

2015

PETDİR

PETROLEUM INDUSTRY ASSOCIATION





# PETDER

PETROLEUM INDUSTRY ASSOCIATION

## 2015 SECTOR REPORT

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## MESSAGE FROM THE CHAIRMAN

Turkish fuel industry became a competitive market with free market structure after enactment of Petroleum Market Law no.5015. With the impetus provided by the Petroleum Market Law, the fuel sector became one of the largest sectors in terms of its contribution to the economy and its volume, providing the fuel required in all sectors including transport, construction, infrastructure and industry.

I have been elected as the chairman of PETDER in 2015 and we have been through many challenges since. I would like to thank all board and committee members as well as the staff of our association for their support and contributions to enable this industry to get through the last year's challenging environment. 2015 was a special year for the fuel industry. The industry was due to go through extensive contract renewal period by September 2015 and on top of that the sector had to complete this period under many uncertainties that arose during the year. Most of these uncertainties were not driven by the market conditions but by the policies adopted by public institutions.

The second price ceiling decision in a year came into force on February 2015 while the sector was trying to explain the negative effects of the "price methodology decision" taken by EMRA on November 2014. Right after the end of the price ceiling period, a draft decision on fuel prices which aimed setting the split of the margin between the distribution companies and dealers, banning the fleet discounts and financial promotions was published. Additionally, Ministry of Customs introduced a new regulation which required us to install volume meters at the terminals.

We as PETDER had to work on all these interconnected issues at the same time and did not have chance to prioritize one to other. However, I think we reacted very well to these challenges by working intensively in every platform with the aim of explaining how much unreparable damage these interventions would cause to the sector and developing solutions.

Although the sector had to fight with all of the issues mentioned above, as of September 18, 2015 the contracts of the most of fuel stations with distributor companies have been successfully renewed. Here we appreciate and welcome the support and effort of directors and experts of EMRA Petroleum and LPG Departments and also EMRA's senior management.

We made it very clear that in 2014 the sector made losses, none of the distribution companies was in the first 100 companies in Corporate taxes list and that the year 2015 will not be different. However, the consumption in the sector increased for 14% in 2015 and continued to offer high quality services and products for 7/24 in every corner of the country by providing the maximum customer benefit.

Our Association, representing almost 85% of the sector with its 15 members, has been building steady and permanent communication networks both through its positive relations with the public and the comprehensive information and data shared with the public, and enhances these networks continuously. PETDER has been carrying out "Waste Motor Oil Collection Project" since 2004 striving to leave our children a green environment with "One Barrel One Tree Social Responsibility Project".

PETDER Sector Reports, published annually, provide information on PETDER activities as well as summarizing the main issues which the industry focuses on through the year and present statistical data in the industry. I express my thanks to PETDER staff who contributed to the preparation of 2015 report and I hope this report will be beneficial to the sector and the public in general.

Martin Thomsen  
PETDER Chairman





## MESSAGE FROM THE SECRETARY GENERAL

As of 2015, the fuel distribution sector operates with its 83 distributors, 103 storage facilities, approximately 13.000 dealers and more than 250,000 employees, providing 7/24 high quality service to millions of customers across the country.

- ▶ The total automotive fuel consumption increased by 13.7% compared to the same period of the previous year and reached 33 million m<sup>3</sup> in 2015.
- ▶ The total financial magnitude of the fuel sector in 2015 reached 114.3 billion TL with an increase rate of 0.5% compared to 2014.
- ▶ According to calculations based on consumption data, the indirect taxes collected from these sectors in 2015 reached 70.2 Billion TL.

Annual sector reports by PETDER provide an important source followed by the sector and the public, presenting developments in the industry and statistical data together.

The first part of the report provides information on the important developments in 2015 and the meetings and events PETDER attended or organized. The second part contains sectoral figures and charts.

As PETDER, we keep the sector and the public informed on the developments and issues through this Sector Report, our web site, smart phone application, Waste Motor Oil Collection Project Annual Activity Report, our monthly petroleum bulletins and press releases.

PETDER aims to help create a better future for our country and the sector together with all relevant parties, public and private sectors and non-governmental organizations.

I hope 2015 Sector Report will be beneficial to all stakeholders and public opinion.

Niyazi İter  
Secretary General

# 1 EXECUTIVE SUMMARY

## IMPORTANT DEVELOPMENTS IN THE INDUSTRY

### EMRA Board Decision on Price Ceiling

With the Energy Market Regulatory Authority Board Decision published in the Official Gazette no.29273 dated January 20, 2015 with immediate effect, a price ceiling has been implemented in gasoline and diesel product sales prices for a period of two months. PETDER's review on the issue was published in PETDER Monthly Petroleum Bulletin following the decision and is provided in this report.

The decision does not explain the reasons and is based on Article 10 of Petroleum Market Law. However, the Article states that EMRA shall be able to exercise its ceiling price determination authority in the event that an action causes or might cause prevention, disruption or restriction of competition in the petroleum market or has disruptive impacts on market organization and legal proceedings are commenced accordingly.

Considering the previous decisions which did not necessitate investigation, and the exemptions granted by the Competition Authority to PETDER and these companies, there are not any findings of previous or current prevention of competition in the market and any legal proceedings commenced. The ceiling price decision has not determined only the margins, but also the margin distribution percentage between distributors and dealers. In this respect, the decision was expected to have negative financial and legal consequences for existent contracts between distribution companies and dealers. This situation has aggravated the negative result for the distribution companies.

### EMRA and the Fuel Sector should collaborate.

PETDER member fuel distribution companies always aim for the highest level in terms of services and quality offered to the customer and more importantly, occupational health, safety and environment issues and adopt a more competitive and careful attitude when compared with many other countries.

We believe that the sustainable and efficient implementations in the sector can be developed only with the collaboration of EMRA and the sector.

### Competition Authority Draft Communiqué on Block Exemption in Vertical Agreements

Competition Authority published the draft "Block Exemption Communiqué (Communiqué No: 2015/X) in Vertical Agreements in the Fuel and Liquefied Petroleum Gases (LPG) (Except Bottled and Bulk LPG) Industry" on its website in February.

