Crude Oil Price	EUR/t	620	720	-	-	-	-
Total Costs (stocks purchase+storage+tickets+admin. Costs)	EUR	44.905.227	54.769.427	54.913.027	51.253.960	53.973.960	53.893.960
Total Funds Necessary	EUR	44.905.227	54.769.427	54.913.027	51.253.960	53.973.960	53.893.960
Funds Available	EUR	45.000.000	55.000.000	55.000.000	55.000.000	55.000.000	55.000.000
Days of average consumption coverage		24	61	61	61	61	61

9. Organizational structure for emergency procedures and Contingency plan

The Directive requires that, in addition to fulfilling the obligation to maintain minimum stocks and make regular reporting, each Member State shall ensure that procedures are in place which allow measures to be taken as may be necessary, in order to enable the competent authorities to release quickly, efficiently and transparently some or all emergency oil stocks in the event of a major supply disruption, and to impose general or specific restrictions on consumption (Article 20 of the Directive). This requires a permanent framework for continuous monitoring of emergency stocks and the oil market in the Republic of Serbia, as well as maintaining the structure of decision-making about the activation of measures in an emergency situation.

The Government of the Republic of Serbia, at the proposal of the minister responsible for energy, decides on the activation of measures in the event of an emergency, including the release of the emergency oil stocks. Officials in the ministry responsible for energy have the primary task to coordinate the policy of procedures and actions in an emergency situation among relevant ministries, government bodies and agencies, as well as the industry.

The new operational structure for emergency management represents a Serbian “NESO” (National Emergency Strategy Organization) i.e., a focal point for the collection and exchange of data, reporting and coordination of all activities in an emergency, both inland and with foreign bodies and organizations (e.g., European Commission, Energy Community Secretariat, other member countries of the Energy Community).

The central part of NESO consists of a number of experts from the department for the oil market within the ministry responsible for energy. This central part of the NESO maintains close operational contacts with the Administration, the Directorate, oil experts within the National Bureau of Statistics and the major oil companies, and is responsible for readiness in case of emergency.

To ensure the effectiveness of action in the event of an emergency, NESO has, in close cooperation with the Administration, developed a national Emergency Response Plan for action in case of an emergency in the supply of crude oil and oil products.

Emergency Response Plan

The contingency planning, detailed in the Emergency Response Plan which the Government of the Republic of Serbia adopted on the basis of Article 31 of the Law on Commodity Reserves, is the last piece of secondary legislation adopted in order to fully establish the legal framework for the implementation of the Directive.

The Emergency Response Plan establishes a comprehensive policy and operational aspects that will ensure effective response of the Government to a potential disruption of supply in oil and oil products, by identifying all the main stakeholders, defining the structure of crisis management, and specifying responsibilities, procedures and actions to be taken by individual stakeholders.

The Emergency Response Plan is a comprehensive definition of how Serbia will respond to a disruption in the supply of crude oil and oil products in accordance with the Directive, by comprising into a specific action all the elements of the Law on Commodity Reserves and corresponding secondary legislation. It is essential that the Plan accurately reflects Serbian action policies in cases of inland and international crises and to provide clear and detailed guidance for their successful implementation.

The Emergency Response Plan is elaborated from two perspectives. On the one hand, the plan develops a crisis management; specific internal procedures for making decisions on the application of appropriate measures; communication protocols in an emergency and all necessary reporting requirements on institutional and national levels. The plan includes all aspects of participation in a coordinated international action (e.g., decision making, reporting, participation in joint action), in accordance with the procedures of the EU and the IEA (International Energy Agency).

On the other hand, the plan defines all potential short-term emergency measures which in the context of Serbia seem appropriate and that the Government of the Republic of Serbia can apply in the event of a crisis in the supply of oil and oil products. This includes a detailed description of specific methods and procedures for the implementation of emergency measures defined, in particular, the process of release of emergency stocks of oil and oil products.

The plan was developed by international experts of relevant specific experience, and in close and careful cooperation with the ministry responsible for energy and all main stakeholders, along with their full understanding and approval, in order to precisely define the measures to be undertaken by Serbia in an emergency situation.

