

Turkish Oil Industry Report 2008

PETDER
PETROL SANAYİ DERNEĞİ

- ABOUT PETDER
- OIL INDUSTRY in TURKEY2008 :
 - Fuels, LPG and Lube Sectoral report
 - Important sectoral issues in 2008,
 - EU alignment prcess in oil industry,
- ISSUES FOR 2009



Altınbaş Petrol ve
Ticaret A.Ş.



PETROL OFİSİ A.Ş.



Belgin Madeni Yağlar



Shell & Turcas Petrol
A.Ş.



BP Petrolleri A.Ş.



The SHELL Company of
TURKEY Ltd.



BP Gaz A.Ş.



Shell Gaz Ticaret ve
Sanayi A.Ş.



DELTA Akaryakıt
Tic.A.Ş.



TOTAL Oil Türkiye A.Ş.



ERK Petrol Yatırımları
A.Ş.



TURCAS Petrol A.Ş.



MOBIL Oil Türk A.Ş.



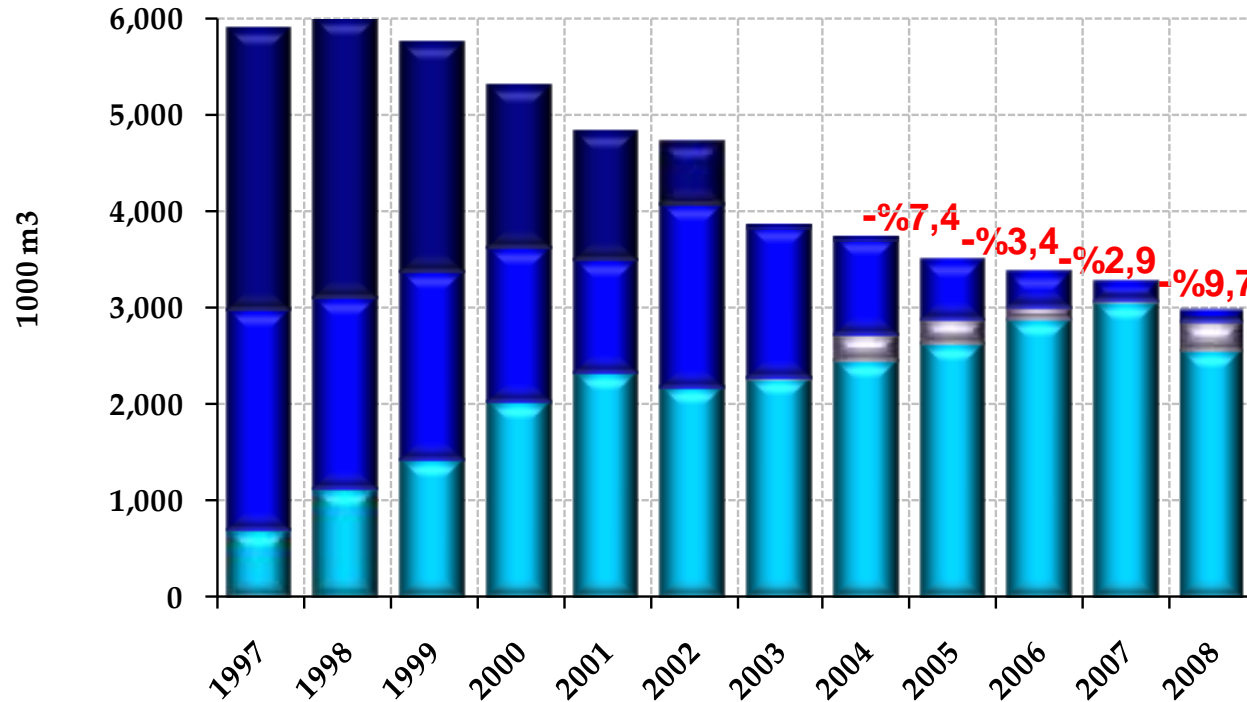
FIELD OF OPERATION :

- FUELS
(Black and white products)
- LPG,
(Bulk, bottled and autogas)
- LUBES
- AVIATION FUELS
- MARINE FUELS



GASOLINE CONSUMPTION

In 2008 total gasoline consumption decreased by 9,7% to 2.96 million m³)



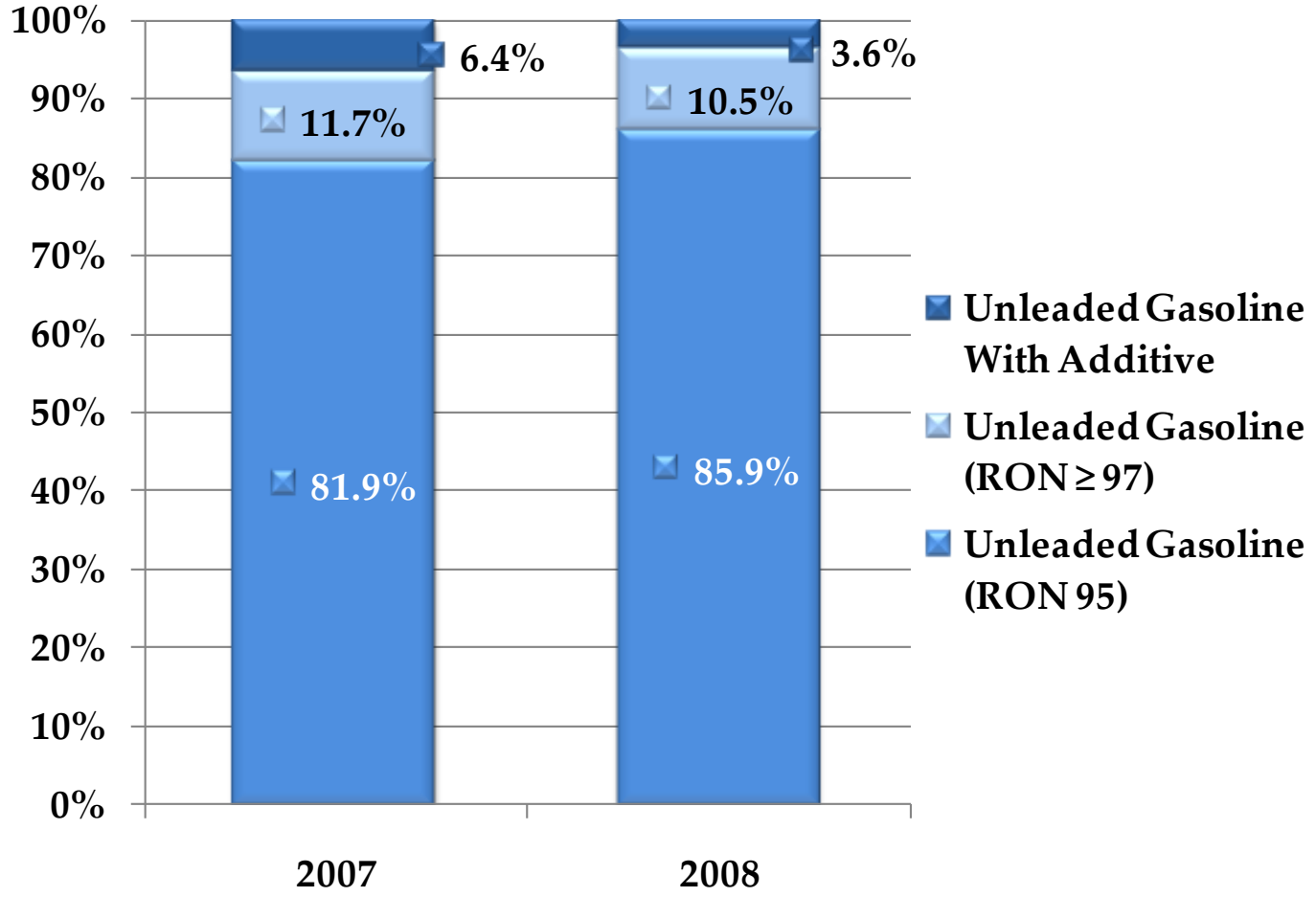
In last 10 years gasoline consumption reduced to approx. 3 million m³ from 6.0 million tons; about 50% reduction

- Unleaded Gasoline (RON 95)
- Unleaded Gasoline (RON ≥ 97)
- Premium Gasoline / Unleaded Gasoline With Additive
- Regular Gasoline



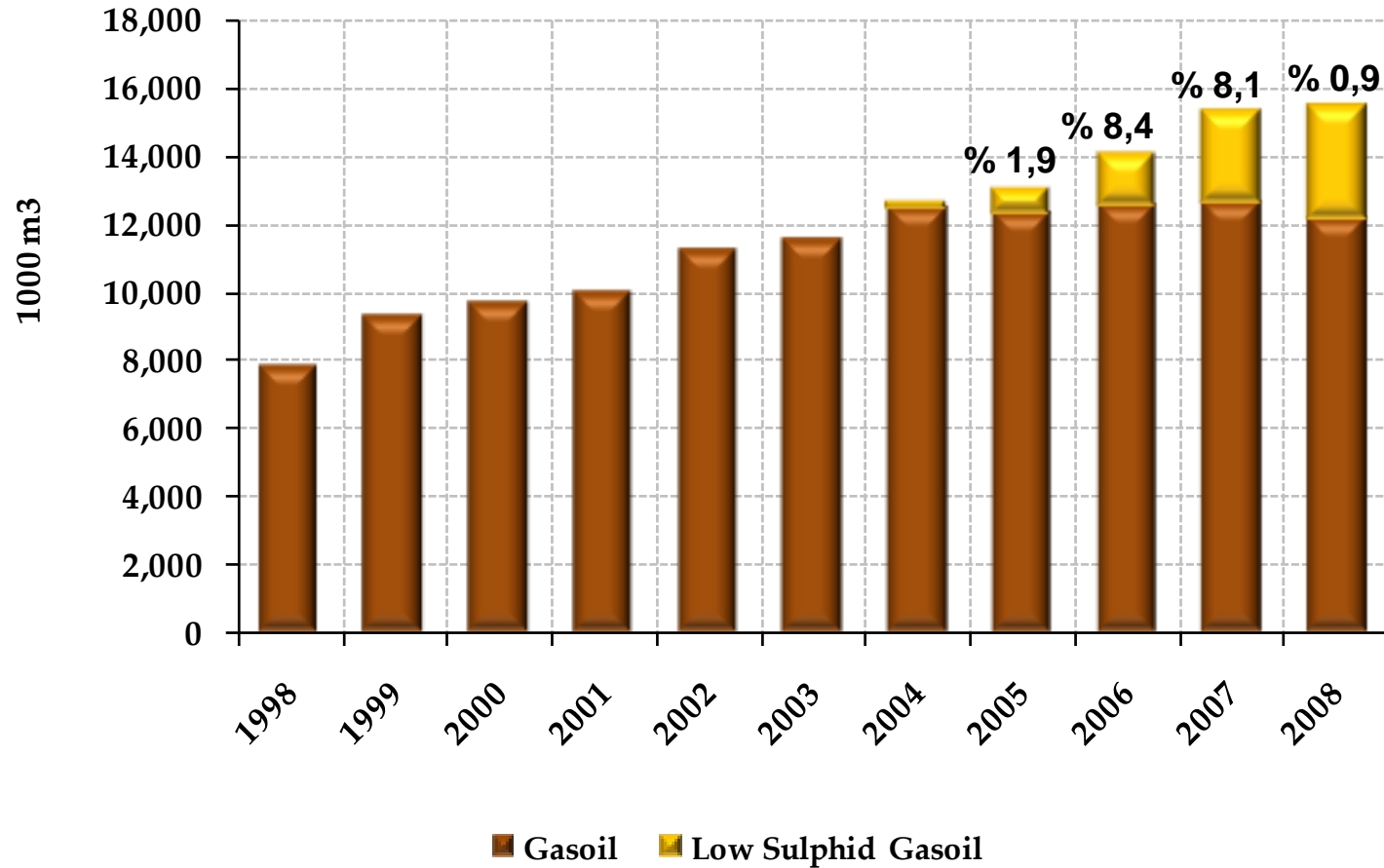
GASOLINE product mixture in 2008

About 94,6 % of total gasoline consumption is 95 and 97 octane products. LRP consumption is reduced to about 100.000 tons

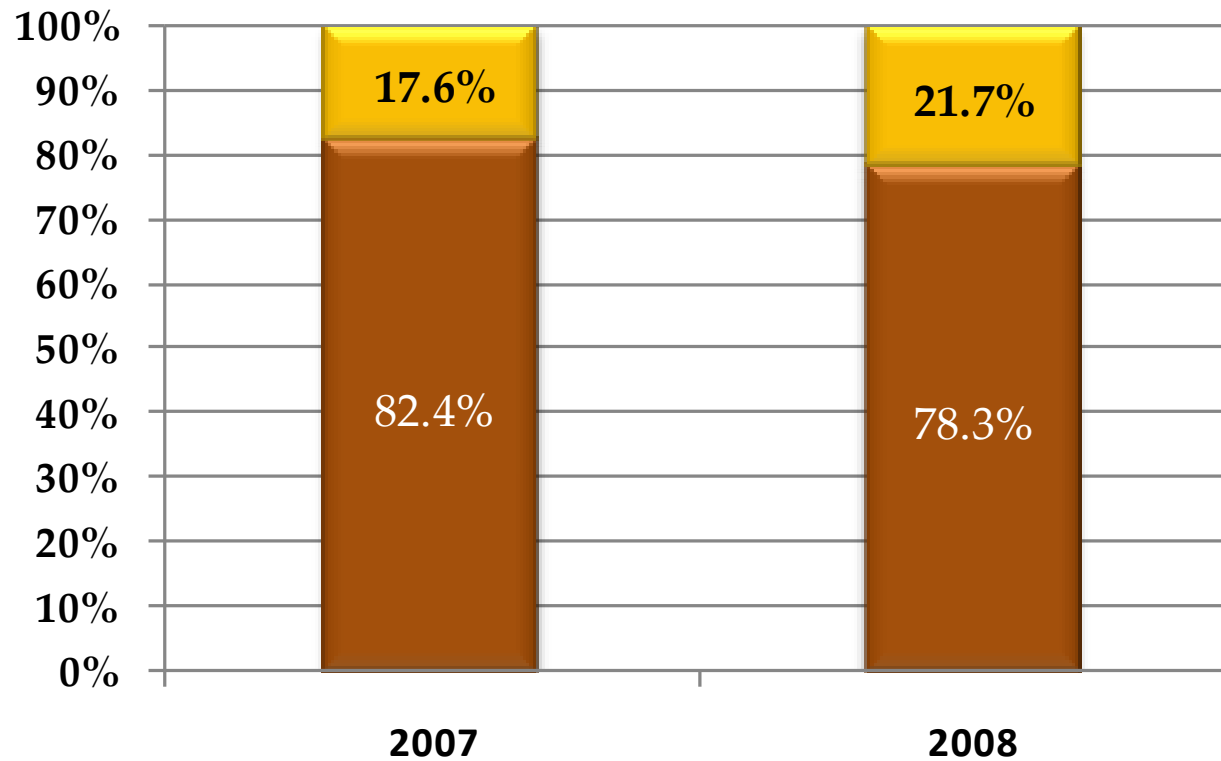


DIESEL CONSUMPTION TRENDS

Total diesel consumption trend increased by 0.9 % to 15.5 million m³)



In 2008 Low sulfur diesel consumption increased by %24,4 .