### Draft General Communiqué on Implementation of Special Consumption Tax List (I)

Revenue Administration published the "Draft General Communiqué on Implementation of Special Consumption Tax List (I)" on its website, which is considered as the first step towards organizing the problematic structure of SCT and which involves regulations regarding the fuel industry.

The draft, which involves regulations regarding the provisions on the products (fuel and non-fuel petroleum products) listed in List (I) annexed to Special Consumption Tax Law and the procedures and principles for implementation of such provisions of the Law, also sets forth the grounds for liability and how to decide which products are set forth in the list mentioned above.

The draft also includes detailed procedures for import and domestic delivery of marine and aviation fuels.

### Amendment to Dealer Audit System

Energy Market Regulatory Authority issued the "Board Decision Amending the Board Decision, dated 27/06/2007 and numbered 1240, on Procedures and Principles of the Dealer Audit System of Distributor License Holders in the Petroleum Market" on February 12, 2015.

### Amendment to Customs Regulation

With the "Regulation Amending the Customs

Regulation”, published in the Official Gazette dated December 2, 2014 and numbered 29193, the business manner in the industry has undergone a dramatic change. The Regulation abolished bonded warehouse practice for all products to be sold in Turkey, allowing only transit fuels to be stored in bonded warehouse tanks not in connection with national tanks. In addition, all purchased products will go through a counter and be deemed nationalized after that. The new regulation will result in additional costs in the fuel supply chain.

#### **Dangerous Goods Safety Advisor Obligation**

Pursuant to the Regulation on Carriage of Dangerous Goods by Road, any enterprise engaged in carriage of dangerous goods and handles, carries, ships, packages, loads and unloads a net amount of fifty tons or more within a calendar year are obliged to employ a Dangerous Goods Safety Advisor (DGSA) to assist in performing such operations in compliance with international agreements and applicable legislation.

#### **Date of Renewal for Dealer Agreements: September 18**

With its Decisions dated 5.3.2009 and numbered 09-09/186-56 and dated 5.3.2009 and numbered 09-09/187-57, considering the dealership agreement signed between dealers and distribution companies and the related beneficial interest agreement within the scope of Competition Law, the Competition Authority decided that they can benefit from the group exemption, defined under the Communiqué on Group Exemption in Vertical Agreements numbered 2002/2, until 18.09.2010 and that they shall not be able to benefit from such exemption after this date.

This process and the critical date were over without any serious problems thanks to the support and efforts, in particular, of directors and experts of EMRA Petroleum and LPG Departments. As PETDER and its members, we would like to express our thanks for their support.

#### **National Stock Obligation for LPG**

83% of LPG offered to the domestic market is imported. Import is carried on at several supply points and problems arise from time based on the price and amount of production in international markets and regional developments at traditional supply points. In order for end users not to experience any difficulties and for continuous

product supply in this period, it is considered that being able to substitute products with each other within the scope of LPG national stock obligation will be beneficial. In the long term, this practice will not only resolve the potential supply problems but also will be quite beneficial in terms of optimization, efficiency, productivity of stock management in the industry.

PETDER considers that the supply and stock shortage can be overcome by substituting products with each other within the scope of national stock obligation.

## **PROJECTS**

#### **Waste Motor Oil Management Project**

Pursuant to the abolished “Regulation on the Control of Waste Oils” issued by the Ministry of Environment and Forestry on January 21, 2004, lubricant producers and importers are held liable to collect used motor oils which have been offered to the market.

Pursuant to Regulation on the Control of Waste Oils amended on July 30, 2008, Petroleum Industry Association was licensed as an “Authorized Institution” by the Ministry of Environment and Forestry on September 4, 2008. With the regulation, it has been prohibited for real or legal entities other than authorized organizations or motor oil producers to collect waste oils.

The amount of waste oil collected by PETDER in the last 11 years has totaled 177,904 tons and the funds used in this period have reached 40.17 million TL. In 2015, 14,516 trips were made to waste motor oil generators by PETDER and 17,801 tons of waste motor oil was collected and delivered to facilities licensed by the Ministry of Environment and Urbanization.

PETDER also plants one tree for each barrel of waste motor oil collected from public institutions. Within the framework of this project financed by PETDER, 71,500 trees, 15,000 of which were planted in 2014, have been planted in three years in return for the waste oil collected. The number of trees planted is going to increase over the years.

## INDUSTRY STATISTICS

### Developments in Crude Oil and Fuel Prices

The fluctuations in world oil prices continued in 2015 and as a result of these fluctuations, fuel pump prices received much media coverage. Brent oil started 2015 with \$50 per barrel in the international markets, and by the middle of 2015 reached \$67 per barrel, its highest level in 2015 and had a downward trend until the end of the year.

By the end of December 2015, the price of Brent Oil was around \$30. The changes in crude oil prices directly affected the price of fuel products in the Mediterranean markets, and the highest price for gasoline was 716 \$/ton and the lowest was 439 \$/ton, while the highest price for diesel was 620 \$/ton and the lowest 336 \$/ton.

### Oil and LPG Industry Statistics

As of the end of 2015, there were 4 refineries (6 licensed refineries), 91 distributor companies, 12,704 fuel stations operating in the petroleum market with EMRA licenses. In the Liquefied Petroleum Gas (LPG) market, 87 distributor companies, 10,556 autogas stations were operating with EMRA licenses. Data indicates that number of autogas stations keeps increasing. The number of fuel and LPG distribution companies peaked in 2015.

The total financial magnitude of the fuel sector in 2015 reached 114.3 billion TL with an increase rate of 0.5% compared to 2014.

Total fuel consumption totaled approximately 23.3 million tons in 2015 with an increase of 14.0%.

### Indirect Taxes

The total amount of the indirect taxes collected from fuel and LPG sectors has continuously increased every year with the increase in consumption. According to calculations based on consumption data, the indirect taxes collected from these sectors in 2015 reached 70.2 billion TL. It is calculated that the indirect taxes collected from the Oil Sector since 2010 have totaled 332.1 billion TL.

Indirect taxes collected from diesel fuel constitute the largest share among the indirect taxes collected from fuel companies. This is a result of the increase in diesel consumption as well as the

shift from gasoline to LPG due to lower tax rates.