The drafting of the Emergency Response Plan was funded by the EU through the Project PLAC (Policy&Legal Advice Centre).

10. Action plan schedule of implementation

Legal and strategic framework

Measure	Authorised institution	Deadline	Indicator	Financing
Adoption of the new Long-term plan for the establishment and maintenance of emergency oil stocks	Ministry of Mining and Energy Directorate for Commodity Reserves Ministry of Finance	September 2021	Adjustment with this version of the Action Plan	-
Adoption of the new Mid-term plan for the establishment and maintenance of emergency oil stocks	Ministry of Mining and Energy Directorate for Commodity Reserves Ministry of Finance	September 2021	Adjustment with this version of the Action Plan and the new Long-term plan	-
Conclusion of the <i>processing agreement</i> or the <i>crude for products swap agreement</i> between the Administration and the domestic refiner	Ministry of Mining and Energy Directorate for Commodity Reserves Ministry of Finance	September 2021	Critical precondition for purchase of crude oil stocks fulfilled	-
Change of the Commodity Reserves Law	Directorate for Commodity Reserves Ministry of Mining and Energy	March 2022	Harmonization with the audit report of the State Audit Institution	-
Amending the Regulation on methodology, data collection and processing on daily net imports, average consumption and amount of emergency stocks of oil and oil products	Ministry of Mining and Energy RS Bureau of Statistics	December 2021	Amendments of the Directive 2009/119/EC transposed	-
Introduction of Monthly Oil Statistics (MOS) Questionnaire (version 2021.1)	RS Bureau of Statistics	January 2023	Submissions of the MOS to Eurostat	
Adoption of the Law on Excise Duties in compliance with the Directive 2008/118/EC	Ministry of Finance	December 2022	Procurement of emergency stocks within system of delayed excise payment or using any other mechanism with the same effect	Budget RS and donation funds
Concluding inter-governmental agreements on maintaining of emergency stocks (Germany, Hungary, Italy and Romania)	Ministry of Mining and Energy Ministry of Foreign Affairs	December 2024	Ensuring fulfilment of obligation by storing emergency stocks abroad	-

Institutional and administration framework

Measure	Authorised institution	Deadline	Indicator	Financing
Staffing of the Administration of Energy reserves	Ministry of Mining and Energy	December 2022	Increased number of staff in the	Budget RS

Measure	Authorised institution	Deadline	Indicator	Financing
	Administration of Energy Reserves		Administration from 4 to at least 8	

Establishment of emergency stocks

Measure	Authorised Institution	Deadline	Indicator	Financing
Establishment of emergency stocks	Administration of Energy Reserves Directorate for Commodity Reserves of RS	December 2021	15,000 tons of mazut and 26,000 tons of crude oil purchased by the Administration	Budget RS
		December 2022	3,000 tons of jet-fuel, 17,000 tons of gasoline and 17,000 tons of crude oil purchased by the Administration physically and 112,000 tons of products (diesel and gasoline) in tickets; 155,000 tons of diesel and 50,000 tons of gasoline purchased by the Private partners; Established emergency stocks in the amount of 61 days of average daily consumption	Budget RS and private partners
		30 June 2023	33,000 tons of diesel purchased by the Administration physically and 14,000 tons of gasoline and 65,000 tons of diesel in tickets (1 year contract) Established emergency stocks in the amount of 61 days of average daily consumption	Budget RS
		30 June 2024	33,000 tons of diesel purchased by the Administration in physical and 14,000 tons of gasoline and 32,000 tons of diesel in tickets (1 year contract) Established emergency stocks in the amount of 61 days of average daily consumption	Budget RS
		30 June 2025	16,000 tons of jet-fuel purchased physically and 14,000 tons of gasoline and 16,000 tons of diesel in tickets (1 year contract) Established emergency stocks in the amount of 61 days of average daily consumption	Budget RS
		30 June 2026	16,000 tons of jet-fuel purchased physically and 14,000 tons of gasoline in tickets	Budget RS

Measure	Authorised Institution	Deadline	Indicator	Financing
			Established emergency stocks in the amount of 61 days of average daily consumption	