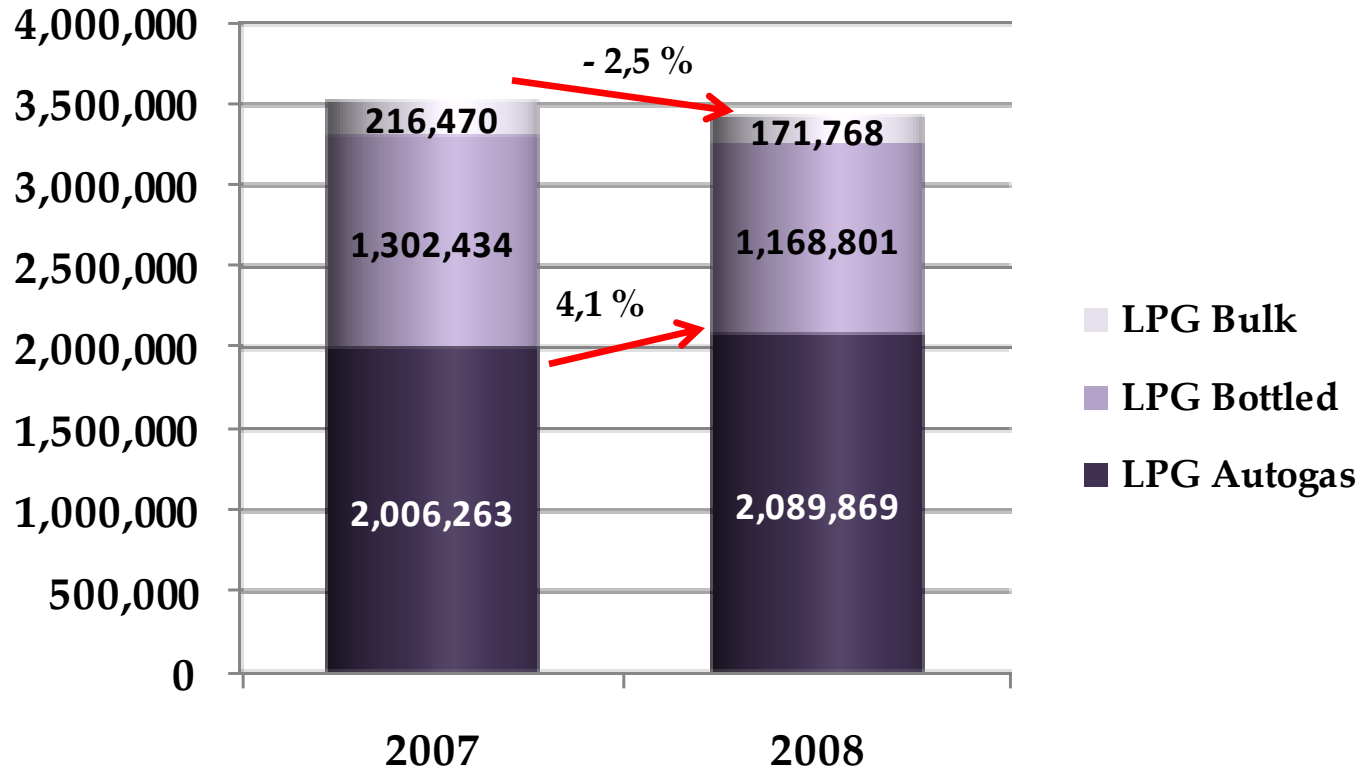


■ Gasoil

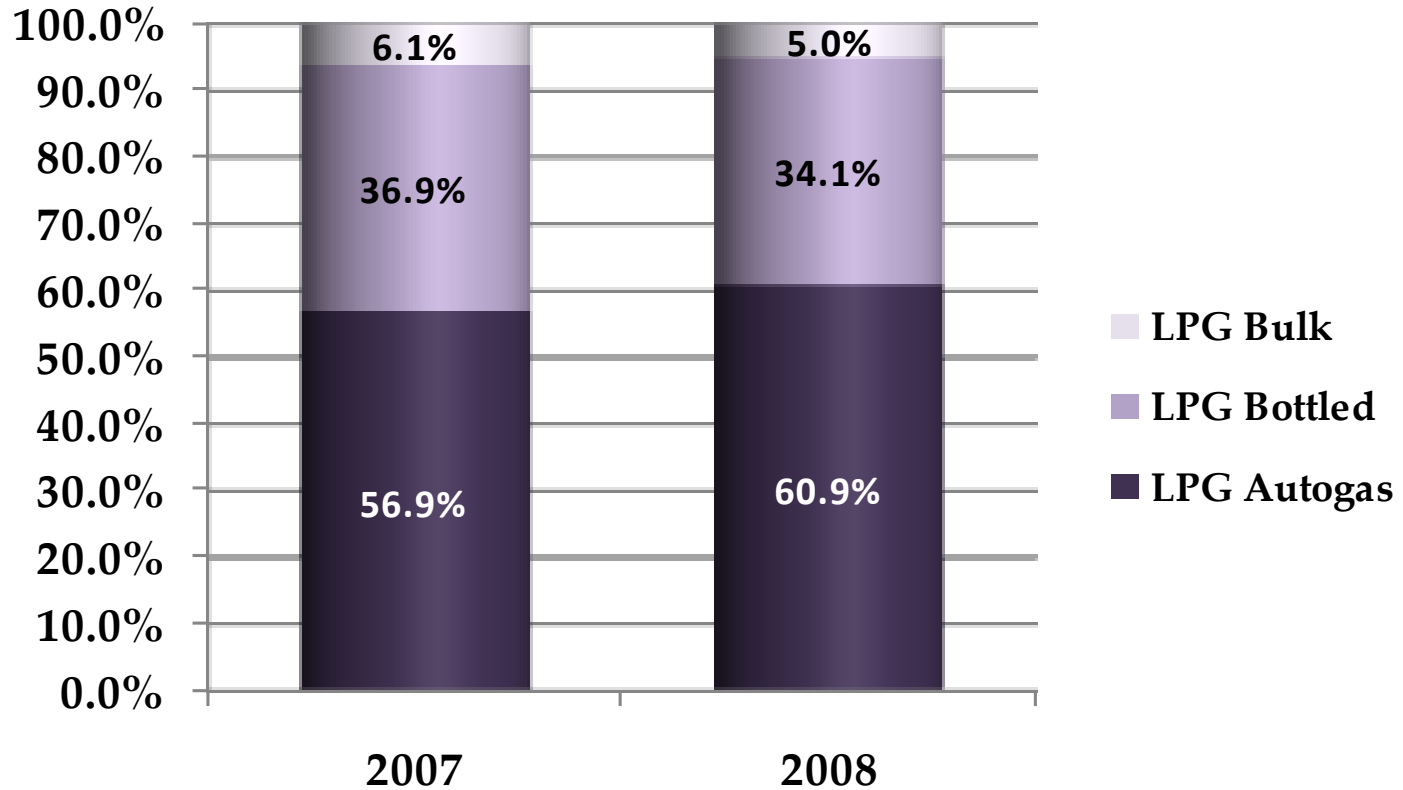
■ Gasoil (Low Sulphid)



In 2008 autogas LPG consumption increased by 4.1% and bulk and bottled consumption decreased by 2.5% .

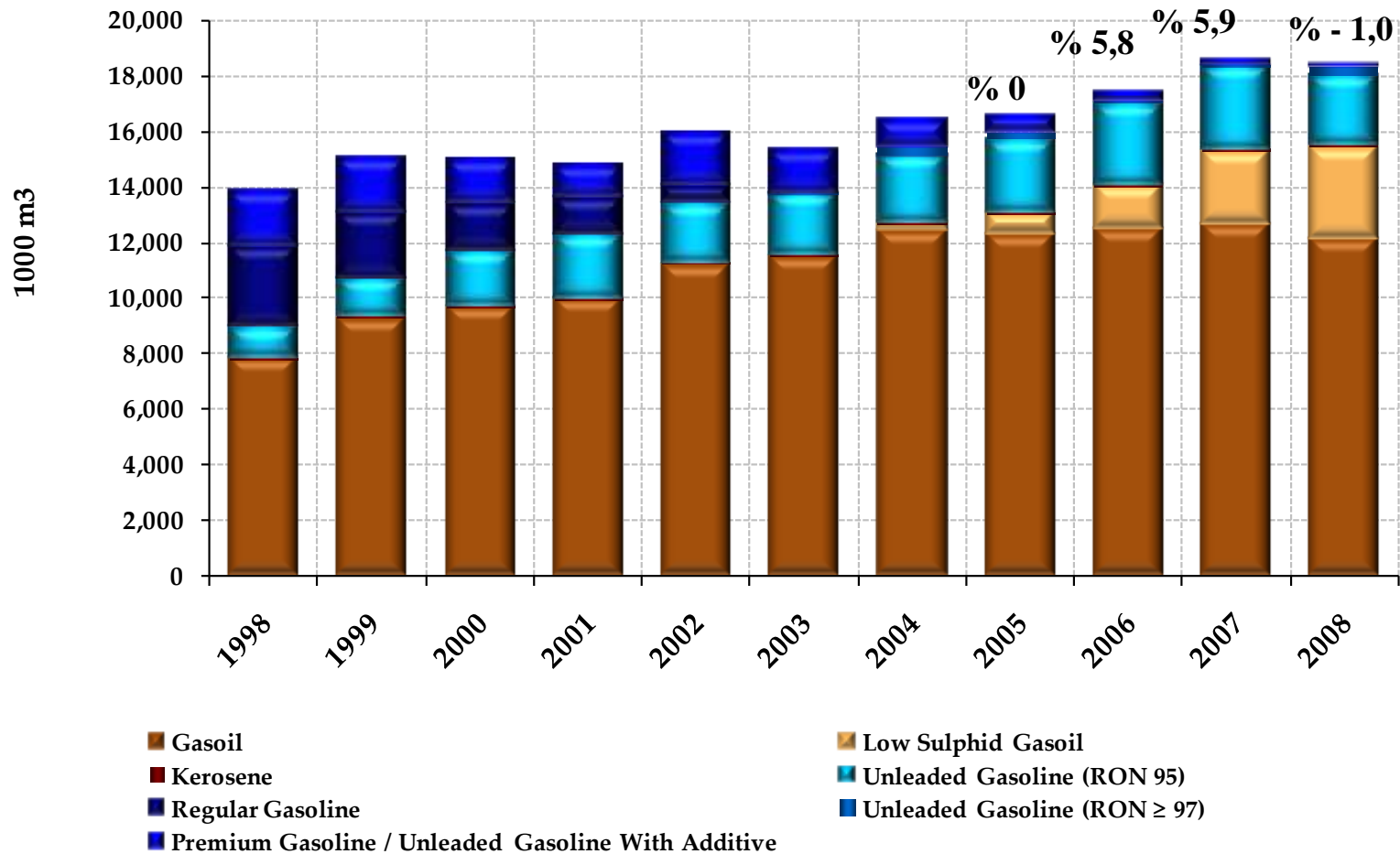


Share of autogas in LPG consumption increased to 60.9%



TRENDS IN WHITE PRODUCTS

In 2008 total white products consumption decreased by 1% to 18.44 million m3.