### Number of Motor Vehicles

Based on data from Turkish Statistical Institute, the total number of vehicles registered as of the end of 2015 was 19,994,472 and the shares were divided as follows; 53.0% automobiles, 16.3% vans, 14.7% motorcycles, 8.5% tractors, 4.0% trucks, 2.2% minibuses, 1.1% buses, and 0.2% special purpose vehicles.

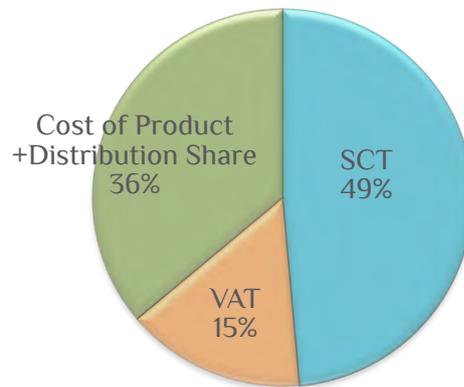
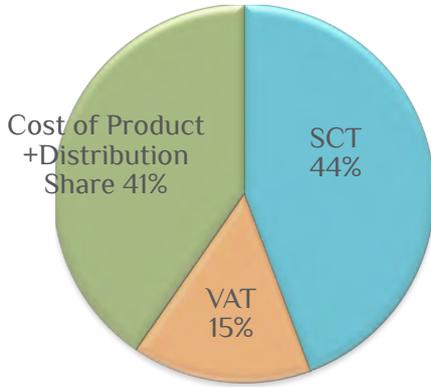
There was a significant increase in the number of diesel and autogas LPG powered vehicles. On the other hand, there was a slight decrease in the number of gasoline powered vehicles in 2015. Number of gasoline powered vehicles has had a downward trend in the recent years.

Figure 1: Tax Rates Based on Product Types and Years

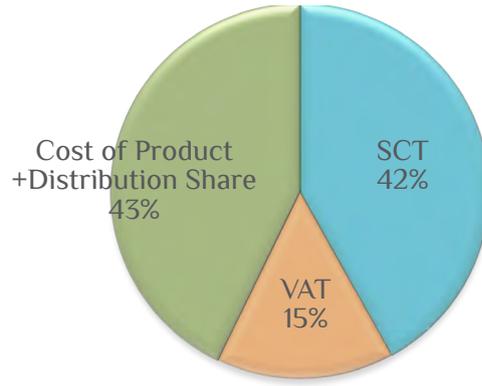
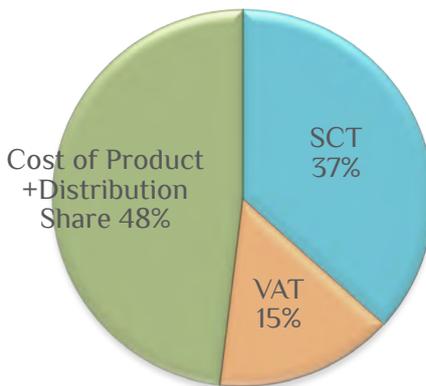
2014

2015

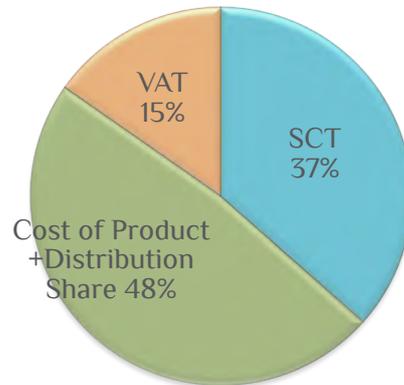
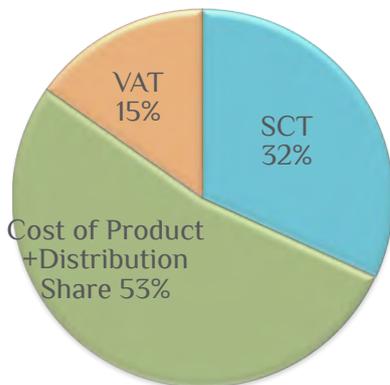
UNLEADED GASOLINE 95



DIESEL



LPG AUTOGAS



**Table 1: Petroleum Products Consumption**

<b>A) Petroleum Products (m<sup>3</sup>)</b>	<b>2014</b>	<b>2015</b>	<b>Var%</b>
95 Octane (with additives)*	2.440.076	2.614.258	7,1%
Unleaded 97 and Higher Octane*	132.564	193.302	45,8%
<b>Total Gasoline (m<sup>3</sup>)</b>	<b>2.572.640</b>	<b>2.807.561</b>	<b>9,1%</b>
Diesel*	15.411.746	17.281.102	12,1%
Diesel (Other)*	5.953.700	7.417.325	24,6%
<b>Total Diesel (m<sup>3</sup>)</b>	<b>21.365.445</b>	<b>24.698.426</b>	<b>15,6%</b>
Autogas* (m <sup>3</sup> )	5.068.600	5.480.800	8,1%
<b>Total Automotive Fuels* (m<sup>3</sup>)</b>	<b>29.006.685</b>	<b>32.986.787</b>	<b>13,7%</b>
<b>B) LPG Products** (tons)</b>			
Bulk*	145.895	176.281	20,8%
Bottled*	800.949	815.547	1,8%
Autogas*	2.838.408	3.069.237	8,1%
<b>Total LPG (tons)</b>	<b>3.785.252</b>	<b>4.061.065</b>	<b>7,3%</b>
<b>C) Lubricants (tons)</b>			
Vehicle Oils	201.192	210.807	4,8%
Industrial Oils	169.072	175.730	3,9%
Marine Oils and Greases	46.457	45.303	-2,5%
<b>Total Lubricants (tons)</b>	<b>416.721</b>	<b>431.840</b>	<b>3,6%</b>
<b>D) Vehicle Identification System Sales (m<sup>3</sup>)</b>	<b>2014</b>	<b>2015</b>	<b>Var%</b>
Gasoline	153.088	119.419	-22,0%
Diesel	2.692.076	2.445.968	-9,1%
<b>Total Vehicle Identification System Sales (m<sup>3</sup>)</b>	<b>2.845.164</b>	<b>2.565.387</b>	<b>-9,8%</b>

\*Calculated based on EMRA Oil and LPG Sector Report figures and PETDER data. Fuel data are consolidated from 13, lubricants data are collected from 6 distributor companies on a voluntary basis. Reflects the country total.