Provision of storage capacities

Measure	Authorised institution	Deadline	Indicator	Financing
Construction of 40,000 m ³ (2 x 20,000 m ³ in Smederevo)	Directorate for Commodity Reserves of RS	June 2023	Use permit issued by the authorized state authority and deferred tax regime allowed by authorized tax authority or any other regime with the same effect	Budget RS
Utilization of existing and storage capacities to be built to store 205,000 tons of oil products (PPP)	Administration for Energy Reserves	June 2025	Use permit issued by the authorized state authority and deferred tax regime allowed by authorized tax authority or any other regime with the same effect	Private partners
Construction of 45,000 m ³ (Batajnica)	Transnafta	June 2026	Use permit issued by the authorized state authority and deferred tax regime allowed by authorized tax authority or any other regime with the same effect	Transnafta

Public-private partnership

Activity	Authorised institution	Deadline	Indicator	Financing
Appointment of the PPP Working Group	Ministry of Mining and Energy	June 2021	Working group established	
Preparation of the supporting documents for the decision to proceed with a PPP	Administration for Energy Reserves, Ministry of Mining and Energy and Ministry of Finance	October 2021	Approval obtained from the Ministry of Finance, the Commission for PPP and other relevant institutions	Budget RS
Final decision to proceed with the PPP		November 2021	Approval obtained from the Government of the Republic of Serbia	

Preparation of the tender documentation and tender launching		January 2021	Tender launched	Budget RS
Awarding and contracting		September 2022	Contract(s) concluded	
Purchase of stocks	Public partner(s) and Administration for Energy Reserves	31 December 2022	Quality and Quantity Report(s) issued by the independent inspection company and confirmed by the relevant authority of the host country	Private partner(s)

**Determine Obligation based on Net Imports
Annex I of the Directive**

Unit: Thousand Metric Tons

Step 1 Crude oil component (Crude oil net imports adjusted for stock change)		2018	2019	2020
01.	Crude, NGL, Feedstocks Imports	2749	2365	2592
02.	Crude, NGL, Feedstocks Exports	1	0	0
03.	Crude, NGL, Feedstock Total Stocks			
	Opening	212	213	272
04.	on national territory	218	272	325
05.	Net imports of Crude, NGL, Feedstocks adjusted for stock change (01.-02.-(04.-03.))	2743,419	2305,917	2538,679
Step 2 Naphtha Yield		2018	2019	2020
06.	Naphtha Gross Refinery Output	449	398	456
07.	Naphtha Refinery Fuel	0	0	0
08.	Naphtha Backflows from Petrochemical Sector to Refineries	0	0	0
09.	Crude, NGL and Feedstocks Refinery Intake (Calculated)	3863	3447	3612
10.	Naphtha Yield ((06.-07.-08.)/09.)	0,116	0,115	0,126
Step 3 Naphtha actual consumption		2018	2019	2020
11.	Naphtha Gross Inland Deliveries Observed	448	387	466
12.	Naphtha net actual consumption (11.-08.)	447,765	386,807	466,377
13.	Crude oil equivalent of Naphtha actual consumption (07.) * 1.065	476,869	411,950	496,691
Step 4 Petroleum product component (Petroleum product net imports adjusted for stock change)		2018	2019	
14.	Total Products Imports	649,769	884,579	677,055
15.	Naphtha Imports	0,000	0,000	0,000
16.	Total Products Exports	843,016	729,139	815,508
17.	Naphtha Exports	0,000	0,000	2,505
18.	Total Products Bunkers	16,968	16,027	16,126
19.	Naphtha Bunkers	0,000	0,000	0,000
20.	Total Product Stocks (Total)			
	Opening	299,505	387,676	321,973
21.	on national territory	Closing	386,143	319,814
22.	Naphtha Stocks (Total)	Opening	15,157	16,100
23.	on national territory	Closing	16,100	25,997
24.	Net imports of Products adjusted for stock change (14.-15.)-(16.-17.)-(18.-19.)-(21.-23.-(20.-22.))	-295,911	217,171	-176,690
25.	Crude oil equivalent of Net imports of petroleum products (24.) * 1.065	-315,146	231,287	-188,174