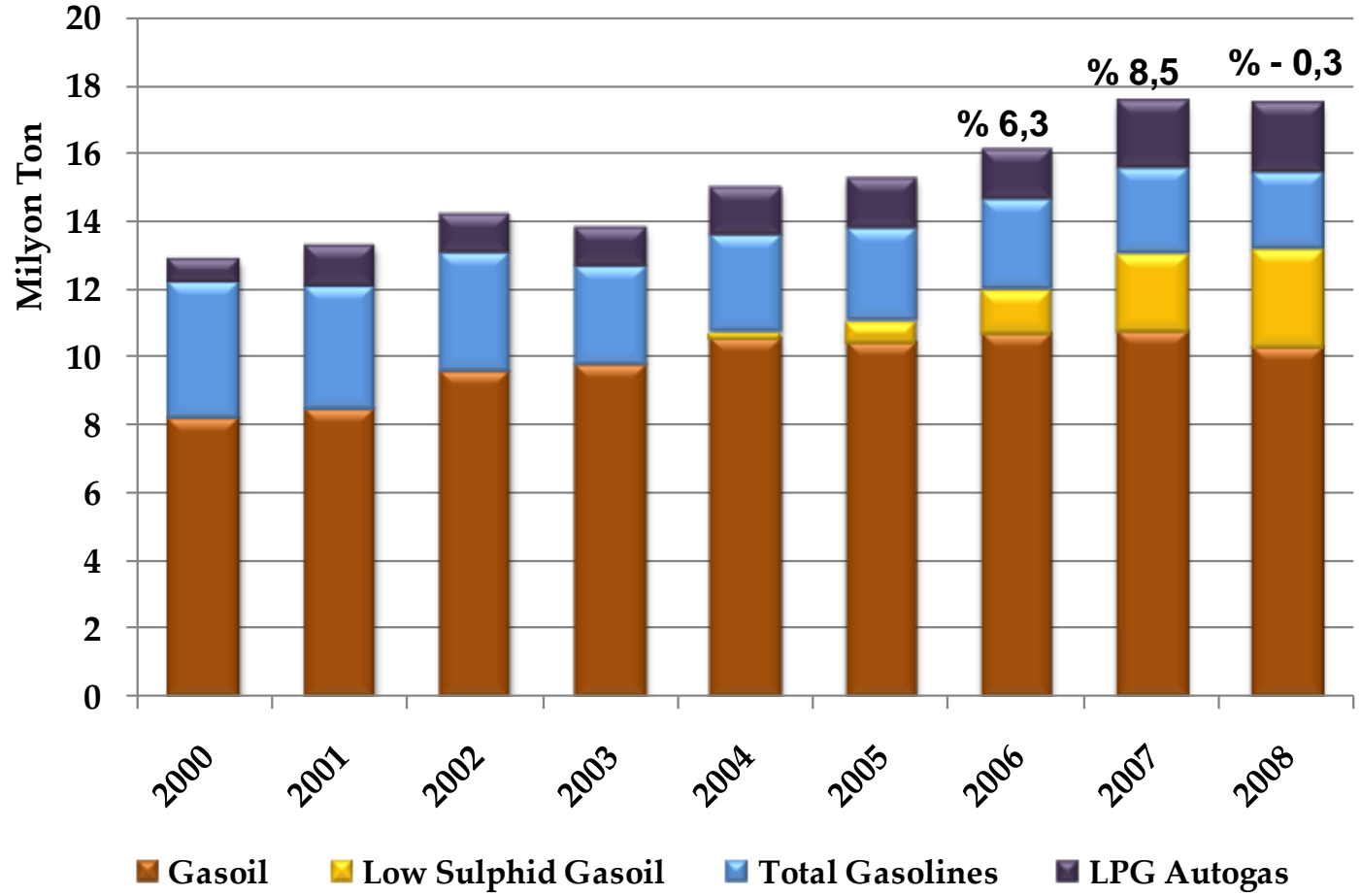


- Gasoil
- Kerosene
- Regular Gasoline
- Premium Gasoline / Unleaded Gasoline With Additive
- Low Sulphid Gasoil
- Unleaded Gasoline (RON 95)
- Unleaded Gasoline (RON ≥ 97)

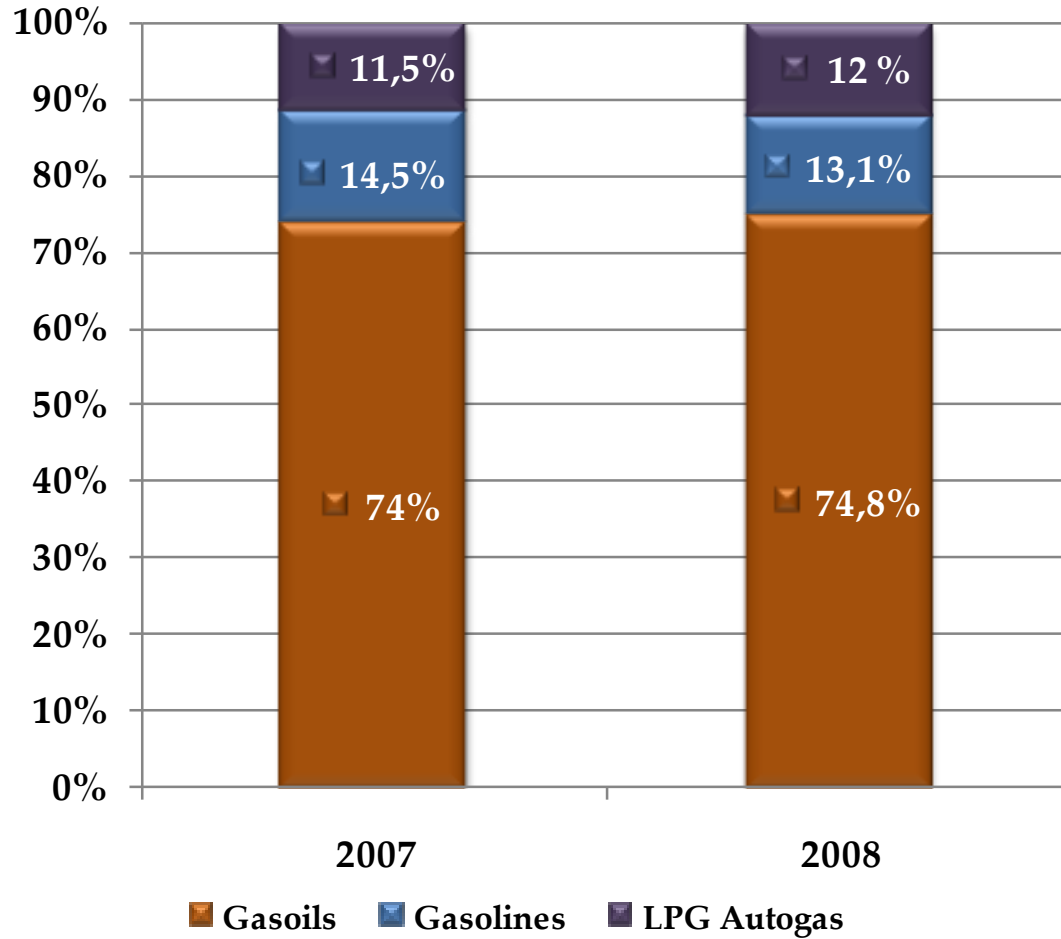


TRENDS IN AUTOMATIVE FUELS

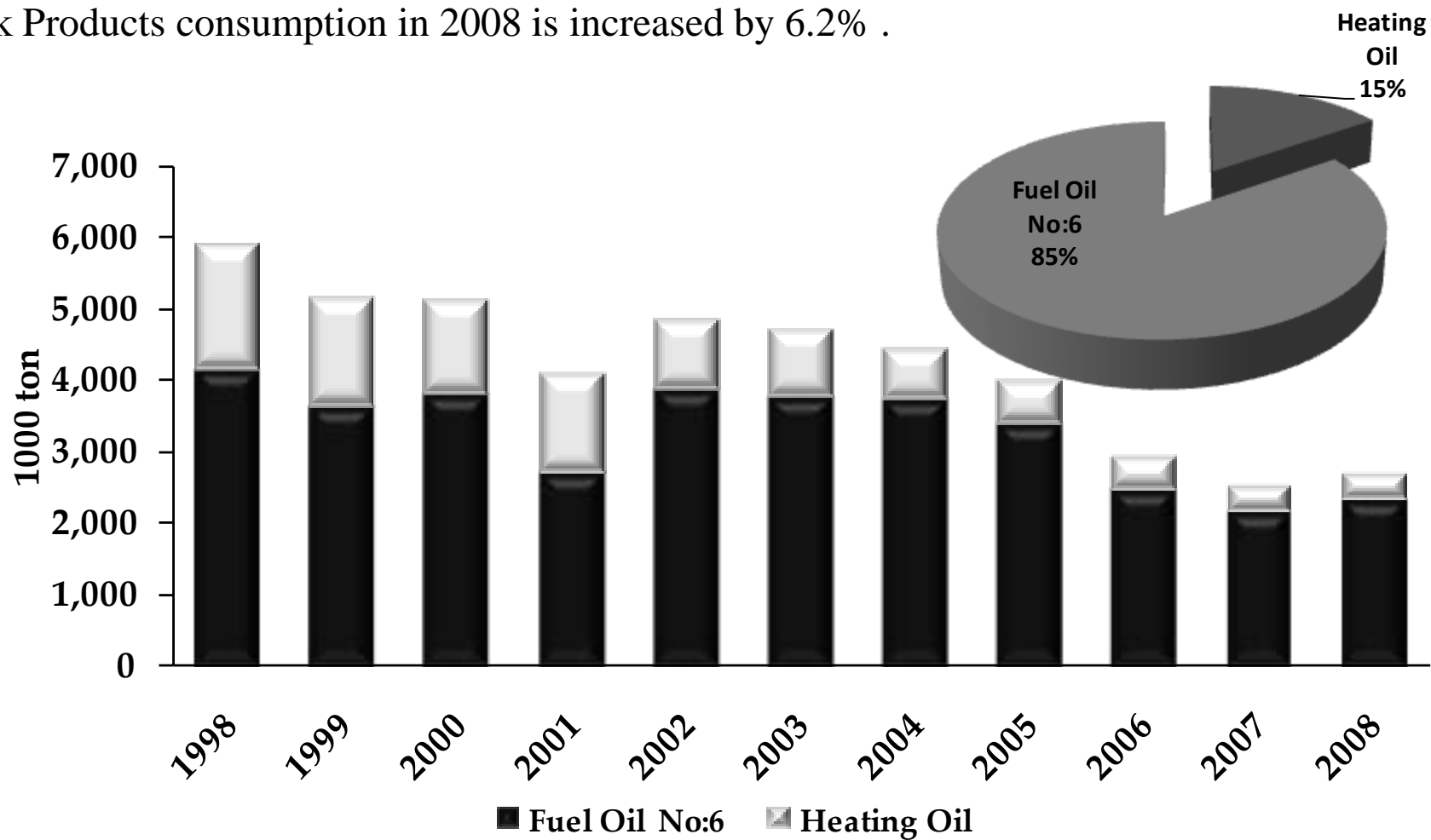
Automotive fuel consumption in 2008 is reduced by 0.03%. Auto LPG consumption increased by 4.1% to 2.1 million m3).



Share of LPG in automative fuels is incerasing whereas gasoline is decreasing.

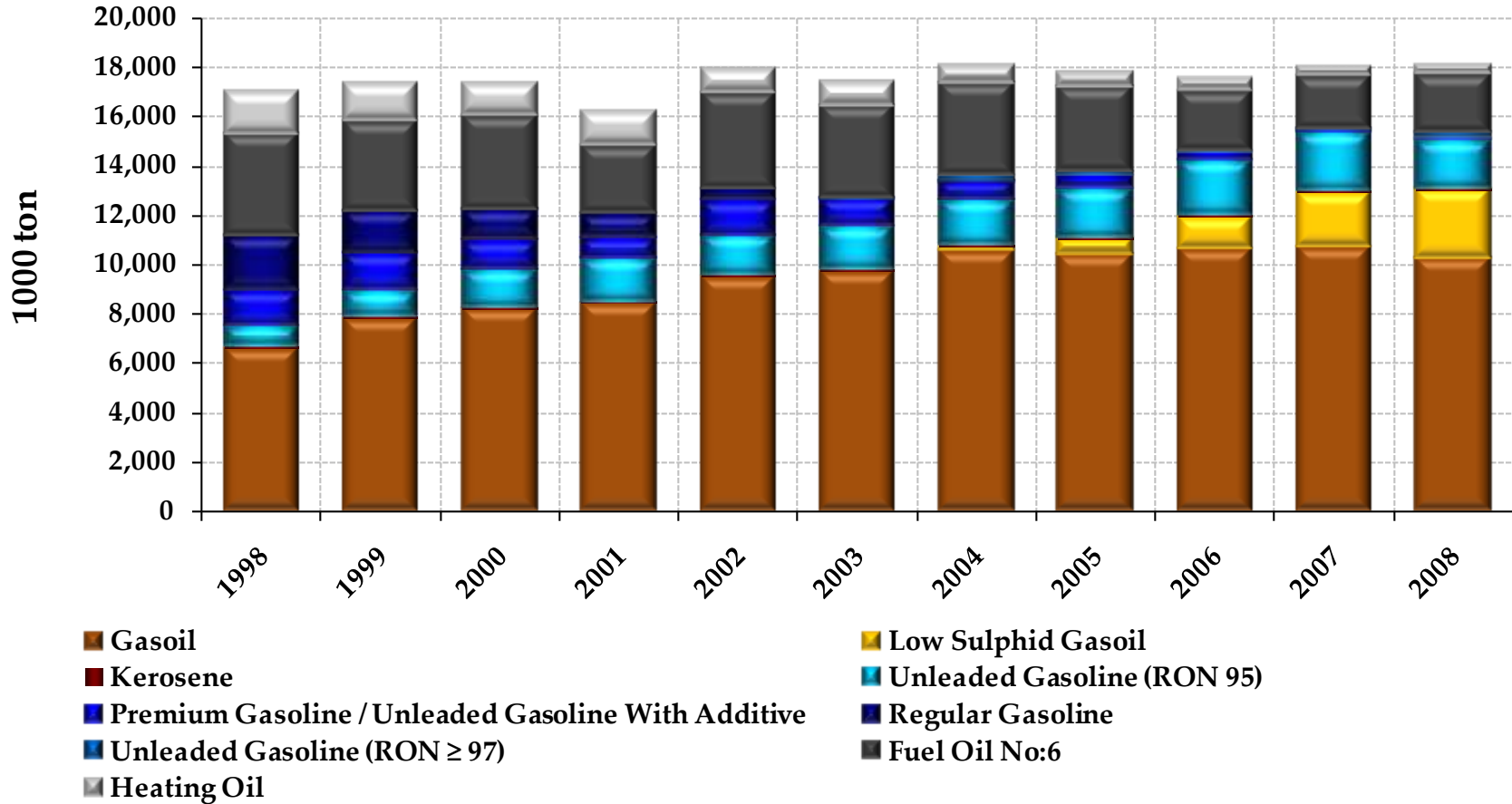


Black Products consumption in 2008 is increased by 6.2% .