\*\* Excluding standard LPG

**Table 2: Automotive Fuels Tax/Price**

<b>A) Turkey Pump Prices (TL/lt)*</b>	<b>2014</b>	<b>2015</b>	<b>Fark</b>
Taxed Gasoline (95 Octane)	4,91	4,48	-8,8%
Taxed Diesel (Standard 10ppm)	4,35	3,80	-12,5%
Taxed Autogas (LPG)	2,78	2,42	-13,0%
Gasoline without tax (95 Octane)	1,98	1,62	-18,2%
Diesel without tax (Standard 10ppm)	2,09	1,63	-22,0%
Autogas without tax (LPG)	1,47	1,17	-20,6%
<b>B) Price of Petroleum and Products in International Markets**</b>			
Brent (USD/Barrel)	99,3	53,7	-45,9%
Brent (TL/ Barrel)	217,5	146,4	-32,7%
Gasoline, CIF Med (TL/1000lt)	2.027,6	1.554,2	-23,3%
Diesel, CIF Med (TL/1000lt)	1.902,5	1.388,5	-27,0%
LPG, CIF Med (TL/1000lt)	1.694,6	1.078,7	-36,3%
<b>C) Total Indirect Taxes (Billion TL)***</b>			
Fuel SCT	39,91	45,72	14,6%
Fuel VAT	16,40	16,46	0,4%
LPG SCT	5,62	6,04	7,4%
LPG VAT	2,08	1,99	-4,0%
<b>Total Indirect Taxes</b>	<b>64,0</b>	<b>70,2</b>	<b>9,7%</b>

\* Calculations based on data from 8 fuel companies (Istanbul European Side) published on EMRA website.

\*\* Source: Argus Monthly Report

\*\*\* Calculations based on total consumption data from EMRA. (For fuels, white and black products are included, lubricant is excluded)



# GLOBAL DEVELOPMENTS IN THE INDUSTRY

**World Energy Outlook Report, published annually by the International Energy Agency founded in 1974 with its headquarters in France, provides detailed data and projections on oil, natural gas, coal and renewable energy sources as well as global energy trends. Following is a brief summary of the information on oil industry provided in 2015 report.**

**Signs of change in global energy have multiplied in the 12 months since the last World Energy Outlook (WEO).**

Oil prices fell sharply, with the prices of other fuels moving in tandem in many parts of the world. Countries including India and Indonesia took advantage of the oil price decline to move ahead with their phase-out of fossil-fuel subsidies. Amid turmoil in parts of the Middle East, a clear pathway opened up that could lead to the return of Iran, one of the world's largest hydrocarbon resource-holders, to oil markets. China's role in driving global trends is changing as it enters a much less energy-intensive phase in its development.

Renewables contributed almost half of the world's new power generation capacity in 2014. The coverage of mandatory energy efficiency regulation worldwide expanded to more than a quarter of global consumption.

**Pledges made in advance of COP21 promise to give new impetus to the move towards a lower-carbon and more efficient energy system, but do not alter the picture of rising global needs for energy.**

Energy use worldwide is set to grow by one-third to 2040 in our central scenario, driven primarily by India, China, Africa, the Middle East and Southeast Asia. Non-OECD countries account together for all the increase in global energy use, as demographic and structural economic trends, allied with greater efficiency, reduce collective consumption in OECD countries from the peak reached in 2007. Declines are led by the European Union (-15% over the period to 2040), Japan (-12%) and the United States (-3%). COP21 pledges provide a boost to lower-carbon fuels and technologies in

many countries, bringing the share of non-fossil fuels up from 19% of the global mix today to 25% in 2040. Among the fossil fuels, natural gas – the least-carbon intensive – is the only one that sees its share rise.

**China re-tunes the engine of global energy demand**  
China's transition to a less energy-intensive model for growth has major implications for global trends.

**India seizes the centre of the world energy stage**  
India contributes the single largest share of growth, around one-quarter, in global energy demand.

India today is home to one-sixth of the world's population and its third-largest economy, but accounts for only 6% of global energy use and one in five of the population – 240 million people – still lacks access to electricity.

**Evrensel enerji erişimi 2030 hedefine ulaşılması için daha yüksek tempo zorunludur.**

Hindistan, halkına enerji erişiminin sağlanması konusunda hızla kazanımlar elde etmektedir, ancak küresel düzeyde herkes için uygun fiyatlı, güvenilir, sürdürülebilir ve modern enerji sağlanmasına yönelik yetersiz kalmaktadır.

**Oil prices head higher as markets work off the excess supply, but risks remain**

**In our central scenario, the market rebalances at \$80/bbl in 2020, with further increases in price thereafter.**

Demand picks up to 2020, adding an average of 900 kb/d per year, but the subsequent rise to 103.5 mb/d in 2040 is moderated by higher prices, efforts to phase out subsidies (provided that momentum behind reform is maintained, even as oil prices pick up), efficiency policies and switching to alternative fuels. Collectively, the United States, EU and Japan see their oil demand drop by around 10 mb/d by 2040. On the supply side, the decline in current upstream spending, estimated at more than 20% in 2015, results in the combined production of non-OPEC producers peaking before 2020 at just above

55 mb/d. Output growth among OPEC countries is led by Iraq and Iran, but both countries face major challenges. An annual \$630 billion in worldwide upstream oil and gas investment – the total amount the industry spent on average each year for the past five years – is required just to compensate for declining production at existing fields and to keep future output flat at today's levels.

The current overhang in supply should give no

cause for complacency about oil market security.

The short investment cycle of tight oil and its ability to respond quickly to price signals is changing the way that the oil market operates, but the intensity with which the tight oil resource is developed in the United States eventually pushes up costs. US tight oil output reaches a plateau in the early-2020s, just above 5 mb/d, before starting a gradual decline.