MS has chosen the following method for calculating the deduction for naphtha yield:

3

Step 5 Method to calculate the average daily imports and associated commitments on the basis of:		2018	2019	2020
Method <input type="radio"/> 4% default value for naphtha yield (Method 1) <input type="radio"/> The average naphtha yield (Method 2) <input checked="" type="radio"/> The net actual naphtha consumption (Method 3)				
Method 1 (4%)				
26.	Net Imports (Crude and petroleum products) (05. * 0.96 +25.)	2318,536	2444,968	2248,958
27.	Daily Net Imports (26.) / days of year	6,352	6,699	6,145
28.	90 Days Commitment (27.) * 90	571,694	602,869	553,022
Method 2 (Avegare naphtha yield)				
29.	Net Imports (Crude and petroleum products) (05.-05.*10.+25.)	2109,380	2271,118	2030,213
30.	Daily Net Imports (29.) / days of year	5,779	6,222	5,547
31.	90 Days Commitment (30.) * 90	520,121	560,002	499,233
Method 3 (Net actual naphtha consumption)				
32.	Net Imports (Crude and petroleum products) (05.-13.+25.)	1951,404	2125,255	1853,814
33.	Daily Net Imports (32.) / days of year	5,346	5,823	5,065
34.	90 Days Commitment (33.) * 90	481,168	524,035	455,856

**Determine Obligation based on Inland Consumption
Annex II of the Directive**

Unit: Thousand Metric Tons

<i>Step 6</i>		2018	2019	2020
Total Inland Consumption				
35.	Motor Gasoline - Gross Inland Deliveries Observed	421	430	393
36.	Aviation Gasoline - Gross Inland Deliveries Observed	0	0	1
37.	Gasoline TypeJet Fuel - Gross Inland Deliveries Observed	0	0	0
38.	Kerosene type jet fuel - Gross Inland Deliveries Observed	135	137	74
39.	Other Kerosene - Gross Inland Deliveries Observed	0	0	0
40.	Gas / Diesel Oil - Gross Inland Deliveries Observed	1753	1888	1844
41.	Fuel Oil - Gross Inland Deliveries Observed	208	194	173
42.	Inland Consumption (35.+36.+37.+38.+39.+40.+41.)	2517	2649	2484
43.	Crude oil equivalent of Inland Consumption (42.) * 1.2	3020	3179	2981
44.	Daily Consumption (43.) / days of year	8,274	8,709	8,144
45.	61 Days Commitment (44.) * 61	504,685	531,274	496,798

**DETERMINATION OF OBLIGATION BASED ON NET IMPORTS ACCORDING TO
ANNEX I OF COUNCIL DIRECTIVE 2009/119/EC**

Year: 2013 2014 2015 2016 2017

Unit:

Naphtha Yield		2013	2014	2015	2016	2017	
01	Naphtha Gross Refinery Output	432	351	359	359	441	kmt
02	Naphtha Refinery Fuel	0	0	0	0	0	kmt
03	Naphtha Backflows from Petrochemical Sector to Refineries	0	0	0	0	0	kmt
04	Crude, NGL and Feedstocks Refinery Intake (Calculated)	3052	3148	3403	3445	3637	kmt
05	Naphtha Yield $(01.-02.-03.) / 04.$	0,14	0,11	0,11	0,10	0,12	

Naphtha actual consumption		2013	2014	2015	2016	2017	
06	Naphtha Gross Inland Deliveries Observed	455	351	353	348	440	kmt
07	Naphtha net actual consumption $(06.-03.)$	455,00	351,00	353,35	347,56	440,14	kmt
08	Crude oil equivalent of Naphtha actual consumption $(07.) * 1.065$	484,58	373,82	376,32	370,15	468,75	ktcoe