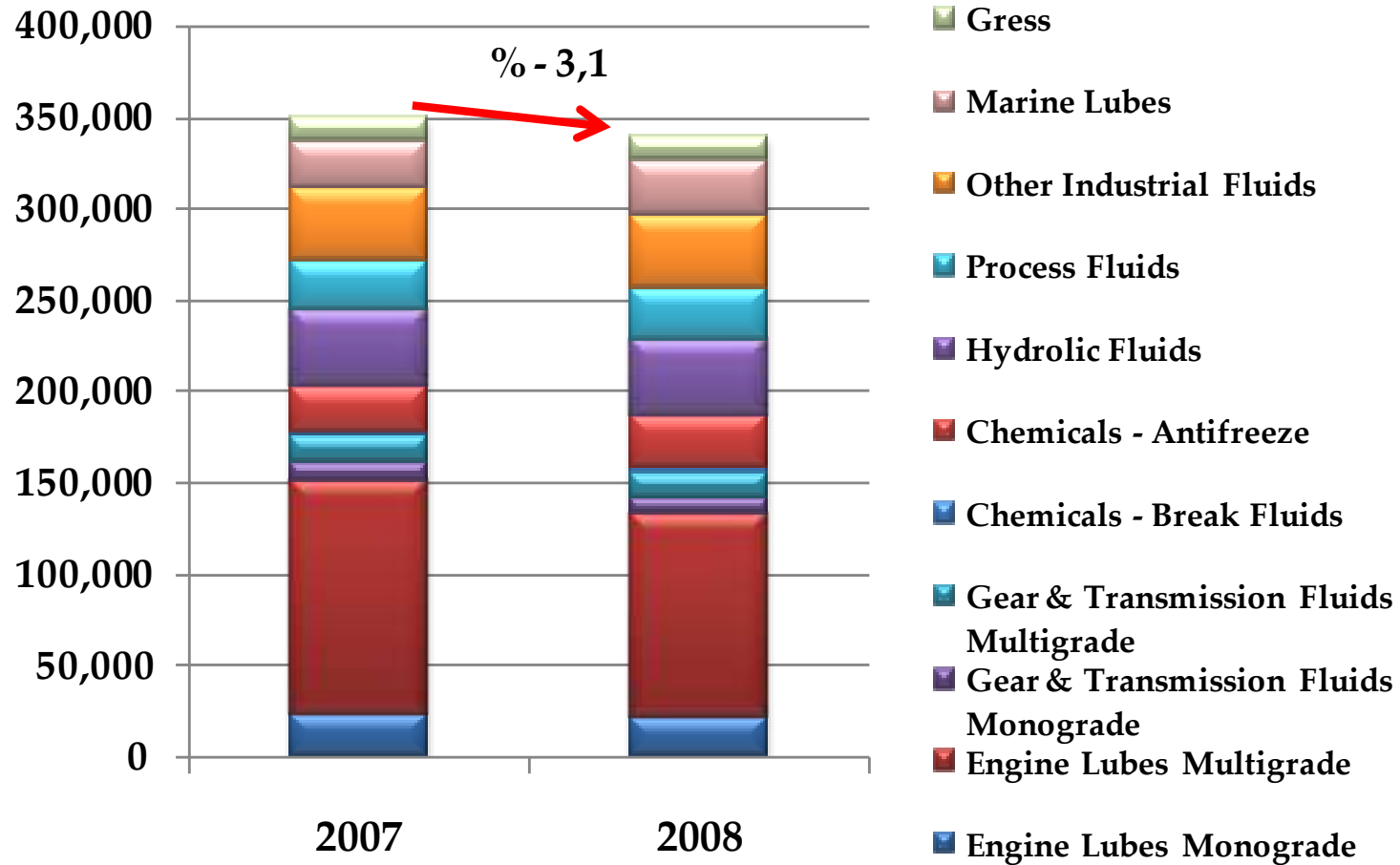


TOTAL FUELS CONSUMPTION

IN 2008 TOTAL FUELS CONSUMPTION IS 18.1 MILLION TONS.

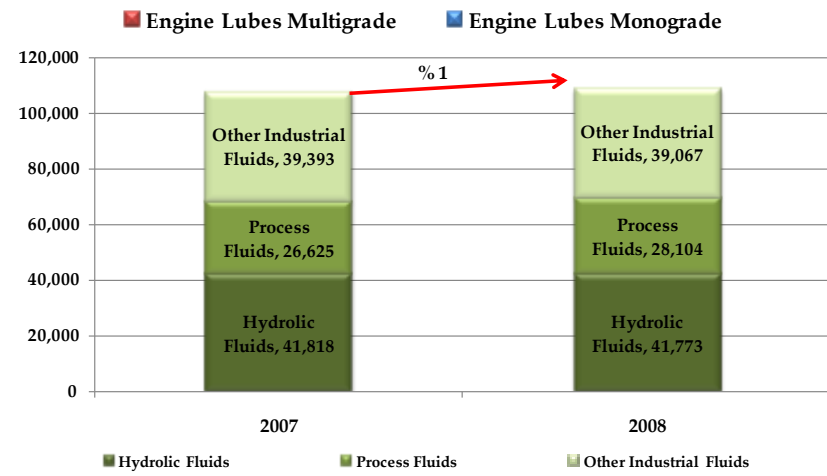
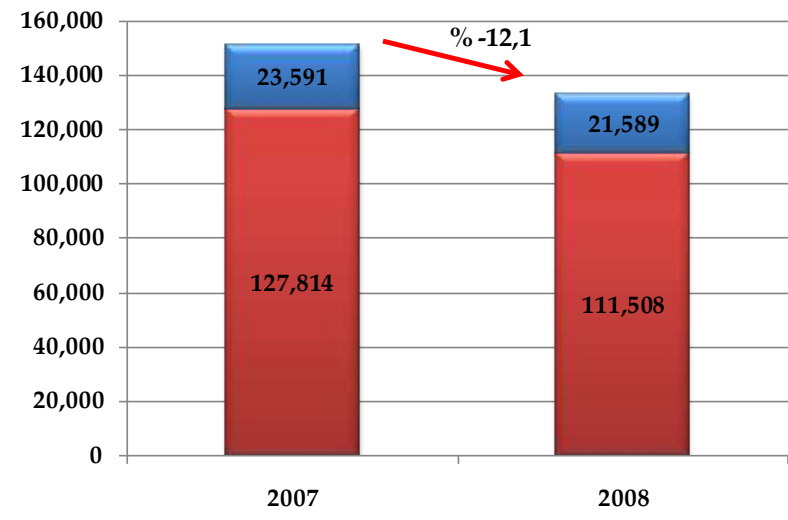
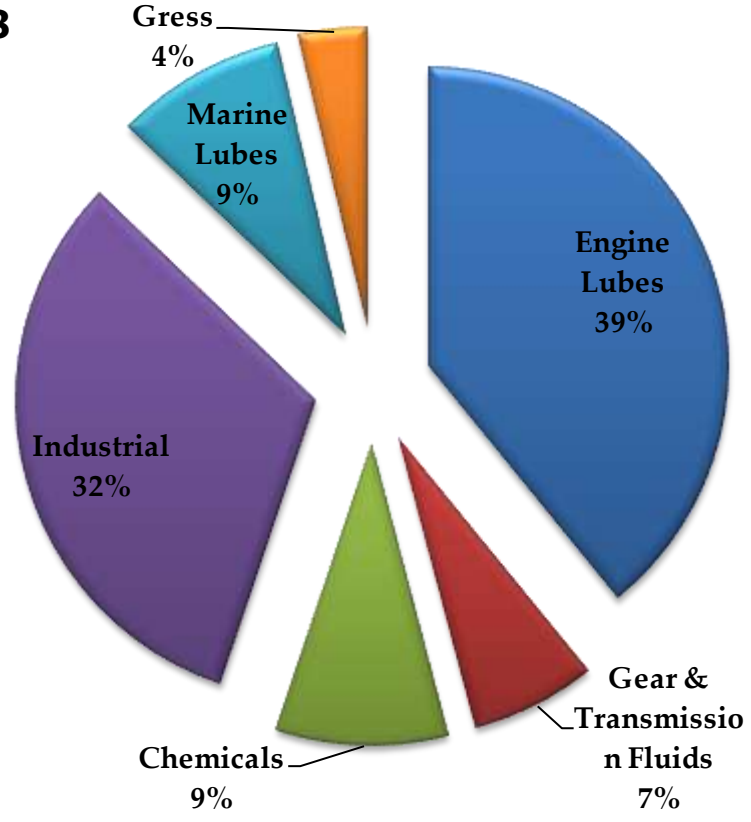


Lubes consumption in 2008 reduced by 3.1% .



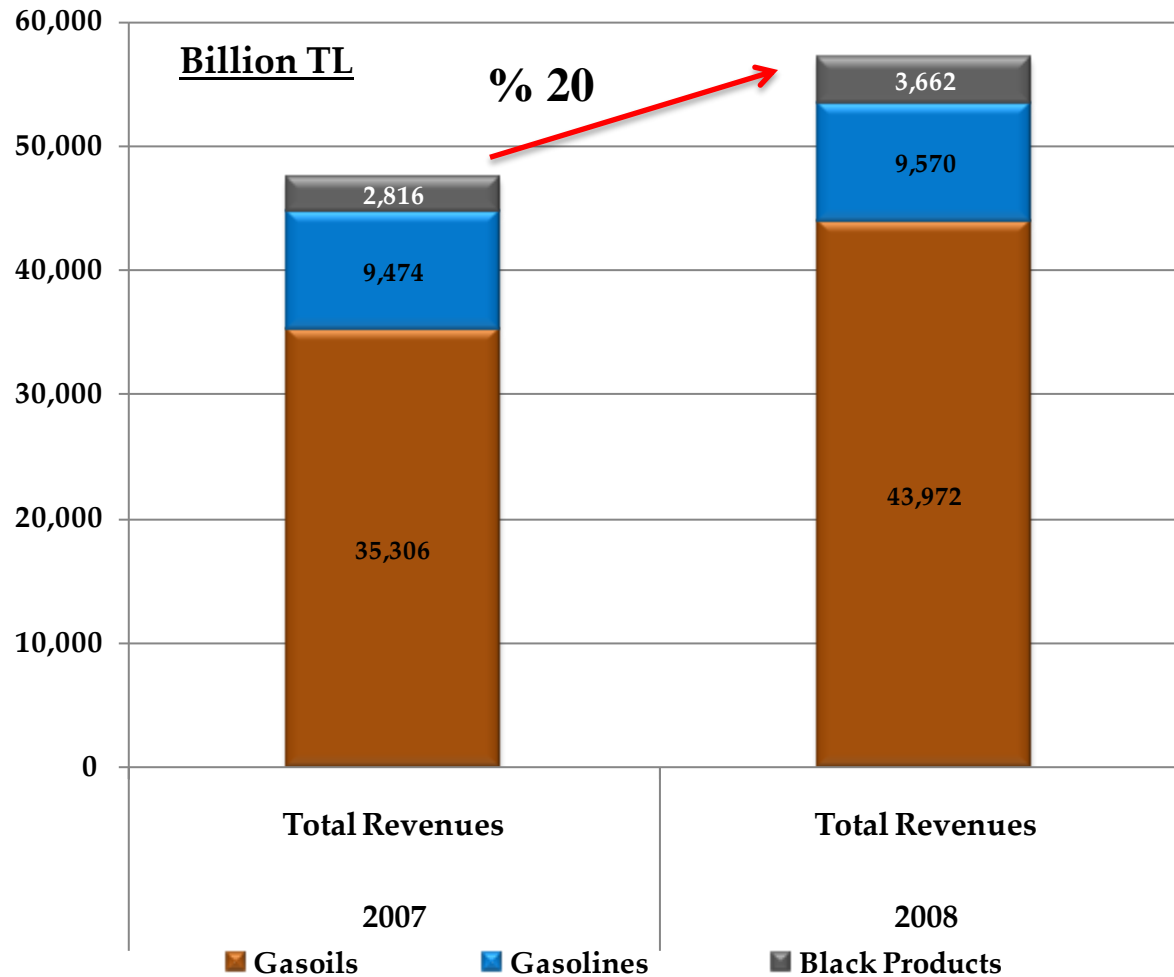
LUBES MIXTURE IN 2008

2008



FINANCIAL TRANSACTIONS IN 2008

- Total financial transactions in 2008 increased by 20% to 57 Billion TL.