### A more prolonged period of lower oil prices cannot be ruled out.

We examine in a Low Oil Price Scenario what it would take for this to happen – and what it would mean for the entire energy sector if it did. The oil price in this scenario remains close to \$50/bbl until the end of this decade, before rising gradually back to \$85/bbl in 2040. This trajectory is based on assumptions of lower near-term growth in the global economy; a more stable Middle East and a lasting switch in OPEC production strategy in favour of securing a higher share of the oil market (as well as a price that defends the position of oil in the global energy mix); and more resilient non-OPEC supply, notably from US tight oil. With higher demand, led by the transport sector, pushing oil use up to 107 mb/d in 2040.

The likelihood of the oil market evolving in this way over the long term is undercut by the effect on producer revenues: OPEC oil export revenue falls by a quarter relative to our central scenario, despite the higher output. Lower prices are not all good news for consumers. The economic benefits are counterbalanced by increasing reliance on the Middle East for imported crude oil and the risk of a sharp rebound in price if investment dries up. Concerns about gas supply security would also be heightened if prices stay too low to generate the necessary investment in supply.

Lower oil prices alone do not have a large impact on the deployment of renewable energy technologies in the power sector, but only if policymakers remain steadfast in providing the necessary market rules, policies and subsidies. The outlook for biofuels is hit by cheaper conventional transport fuels, as is the uptake of vehicles powered by electricity and natural gas and the incentive to invest in more efficient technologies. In a Low Oil Price Scenario, longer payback periods mean that the world misses out on almost 15% of the energy savings seen in our central scenario, foregoing around \$800 billion-worth of efficiency improvements in cars, trucks, aircraft and other end-use equipment, holding back the much-needed energy transition.

### No plain sailing for natural gas

Where it replaces more carbon-intensive fuels or backs up the integration of renewables, natural gas is a good fit for a gradually decarbonising energy system: a consumption increase of almost 50% makes it the fastest-growing of the fossil fuels.

### And turbulent times ahead for coal.

Coal has increased its share of the global energy mix from 23% in 2000 to 29% today, but the momentum behind coal's surge is ebbing away – and the fuel faces a reversal of fortune.

### The power sector is leading the charge to decarbonise

Electricity gains ground in many end-use sectors, making up almost a quarter of final energy consumption by 2040; the power sector leads the way towards a decarbonised energy system.

### And efficiency measures are gathering strength

Energy efficiency plays a critical role in limiting world energy demand growth to one-third by 2040, while the global economy grows by 150%.

### The balance is shifting towards low-carbon technologies

Policy preferences for lower carbon energy options are reinforced by trends in costs, as oil and gas gradually become more expensive to extract while the costs of renewables and of more efficient end-use technologies continue to fall.

### The direction of travel is changing, but the destination is still not 2

Daha düşük karbon enerjisi seçeneklerine yönelik politika tercihleri, maliyetlerdeki eğilimlerle desteklenmektedir, petrol ve gazın çıkartılması gittikçe daha pahalı hale gelmekte, yenilenebilir kaynakların ve daha verimli son kullanım teknolojilerinin maliyetleri düşmeye devam etmektedir.

### Seyahatin yönü değişmektedir, ancak hedef hala 2 derecenin altıdır.

Despite the shift in policy intentions catalysed by COP21, more is needed to avoid the worst effects of climate change. There are unmistakable signs that the much-needed global energy transition is underway, but not yet at a pace that leads to a lasting reversal of the trend of rising CO<sub>2</sub> emissions. Annual investment in low-carbon technologies in our central scenario increases, but the cumulative \$7.4 trillion invested in renewable energy to 2040 represents only around 15% of total investment in global energy supply. The steady decarbonisation of electricity supply is not matched by a similarly rapid shift in end-use sectors, where it is much more difficult and expensive to displace coal and gas as fuels for industry, or oil as a transport fuel.



A clear and credible vision of long-term decarbonisation is vital to provide the right signals for investment and to allow a low-carbon, high-efficiency energy sector to be at the core of international efforts to combat climate change.

The net result is that energy policies, as formulated today, lead to a slower increase in energy-related CO<sub>2</sub> emissions, but not the full de-coupling from economic growth and the absolute decline in emissions necessary to meet the 2 °C target. A WEO special report released in June 2015, Energy and Climate Change, showed what more can be done, at no net economic cost, to bring about a peak in energy-related emissions by 2020 – an essential step if the door to a 2 °C outcome is to remain open:

- ▶ Increasing energy efficiency in the industry, buildings and transport sectors.
- ▶ Progressively reducing the use of the least-efficient coal-fired power plants and banning their construction.
- ▶ Increasing investment in renewable energy technologies in the power sector from \$270 billion in 2014 to \$400 billion in 2030.
- ▶ Phasing out of remaining fossil-fuel subsidies to end-users by 2030.
- ▶ Reducing methane emissions in oil and gas production.

The conclusion, reinforced by projections from our WEO-2015 central scenario, is that the framework for climate action agreed at COP21 needs to provide a procedure which will secure progressively stronger climate commitments over time if the world is to keep to an emissions trajectory consistent with the 2 °C goal.

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# 3

# IMPORTANT DEVELOPMENTS IN THE INDUSTRY

## MANGANESE CONTENT IN GASOLINE AND DIESEL TYPES

Energy Market Regulatory Authority Board Decision, published in the Official Gazette no.29251 dated January 29, 2015, states that the parameter for “manganese content” shall not be sought in diesel and gasoline types until 31/12/2015. It is also stated in the decision that in “manganese content” analyses to be conducted by the laboratories which will draft Examination, Analysis or Verification Reports, accreditation shall not be a requirement until 31/12/2016.

## EMRA BOARD DECISION ON PRICE CEILING

With the Energy Market Regulatory Authority Board Decision published in the Official Gazette no.29273 dated January 20, 2015 with immediate effect, a price ceiling has been implemented in gasoline and diesel product sales prices for a period of two months. PETDER’s review on the issue was published in PETDER Monthly Petroleum Bulletin following the decision and is provided below.

“The fuel sector has a volume of 120 billion TL with approximately 70 billion TL of SCT and VAT. The ceiling price intervention on a sector of such big size will negatively affect not only the sector but also the customers and national economy.

**The decision is the third direct intervention in the free market and is against Petroleum Market Law no.5015.**

The decision does not explain the reasons and is based on Article 10 of Petroleum Market Law. However, the Article states that EMRA shall be able to exercise its ceiling price determination authority in the event that an action causes or might cause prevention, disruption or restriction of competition in the petroleum market or has disruptive impacts on market organization and legal proceedings are commenced accordingly.