Crude oil component (Crude oil net imports adjusted for stock change)		2013	2014	2015	2016	2017	
09	Crude, NGL, Feedstocks Imports	1717	1764	2003	2271	2535	kmt
10	Crude, NGL, Feedstocks Exports	0	4	1	2	0	kmt
11	Crude, NGL, Feedstock Total Stocks						
	Opening	262	2255	313	191	203	kmt
12	on national territory						
	Closing	220	2183	191	203	212	kmt
13	Net imports of Crude, NGL, Feedstocks adjusted for stock change $(09.-10.-(12.-11.))$	1758,71	1832,00	2123,75	2257,06	2524,91	kmt
14	Crude Oil Net Imports corrected for naphtha $(13.) * 0.96$	1688,37	1758,72	2038,80	2166,78	2423,92	ktcoe

Petroleum product component (Petroleum product net imports adjusted for stock change)		2013	2014	2015	2016	2017	
15	Total Products Imports	900	856	651	680	694	kmt
16	Naphtha Imports	7	4	0	0	0	kmt
17	Total Products Exports	578	660	678	642	794	kmt
18	Naphtha Exports	0	32	16	6	0	kmt
19	Total Products Bunkers	14	15	24	20	14	kmt
20	Naphtha Bunkers	0	0	0	0	0	kmt
21	Total Product Stocks (Total)						
	Opening	178	2984	255	246	258	kmt
22	on national territory						
	Closing	96	2988	245	257	299	kmt
23	Naphtha Stocks (Total)						
	Opening	26	144	144	164	15	kmt
24	on national territory						
	Closing	16	144	134	167	15	kmt
25	Net imports of Products adjusted for stock change $(15.-16.)-(17.-18.)-(19.-20.)-(22.-24.-(21.-23.))$	372,11	205,33	-35,46	15,08	-156,03	kmt
26	Crude oil equivalent of Net imports of petroleum products $(25.) * 1.065$	396,29	218,68	-37,76	16,06	-166,18	ktcoe

Average Daily Imports and Associated Commitment		2013	2014	2015	2016	2017	
3 possible methods to calculate, on the basis of:							
* If Naphtha Yield less than 7%, Method 1							
* If Naphtha Yield higher than 7%, Method 2 or Method 3 whichever gives minimum obligation							
METHOD 1 (4% default value for naphtha yield)							
27	Net Imports (Crude and petroleum products) $(14.+26.)$	2084,66	1977,40	2001,04	2182,84	2257,74	ktcoe
28	Daily Net Imports $(27.) / \text{days of year}$	5,71	5,42	5,48	5,96	6,17	ktcoe
29	90 Days Commitment $(28.) * 90$	514,03	487,58	493,41	536,76	555,18	ktcoe
METHOD 2 (Naphtha Actual Consumption)							
30	Net Imports (Crude and petroleum products) $(13.-08.+26.)$	1670,43	1676,86	1709,67	1902,97	1889,98	ktcoe
31	Daily Net Imports $(30.) / \text{days of year}$	4,58	4,59	4,68	5,20	5,16	ktcoe
32	90 Days Commitment $(31.) * 90$	411,89	413,47	421,56	467,94	464,75	ktcoe
METHOD 3 (Actual Naphtha Yield)							
33	Net Imports (Crude and petroleum products) $(13. * (1.-05.)+26.)$	1906,04	1846,41	1861,73	2037,89	2052,45	ktcoe
34	Daily Net Imports $(33.) / \text{days of year}$	5,22	5,06	5,10	5,57	5,61	ktcoe
35	90 Days Commitment $(34.) * 90$	469,98	455,28	459,06	501,12	504,70	ktcoe

kmt = thousand metric tons; ktcoe = thousand metric tons crude oil equivalent;