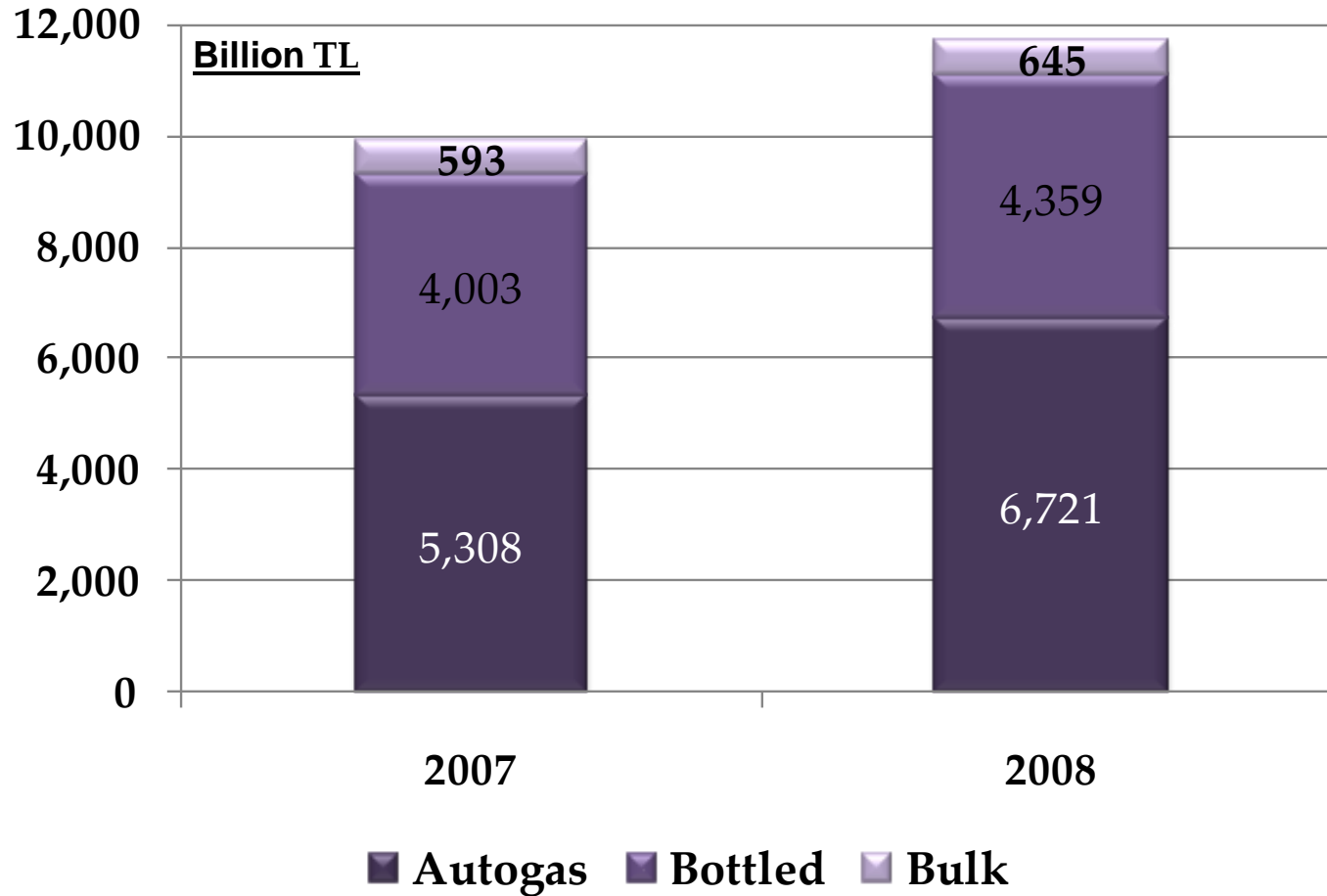
TOTAL FINANCIAL TRANSACTIONS IN OIL INDUSTRY, 2008

- Fuels Products : **57 Billion TL**
- LPG Products : **12 Billion TL.**
- Lubes, Aviation and Marine Fuels : **6 Billion TL.**

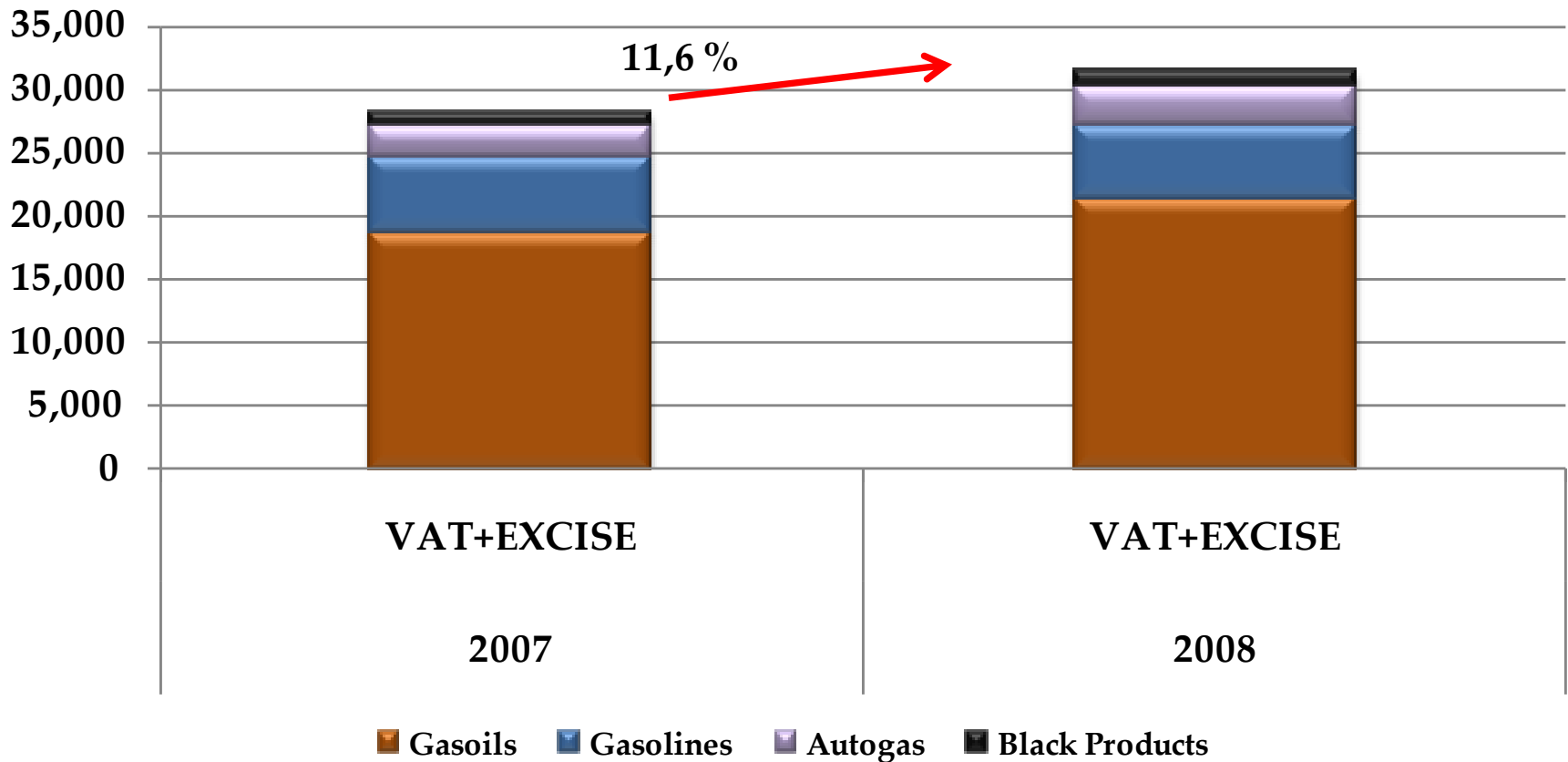
Total Financial Transactions in Oil Industry : **75 Billion TL**



FINANCIAL TRANSACTIONS IN LPG INDUSTRY

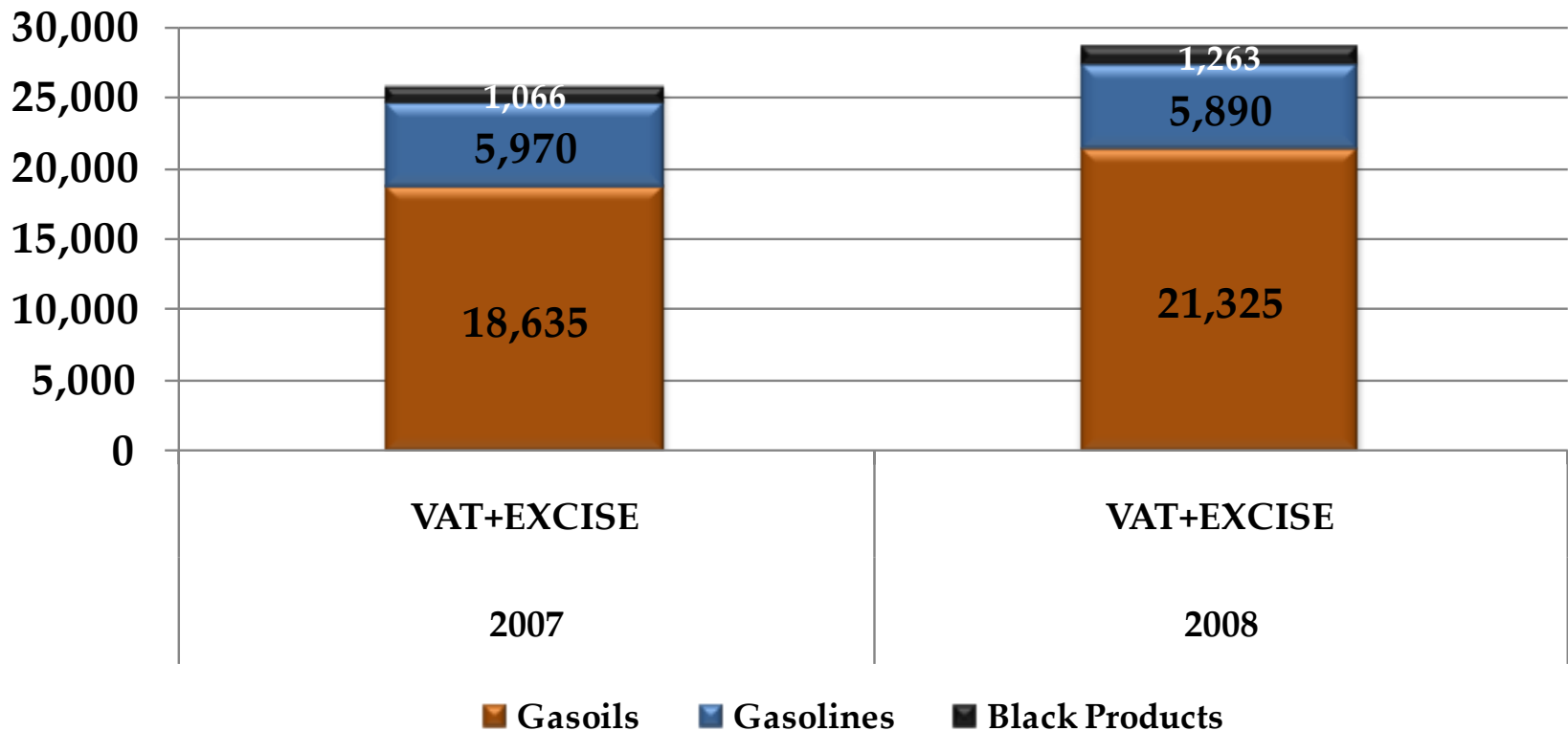


In 2008 total amount of VAT and Special consumption tax supplied by the Oil & LPG Industry reached to 31,6 Billion TL.



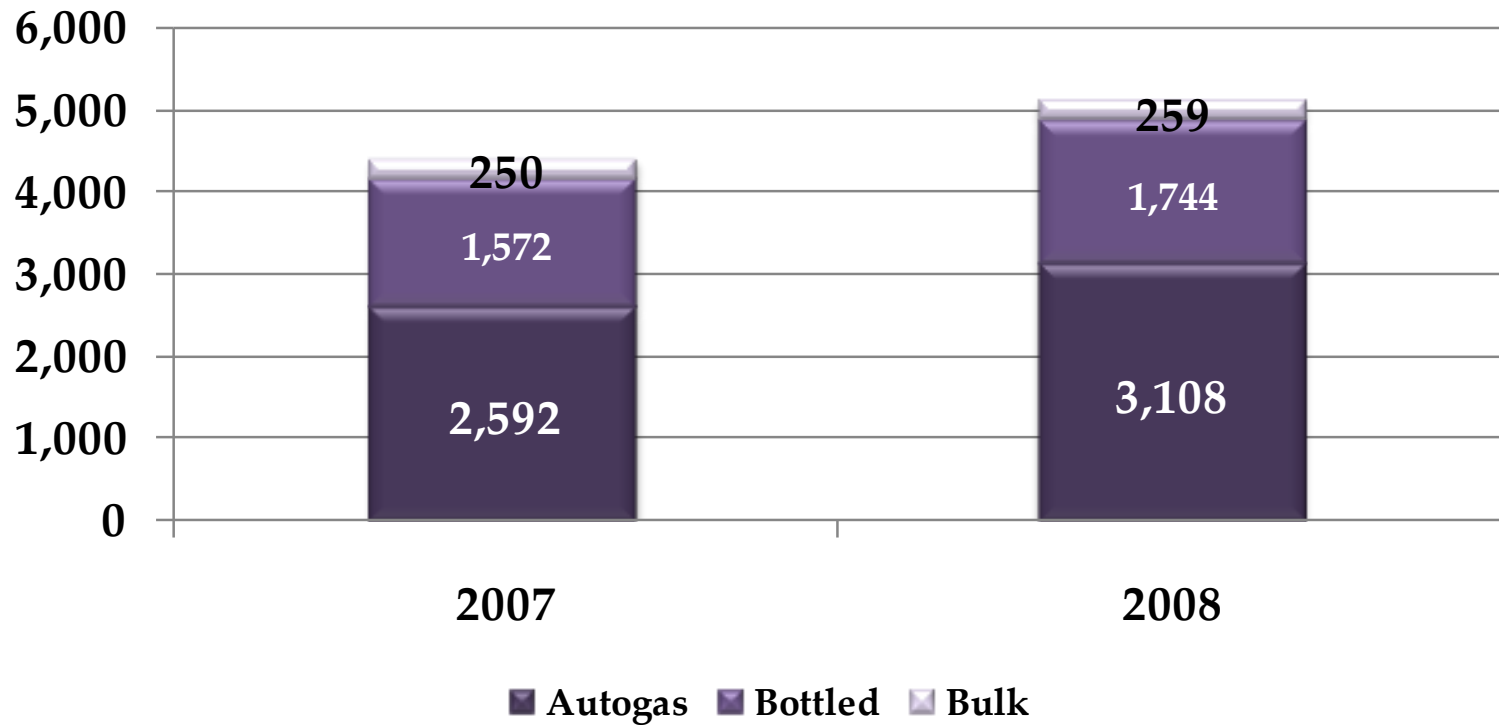
TAXES & DUTIES FROM FUELS (VAT+S.C.TAX)

Only fuels Industry supplied 28.5 Billion TL of taxation through VAT and special Consumption taxes.