Considering the previous decisions which did not necessitate investigation, and the exemptions

granted by the Competition Authority to PETDER and these companies, there are not any findings of previous or current prevention of competition in the market and any legal proceedings commenced. The ceiling price decision has not determined only the margins, but also the margin distribution percentage between distributors and dealers. In this respect, the decision was expected to have negative financial and legal consequences for existent contracts between distribution companies and dealers. This situation has aggravated the negative result for the distribution companies.

**The decision discredited the free market approach not only in the fuel sector but also in all national and international energy markets.**

After the Petroleum Market Law entered into force, large scale investments were made resulting in substantial employment rates in the petroleum market towards formation of a free market system. Consequently, Turkey made greater progress compared to several developed countries in terms of competition, quality and service variety. It was anticipated that EMRA’s third direct intervention to the market, which is in contradiction with the law, would have adverse effects on the national economy and the sector, mainly in terms of investments, employment and service quality.

It was projected that the decision would have detrimental effects on the already intense competition in the market, mainly at the expense of small scale enterprises operating in a lawful manner. These enterprises were able to compete by saving such costs instead of compromising on service variety and high level quality. However, narrowing the margins with the price ceiling will disrupt their ability to compete and such enterprises will have to shut down in time.

**An Appeal was made to the Council of State for Reversal of the Decision on Monitoring Fuel Prices**

If the Price Ceiling Decision is based on the “Board Decision (No. 5291-1 and dated 03/11/2014) on Monitoring Fuel Prices”, which was mentioned

in the press, PETDER has made an appeal to the Council of State for reversal of the Board Decision on Monitoring Fuel Prices, as it is against both the Law and free market conditions. Although the decision is claimed to be for monitoring prices, it results in dictating a price formation on the fuel sector.

**The comparisons between prices and price trends in different countries should be made carefully.**

It is expected that the margins of the fuel sector Turkey are in accordance with the average margin of the four reference European countries (England, Italy, France, and Germany). There are many differences between the mentioned four countries and Turkey. The main differences are in the structure of petroleum markets, marketing methods, supply and distribution infrastructures, legal compliance costs, tax payment schedules, and collection methods of compared prices. In addition, many additional costs specific to Turkey and many of which are legal requirements such as anti-smuggling measures, national marker and automation system should also be considered. Indexing the margins of a sector of such volume which is important for the country with the average margins of other countries is far away from the economic realities of our country.

**Average real margins in the sector have decreased significantly since 2008.**

It is observed that instead of increasing, the average margins in fuel prices have decreased in the last seven years, compared to the prices in 2008 (adjusted for inflation). In addition, several additional cost elements have been introduced due to legal requirements since 2008. Margins which were 39 kurus in 2008 have been reduced to 22 kurus in real terms today.

**Public opinion was misled with incorrect information and analyses of fuel prices.**

There were misleading claims in the press stating that the decrease in crude oil prices was not reflected in fuel prices and the fuel prices net of tax were decreasing less compared to the prices in some European countries.

The change in diesel and gasoline product prices is driven by international markets. These products are produced from crude oil and after being refined, the end products are gasoline and diesel. Fuel products have their own markets and the

prices are formed in those markets. In Turkey, these products are purchased in Dollars and sold in Turkish Liras, resulting in an exchange rate effect. When the product prices net of tax are analyzed taking into consideration the exchange rate effect in Turkey, it is observed that the change in prices is at the same level as the international markets.

According to the “Petroleum Market Pricing Report – January 2015” published by EMRA, for gasoline, the biggest part of the final price which was 4.13 TL/liter is taxes (%68), and the rest was product cost (%21) and gross profit margin operating in the market (%11). It is believed that it is not possible for distributors and dealers to provide a meaningful and permanent decrease in prices with such a low margin.

**EMRA and the Fuel Sector should collaborate**

PETDER member fuel distribution companies always aim for the highest level in terms of services and quality offered to the customer and more importantly, occupational health, safety and environment issues and adopt a more competitive and careful attitude when compared with many other countries.

We believe that the sustainable and efficient implementations in the sector can be developed only with the collaboration of EMRA and the sector.”

**DRAFT COMMUNIQUÉ ON BLOCK EXEMPTION IN VERTICAL AGREEMENTS**

Competition Authority published the draft “Block Exemption Communiqué (Communiqué No: 2015/X) in Vertical Agreements in the Fuel and Liquefied Petroleum Gases (LPG) (Except Bottled and Bulk LPG) Industry” on its website in February.

**DRAFT GENERAL COMMUNIQUÉ ON IMPLEMENTATION OF SCT LIST (I)**

Revenue Administration published the “Draft General Communiqué on Implementation of Special Consumption Tax List (I)” on its website, which is considered as the first step towards organizing the problematic structure of SCT and which involves regulations regarding the fuel industry.

The draft, which involves regulations regarding the provisions on the products (fuel and non-fuel

petroleum products) listed in List (I) annexed to Special Consumption Tax Law and the procedures and principles for implementation of such provisions of the Law, also sets forth the grounds for liability and how to decide which products are set forth in the list mentioned above.

The draft, which involves procedures for exemptions and tax reduction, also clarifies the exception conditions for diplomatic, military purposes and oil exploration and production, those who are eligible and the procedures to be followed. The draft also includes detailed procedures for import and domestic delivery of marine and aviation fuels. According to this, pursuant to the relevant article of the Law, a certain amount of guarantee will be demanded for each aviation fuel for domestic delivery and import of fuels accepted as aviation fuels. However, those who meet the requirements set forth in the draft and who hold “Certificate for Unsecured Purchase of Aviation Fuels” will be able to receive and import aviation fuels without guarantee. According to the draft, which also includes regulations regarding number 10 oil, it will not be possible to claim refund of the SCT paid for products used as raw material in manufacture of lubricants and other products which may be blended with fuel even though not manufactured as lubricants or which may be directly used as fuel. According to the draft, refund process will also be simplified. Cash refund claims will be made online with the refund claim form to be submitted to the tax office of the claimant through the internet tax office.