**DETERMINATION OF OBLIGATION BASED ON INLAND CONSUMPTION ACCORDING TO
ANNEX II OF COUNCIL DIRECTIVE 2009/119/EC**

	Year:					Unit:
	2013	2014	2015	2016	2017	
Total Inland Consumption						
01, Motor Gasoline - Gross Inland Deliveries Observed	397	395	407	420	422	kmt
02, Aviation Gasoline - Gross Inland Deliveries Observed	0	0	0	1	1	kmt
03, Gasoline TypeJet Fuel - Gross Inland Deliveries Observed	0	0	0	0	0	kmt
04, Kerosene type jet fuel - Gross Inland Deliveries Observed	81	66	63	115	124	kmt
05, Other Kerosene - Gross Inland Deliveries Observed	0	0	0	0	0	kmt
06, Gas / Diesel Oil - Gross Inland Deliveries Observed	1564	1533	1602	1656	1688	kmt
07, Fuel Oil - Gross Inland Deliveries Observed	237	123	235	246	239	kmt
08, Inland Consumption (01.+02.+03.+04.+05.+06.+07)	2279,41	2117,00	2308,26	2436,80	2473,53	kmt
09, Crude oil equivalent of Inland Consumption (08) *1,2	2735,29	2540,40	2769,91	2924,16	2968,24	ktoe
10, Daily Consumption (09) / days of year	7,49	6,96	7,59	7,99	8,11	ktoe
11, 61 Days Commitment (10) * 61	457,13	424,56	462,92	487,36	494,71	ktoe

kmt = thousand metric tons; ktoe = thousand metric tons crude oil equivalent;

Step 7		2020
Select between the Step 5 - Net Imports Approach and the Step 6 - Inland Consumption Approach that leads to the maximum obligation. Note corresponding average daily figures		
46 Minimum Stock Level for Inland Consumption		496,798
47 Daily Net Imports of Inland Consumption for compliance		8,144

Level of Emergency Stocks in Days Equivalent (Annex III of the Directive)

Annex III (a)		May 2021
Step 8a		
STOCKS - Crude Oil Component		
46 Crude, NGL and Feedstocks Stocks		0,000
48 Crude Oil Stocks corrected for naphtha (46) / 0.96		0,000
Step 9a		
STOCKS - Petroleum Products Component - Annex III (a)		
50 Total Products Stocks		0,000
51 Naphtas Stocks		0,000
52 Product Stocks (50-51)		0,000
53 Crude oil equivalent of Petroleum Products Stocks (52) / 1.06		0,000
STOCKS - Total Emergency stocks - Annex III (a)		0,000
65 Emergency Stocks corrected for tank bottoms - Annex III (a) (46+53) / 0.9		0,000
66 Days Equivalent (65/47)		0,000
Step 10a		May 2021
STOCKS - Total Emergency stocks - Annex III (a)		0,000
65 Emergency Stocks corrected for tank bottoms - Annex III (a) (46+53) / 0.9		0,000
66 Days Equivalent (65/47)		0,000

Annex III (b)		May 2021
Step 8b		
STOCKS - Crude Oil Component		
46 Crude, NGL and Feedstocks Stocks		32,000
48 Crude Oil Stocks corrected for naphtha (46) / 0.96		30,720
Step 9b		
STOCKS - Petroleum Products Component - Annex III (b)		
54 Motor Gasoline - Stocks		3,000
56 Aviation Gasoline - Stocks		0,000
56 Gasoline Type Jet Fuel - Stocks		0,000
57 Kerosene Type Jet Fuel - Stocks		0,000
58 Other Kerosene - Stocks		125,000
59 Gas / Diesel Oil - Stocks		8,000
60 Fuel Oil - Stocks		153,000
61 Product Stocks (54-59) / 0.87 (58+40)		159,000
62 Crude oil equivalent of Petroleum Product Stocks (61) / 1.2		132,500
STOCKS - Total Emergency stocks - Annex III (b)		171,250
65 Emergency Stocks corrected for tank bottoms - Annex III (b) (46+62) / 0.9		171,250
66 Days Equivalent (65/47)		21,032
Step 10b		May 2021
STOCKS - Total Emergency stocks - Annex III (b)		171,250
65 Emergency Stocks corrected for tank bottoms - Annex III (b) (46+62) / 0.9		171,250
66 Days Equivalent (65/47)		21,032

MS is not compliant to directive 2009/119/EC

MS has chosen the following method for the reporting year:

Method follow Annex III (a) follow Annex III (b)

EMERGENCY STOCKS IN DAYS EQUIVALENT		21,032
Value from Line 66 or Line 66 according to MS selection of the Annex III approach		

MS is not compliant to directive 2009/119/EC