TAXATION THROUGH LPG INDUSTRY (VAT + S.C.TAX)

Special consumption tax and VAT through LPG products reached to 5.1 Billion TL.

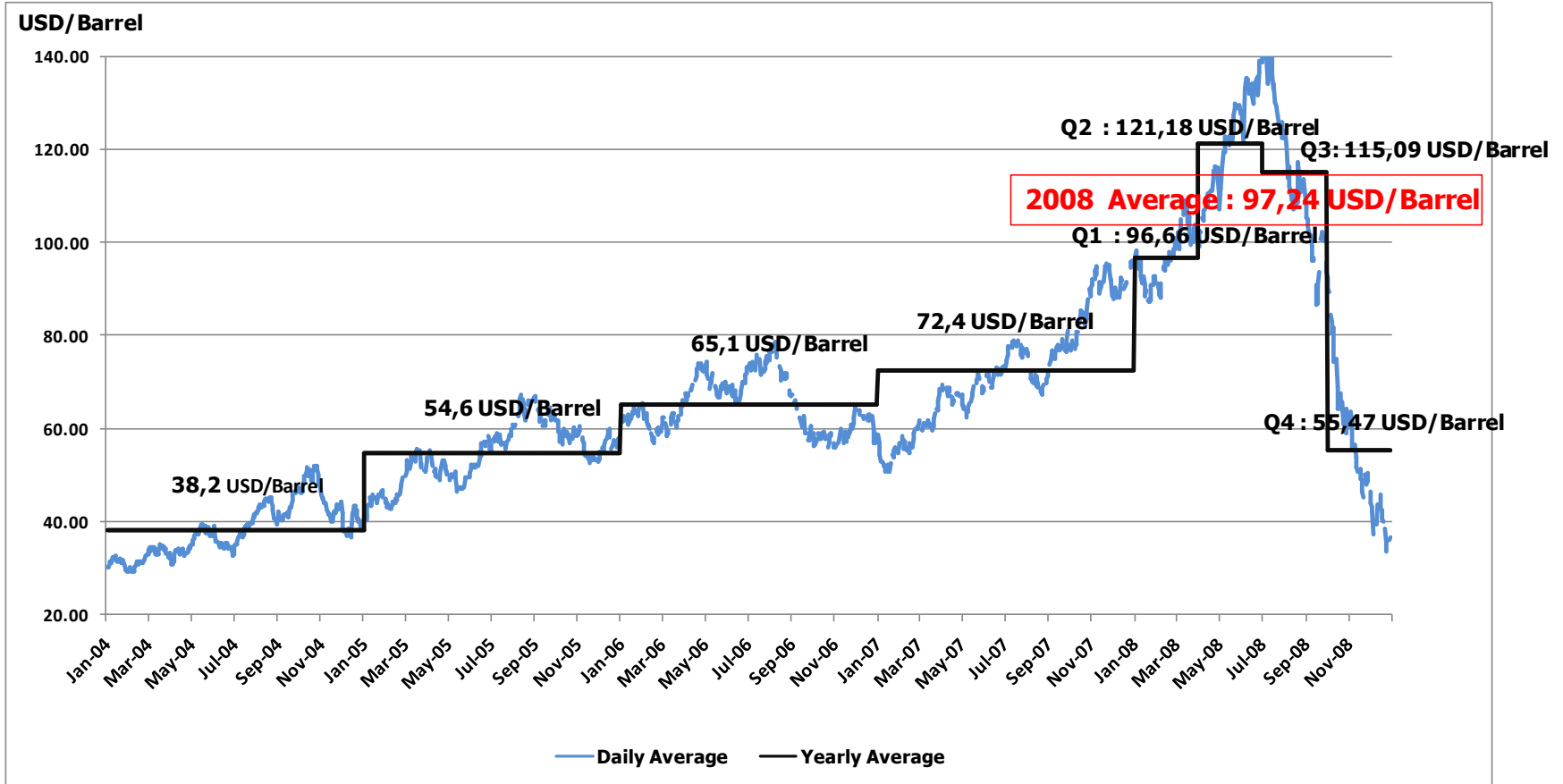


IMPOTANT INDUSTRY ISSUES FOR 2008 / OUTLINE

- **Oil prices, pump prices and consumer concerns**
- **Sectoral issues ,**
 - National marker issues,
 - Concerns over Market Liberalization,
 - Difficulties in improt process; over regulated market structure and effects on national economy.
- **Issues in related industries** (Economy & automative industry),



In 2008 average Brent Oil was 97,24 \$/barrel.

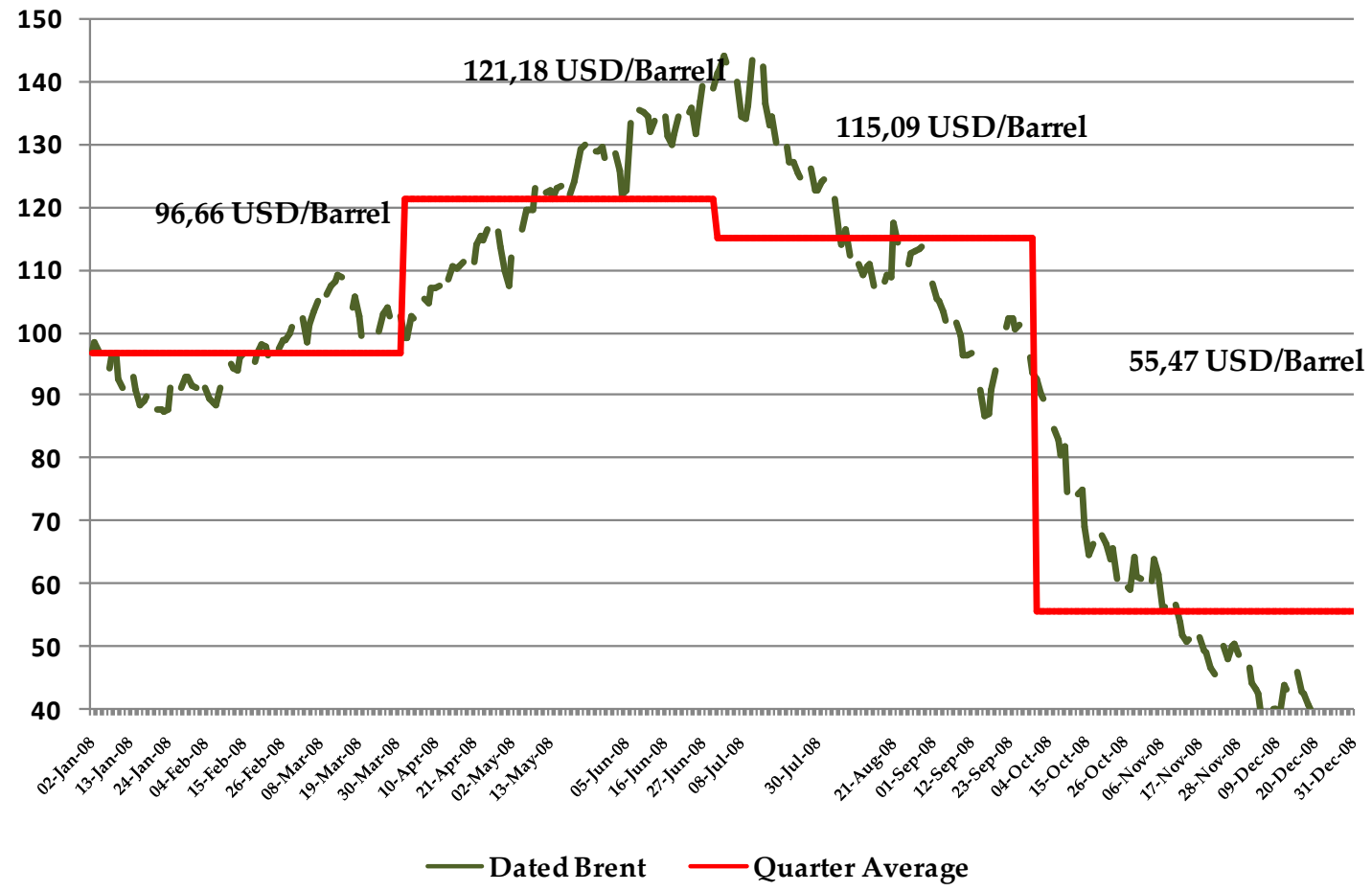


Kaynak : Platts'

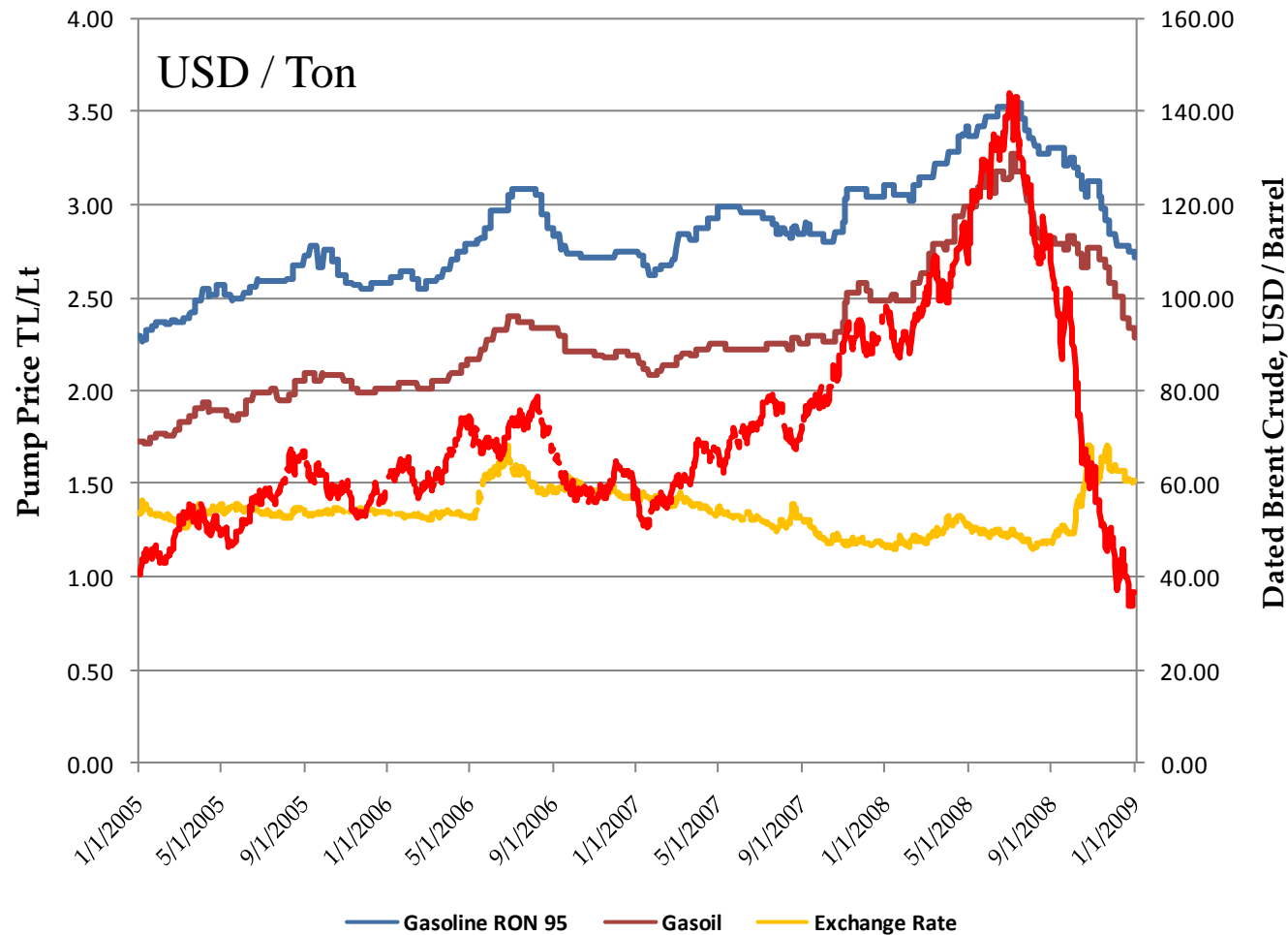


OIL PRICES

In 2008 oil prices have shown unprecedented volatility, starting from 96\$, upto 140 \$ and falling down to 37 \$