Provisions on implementation of list (I) of SCT General Communiqué in force prior to the Communiqué will be repealed at the beginning of the following month after legislation of the Communiqué. However, the regulations regarding the products known as aviation fuels will remain in force until the new regulations enter into force.

## AMENDMENT TO CUSTOMS REGULATION

With the “Regulation Amending the Customs Regulation”, published in the Official Gazette dated December 2, 2014 and numbered 29193, the business manner in the industry has undergone a dramatic change. The Regulation abolished bonded warehouse practice for all products to be sold in Turkey, allowing only transit fuels to be stored

in bonded warehouse tanks not in connection with national tanks. In addition, all purchased products will go through a counter and be deemed nationalized after that.

The new regulation will result in additional costs in the fuel supply chain. These additional costs can be categorized under three headings as investment, operation and financing costs:

► It is estimated that the industry will invest approximately 100 million USD as the initial investment cost. The system will also have operating costs.

► With the regulation, the companies will not be able to keep the obligatory national stock tax-free and it is estimated that the industry will have to increase the operational capital by 3.2 billion TL (excluding LPG Autogas) and this will create an additional financing cost of approximately 320 million TL.

► In the event that the collection cycle of SCT, which normally accrues during sales, is changed and is collected in a shorter period than the current collection period pursuant to the new regulation, it will bring an additional financial burden of over 3.2 billion TL.

The purpose of the implementation is to prevent illegal/illicit fuel activities. As is known, PETDER has always supported the fight against illegal and illicit fuel activities and has had a leading role in this fight. However, it is obvious that the counter and SCT implementations will result in additional costs for the end user as stated above.

PETDER believes that a new regulation enabling the obligatory national stock, which is to be stored pursuant to the Petroleum Market Law no.5015, to be exempted from SCT and VAT and accrual of SCT during sales as before instead of collecting the SCT accrued at the counter after a certain period of time will not cause any problems.

## FUEL QUALITY MONITORING SYSTEM

EMRA has published 2015 AKIS (Fuel Quality Monitoring System) Report. According to the report, 376 diesel and 339 unleaded gasoline 95 octane samples were analyzed at accredited laboratories within the scope of AKIS. 98.67% of diesel samples and 100% of unleaded gasoline 95 octane samples conformed to technical regulations.

## A WORKING GROUP FOR LPG ODOR DETECTION

A working group, consisting of representatives of EMRA, METU PAL and the industry, was formed at the meeting held under the coordination of EMRA, for the purpose of LPG odorisation with scientific methods. The first meeting of the group was held at METU Petroleum Research Laboratory on March 19, 2015. Studies on the issue continue.

## AMENDMENT TO DEALER AUDIT SYSTEM

Energy Market Regulatory Authority issued the “Board Decision Amending the Board Decision, dated 27/06/2007 and numbered 1240, on Procedures and Principles of the Dealer Audit System of Distributor License Holders in the Petroleum Market” on February 12, 2015.

This decision, which would enter into force on June 1, 2015, is considered to be the first step of a simple, applicable and sustainable dealer audit system.

Though open to improvement, the decision received positive feedback from the industry.

## DANGEROUS GOODS SAFETY ADVISOR OBLIGATION

Pursuant to the Regulation on Carriage of Dangerous Goods by Road, any enterprise engaged in carriage of dangerous goods and handles, carries, ships, packages, loads and unloads a net amount of fifty tons or more within a calendar year are obliged to employ a Dangerous Goods Safety Advisor (DGSA) to assist in performing such operations in compliance with international agreements and applicable legislation.

Pursuant to the Communiqué on Dangerous Goods Safety Advisors issued by the Ministry, enterprises are obliged to employ or receive service from a DGSA as of 30.06.2015. Article 2 of the Communiqué grants temporary exemption to certain activity types until 01.01.2018.

The types of activities granted temporary exemption are as follows:

- ▶ LPG, CNG and LNG retail stations and enterprises selling LPG and CNG cylinders

- ▶ Port and harbor facilities and air cargo terminals (maritime, air transport)
- ▶ K1, K2, C1, C2, L1, L2, R1, R2 license holders in accordance with the Road Transport Regulation
- ▶ Public institutions and organizations.

The primary function of a DGSA is to determine the appropriate vehicles and activities under the responsibility of the employer and in accordance with the facilities of the enterprise, and to ensure management of these activities in the safest manner suitable.

## DATE OF RENEWAL FOR DEALER AGREEMENTS: SEPTEMBER 18

With its Decisions dated 5.3.2009 and numbered 09-09/186-56 and dated 5.3.2009 and numbered 09-09/187-57, considering the dealership agreement signed between dealers and distribution companies and the related beneficial interest agreement within the scope of Competition Law, the Competition Authority decided that they can benefit from the group exemption, defined under the Communiqué on Group Exemption in Vertical Agreements numbered 2002/2, until 18.09.2010 and that they shall not be able to benefit from such exemption after this date.

After this decision, September 18 became an important date in the industry. Approximately 70% of the total dealer agreements were renewed until September 18, 2010 and it was estimated that this process created a substantial burden on the industry. Distribution companies and dealers learned their lesson from this experience and started to renew their agreements one or two years before September 18, 2015.

Based on information received from EMRA, agreements of 1,250 dealers would expire on September 18, 2015. Although this is far below 2010 figures, the automation system obligation exists today unlike 2010 and the starting date of the obligation is September 18, 2015 Friday. As the Sacrifice Holiday started on Wednesday of the following week and the first two days were declared as holiday everything became even more complicated. There were two main problems the distribution companies and dealers faced in this transition period: When the licenses would be issued and how long it would take to set up the

automation system. After the meetings with EMRA regarding license amendments, future-dated finalized agreements started to be sent but EMRA authorities stated that they were prepared for long working hours in the upcoming busy days to ensure that dealers could sell fuel to customers during the Sacrifice Holiday. The first step for resolution of automation problem is being informed of the license amendment schedule. The system should start operation within 10 days following license amendment and distributors could not supply and dealers could not sell fuel during this time.

This process and the critical date were over without any serious problems thanks to the support and efforts, in particular, of directors and experts of EMRA Petroleum and LPG Departments. As PETDER and its members, we would like to express our thanks for their support.