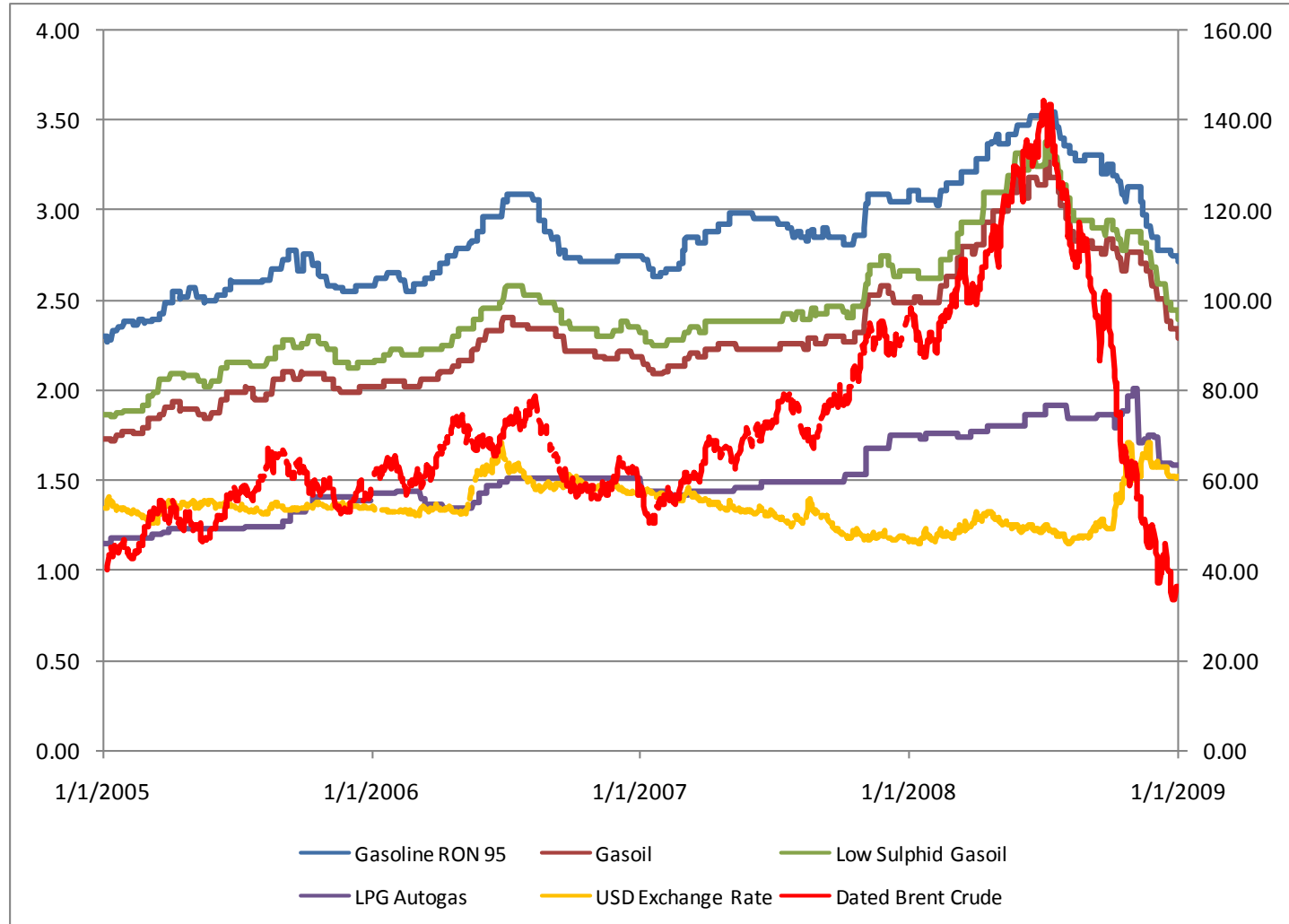


Similar to Brent volatility product prices has shown significant fluctuations. Graph shows Platts CIF Med for gasoline and diesel product prices(CIF MED)



PUMP PRICES AND ROLE OF TAXATION

Pump prices of fuel products have shown a similar trend as of oil prices .

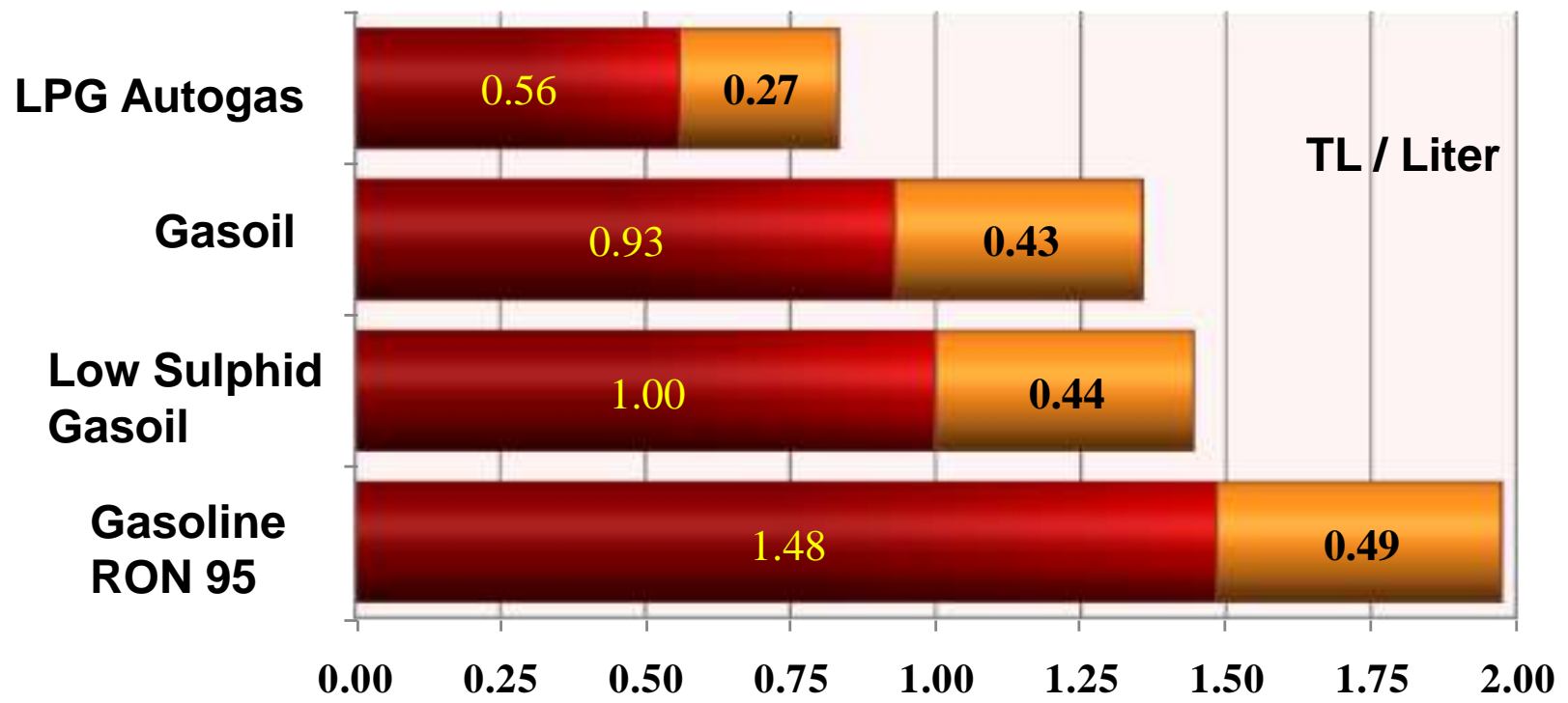


In 2008 public perception on “why fallen oil prices in international oil markets have not been reflected on pump prices at the same time and at the same rate in Turkey “ have been an important issue . The reasons are;

- **Effect of Taxation:** *Approximately 50-65% of pump price is constituted by the VAT and Special Consumption Tax. (S.C.T, being a constant value whereas VAT is calculated as 18 % of product pump price). Therefore, changes in products can not be reflected at the same rate due to high taxation at the pump.*
- **Differentiation due to product and raw material:** *The public perception is perceived as “crude” oil prices established at international markets, whereas it's a final product that is priced at the pump. Product prices versus prices of crude oil may have influenced by many different parameters, especially by different market conditions..*
- **Effect of Exchange rate:** *In world markets crude oil prices established on US \$ basis, whereas at the pump the prices are established in Turkish Lira, therefore effect of exchange rate must be considered.*
- **Other Costs Involved :** *Final product prices at the pump might have influences from many different cost effects, such as operational issues, logistics, stocks etc. These costs might have seasonality as well as dependence to some legislative requirements that may cause certain effects on the pump price.*

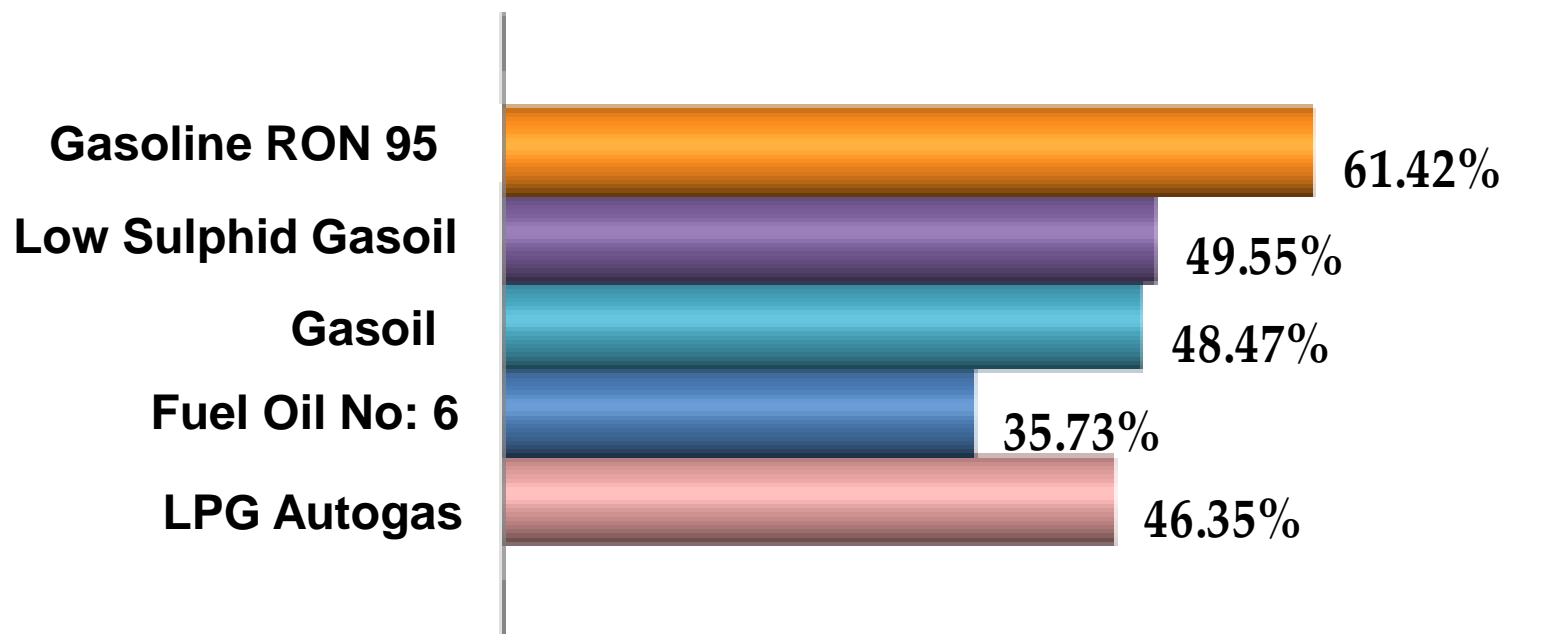


INFLUENCE OF TAXATION ON PUMP PRICE



An important part of product prices at the pump is due to heavy taxation....

Average taxation (VAT+S.C.T) on pump prices (year average for 2008)



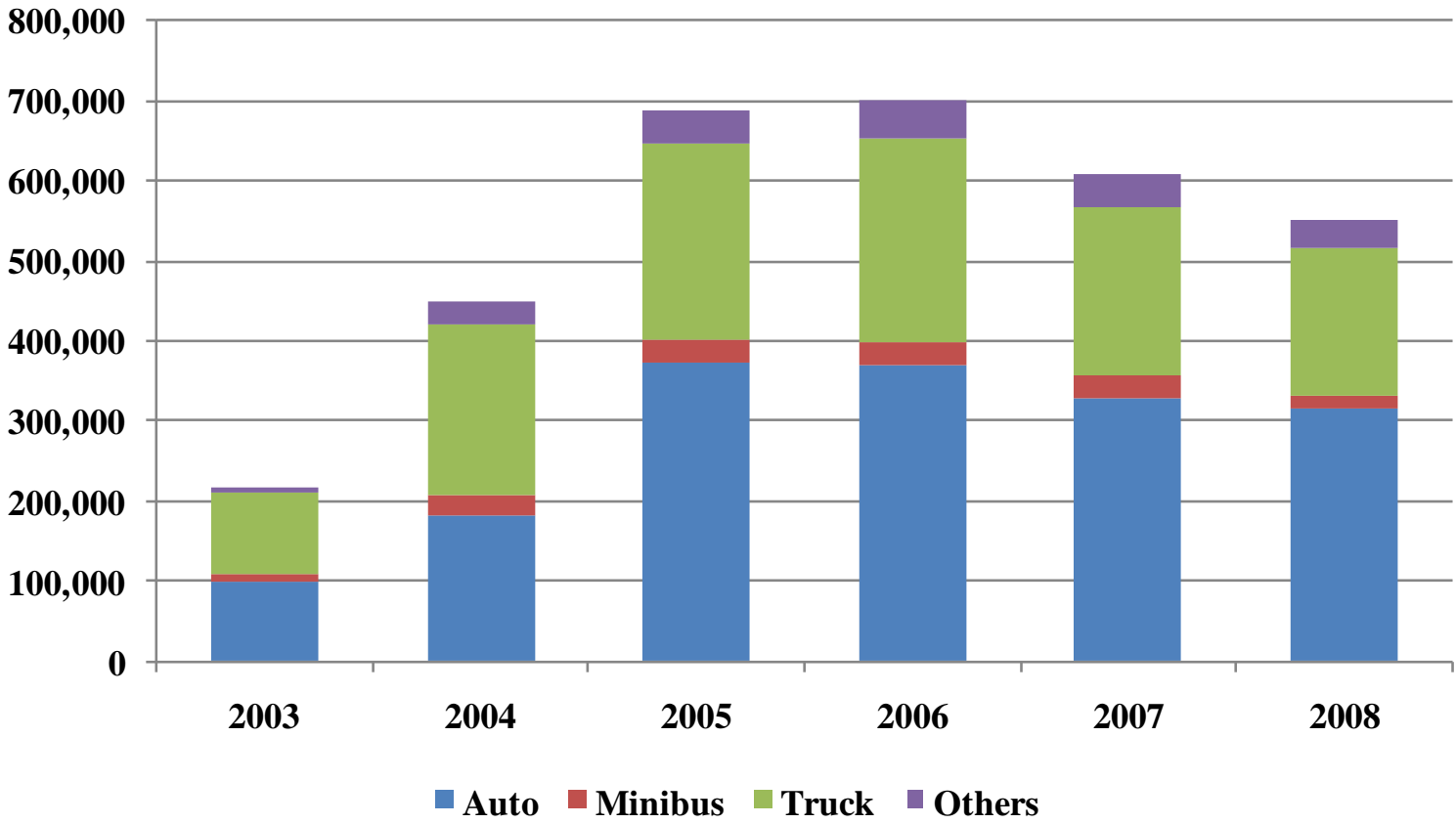
- Serious concerns have been raised as to the liberal structure of the oil industry due to governmental interference through Pricing regulation.
- Oil Sector report issued by the Competition Board has identified many important issues for our industry.
- Serious problems have been emanated by the national market implementation. Many legal difficulties have arisen and many companies have been penalized through technical mistakes caused by the national market.
- Serious financial penalties have unfair reasons and caused misperceptions in the public. .
- The structure of Oil industry has turned into a overregulated shape, and became difficult to operate.
- Difficulties and time losses in import process cause serious financial losses for the industry



CHANGES IN VEHICLE PARK OF TURKEY

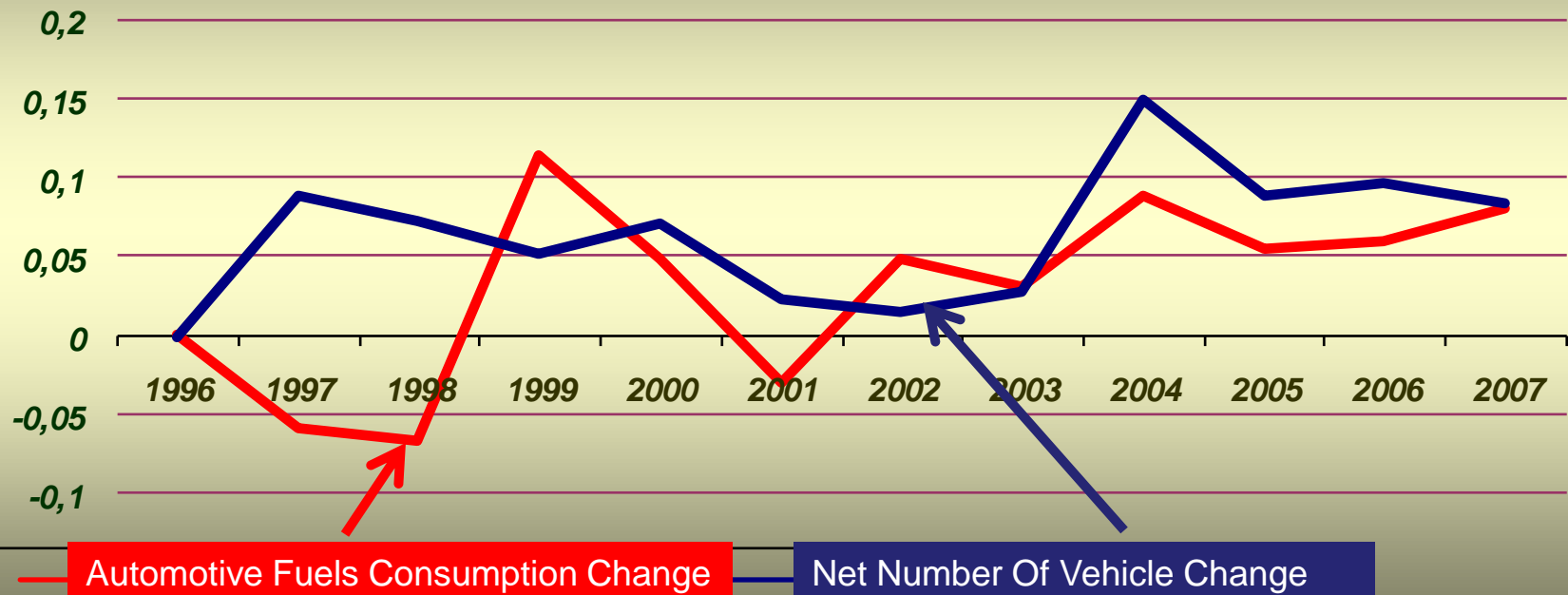
Net addition to vehicle park of Turkey is about 550- 600.000 per year.

Net Vehicles / Year

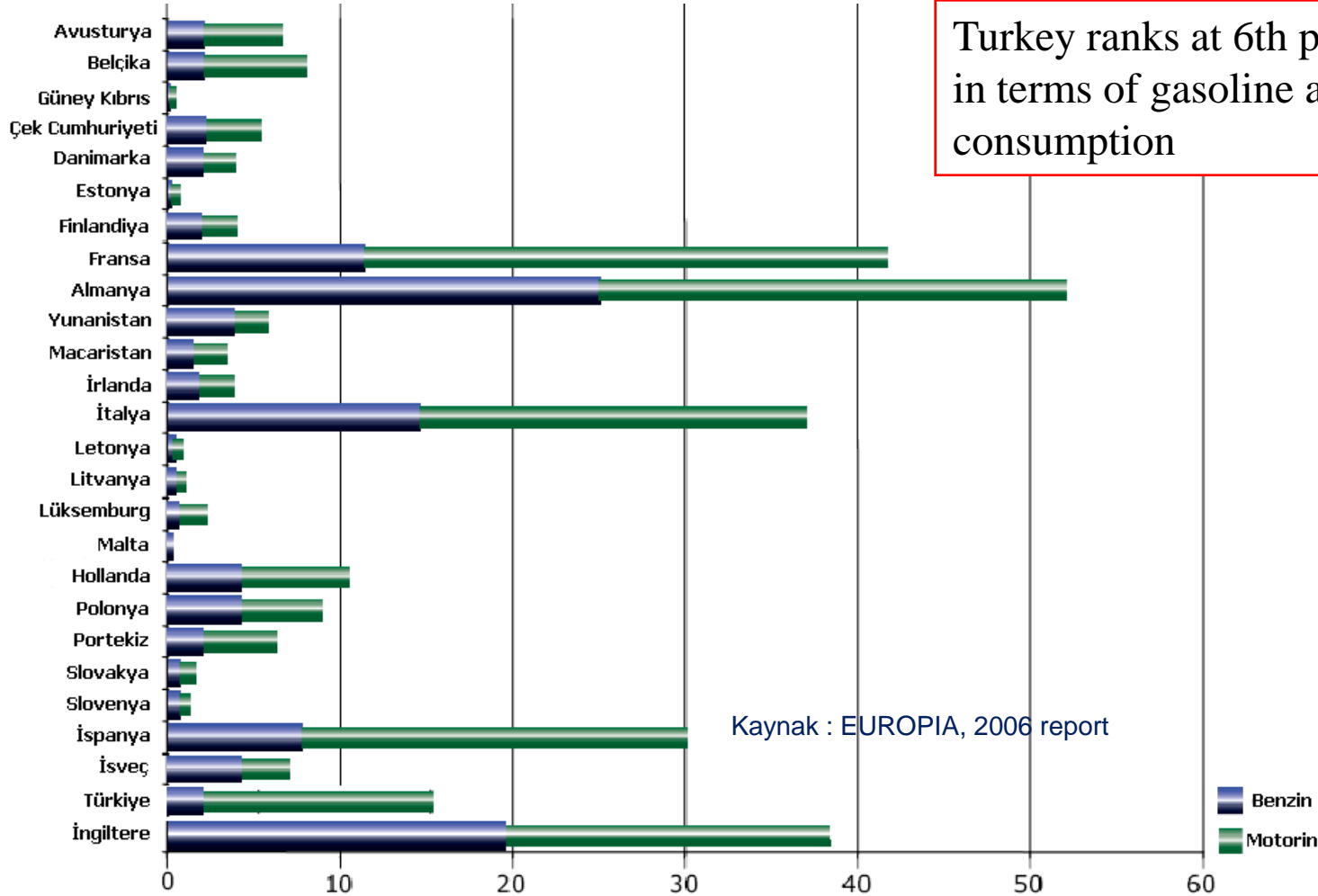


RELATION BETWEEN VEHICLE PARK AND FUELS CONSUMPTION

Yearly Change Ratio in Automotive Fuels Consumptions and Net Vehicle Fleet Increase

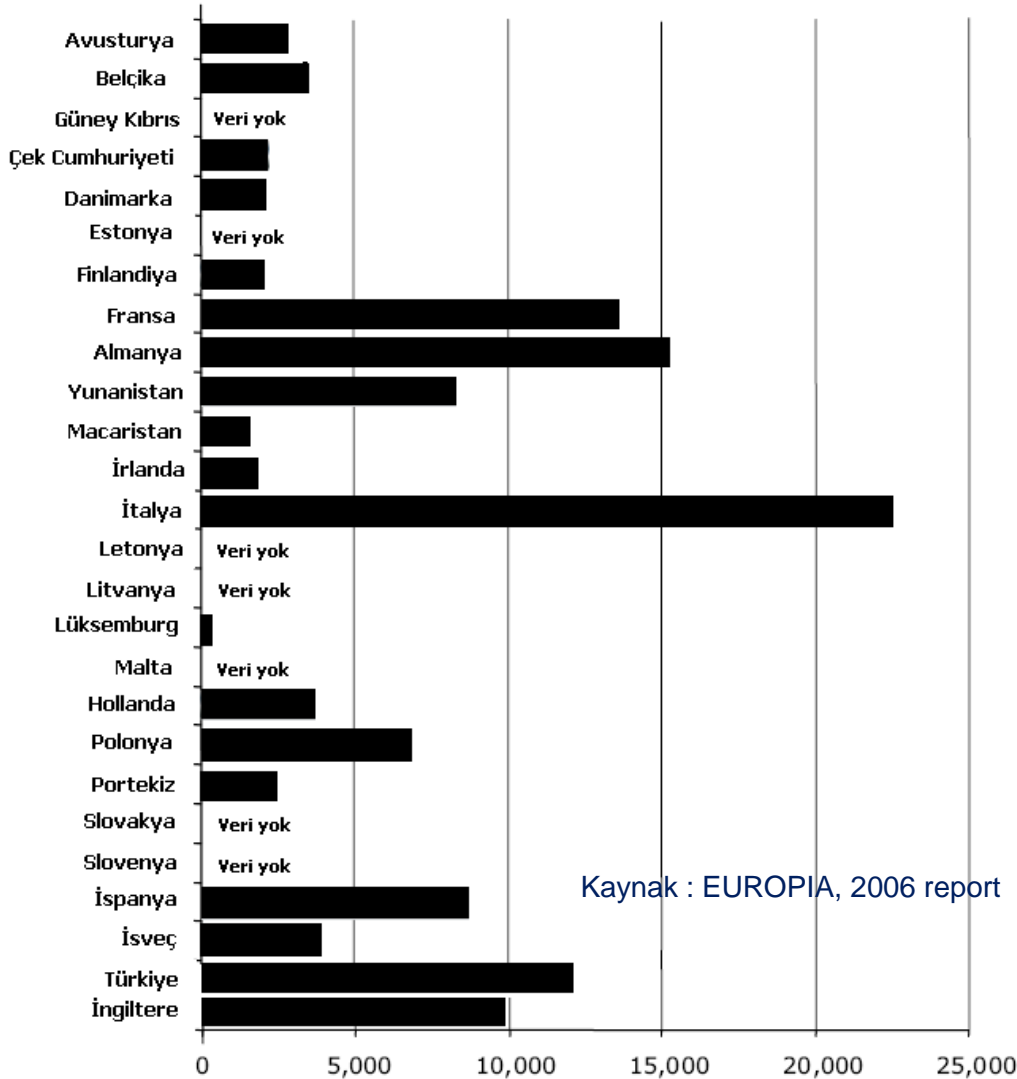


Benzin ve Motorin Tüketimleri (Milyon Ton)



NUMBER OF PETROL STATIONS IN TURKEY vs EU

İstasyon Sayıları (Adet)



Turkey ranks fourth among EU countries in terms of number of petrol stations.

Kaynak : EUROPIA, 2006 report