## NATIONAL STOCK OBLIGATION FOR LPG

Pursuant to Article 16 of the Petroleum Market Law no.5015, refinery, fuel and LPG distributor license holders are obliged to keep minimum twenty times of the average supplied daily product amount at their own storage or licensed storage facilities whether as a whole or separately according to their status.

LPG consumption in Turkey totaled 4 million tons in 2015 and LPG storage capacity was 300 thousand tons.

Based on the figures above, national LPG stock to be kept pursuant to the Petroleum Market Law will be 222 thousand tons.

Considering the safety stock levels of the tanks, limited area for new tanks, difficulty of the process and test periods, in order to keep such amount of stock all LPG tanks in Turkey must be almost full at all times. While nearly 80% of the tanks will be kept full as stock, 20% will be used in commercial activities.

On the other hand, 83% of LPG offered to the domestic market is imported. Import is carried on at several supply points and problems arise from time based on the price and amount of production in international markets and regional developments at traditional supply points.

In order for end users not to experience any difficulties and for continuous product supply in this period, it is considered that being able to substitute products with each other within the scope of LPG national stock obligation will be beneficial. In the long term, this practice will not only resolve the potential supply problems but also will be quite beneficial in terms of optimization, efficiency, productivity of stock management in the industry.

PETDER considers that the supply and stock shortage can be overcome by substituting products with each other within the scope of national stock obligation.

## DEADLINE FOR ACTIVITY PRELIMINARY INFORMATION FORM RELATING TO CONTROL OF SOIL POLLUTION AND POINT-SOURCE POLLUTED SITES

Within the scope of the “Regulation on the Control of Soil Pollution and Point-Source Polluted Sites” published in the Official Gazette dated June 8, 2010 and numbered 27605, those undertaking the activities within the scope of the Regulation were obliged to fill in the “Activity Preliminary Information Form” on Polluted Sites Database and submit a signed copy to the Provincial Directorates as of 08.09.2015.

However, the overflow of submissions on the “Polluted Sites Database” caused the system to slow down, prolonged form filling time and system lockup. Therefore, as the submissions to be made through the system were delayed due to reasons beyond control, the deadline for submission was extended until 08.11.2015 in order to avert any unjust treatment towards undertakers.

## BASE OIL PRODUCTION FROM WASTE LUBRICANTS WITHIN THE SCOPE OF LUBRICANTS LICENSE AS A SUBTITLE

Directorate of EMRA Petroleum Market Department announced that, with respect to inclusion of base oil production from waste lubricants within the scope of lubricants license as a subtitle, the following were drafted and opened for review;

■ Draft Regulation Amending Petroleum Market

License Regulation,

▶ Draft Board Decision on Petroleum Market License Application Guidelines dated 31.05.2011 and numbered 3242/2.

▶ Draft Board Decision Amending the Board Decision on Information and Documentation Required for Petroleum Market License Modifications dated 31.05.2011 and numbered 3242/3.

PETDER considered that the intended legislative amendment would be a significant step in prevention of use of waste lubricants in fuel activities under the name of Number 10 Oil.

It was also considered important that the obligation for products to conform to TS 13369 Standard to ensure the products' conformity to standards and use of such products as base oil, was included within the scope of the amendment. In this respect, comments and recommendations of the draft amendments were presented to Energy Markets Regulatory Authority.

## POSTPONEMENT OF VEHICLE CONFORMITY CERTIFICATE DEADLINE

Pursuant to the Regulation on Carriage of Dangerous Goods by Road, vehicles manufactured between 2006 – 2014 and used in carriage of dangerous goods had to obtain a Vehicle Conformity Certificate until December 31, 2015. As Vehicle Conformity Criteria for vehicles without ADR was not issued, the required Conformity Certificate could not be obtained for these vehicles.

In accordance with the relevant article of the Regulation, vehicles manufactured between 2006 – 2014 would not be allowed into filling facilities. It was projected that this would lead to supply problems and penal sanctions. In this respect, PETDER requested that the deadline for providing documents be postponed for 1 year starting from establishment of relevant legislation and technical infrastructure.

“The Regulation Amending the Regulation on Carriage of Dangerous Goods by Road”, containing amendments and additions to the Regulation entered into force after being published in the Official Gazette dated December 31, 2015 and numbered 29579.

An important amendment in the new Regulation was that all vehicles used for inland carriage of dangerous goods and registered to traffic on the date the Regulation entered into force and not having a Vehicle Conformity Certificate/ ADR Conformity Certificate would obtain their situation report as of 1/7/2016 and obtain a Vehicle Conformity Certificate of ADR Conformity Certificate as of 31 December 2016 for vehicles manufactured between 2005-2014.

In the regulation in force prior to the amendment, the latest date to obtain a Vehicle Conformity Certificate of ADR Conformity Certificate for vehicles manufactured between 2005-2014 was set as December 31, 2015. PETDER had previously brought up the issue and the problems that might arise.

# 4 SECTOR EVENTS

## A PRELIMINARY MEETING ON BOARD DECISION NO.1240 WAS HELD

A preliminary meeting was held at EMRA on 04/03/2015, regarding the amendment of the Board Decision no.1240 published in the Official Gazette dated 21/02/2015 and numbered 29274.

Although it is believed that the new regulation which will be effective as of 1 June 2015 will be beneficial in terms of implementation, there are more issues to be improved further.

## ADR TRAINING



As is known, dangerous goods must be carried in compliance with the “Regulation on Carriage of Dangerous Goods by Road” published on 24 October 2013 within the framework of the “European Agreement Concerning the

International Carriage of Dangerous Goods by Road (ADR)”.

A training on ADR was held by Polish trainers at TOBB Plaza on 23-27 March 2015, for the purpose of avoiding possible administrative sanctions that might be imposed due to obligations stipulated in the regulation,. PETDER Transportation Committee members attended the meeting.

## ENERGY MARKETS SUMMIT HELD

Energy Markets Summit was organized by Association of Energy Experts and hosted by Energy Market Regulatory Authority in Ankara on January 20, 2015. The summit brought together President Recep Tayyip Erdoğan, Energy and Natural Resources Minister Taner Yıldız, President of Energy Market Regulatory Authority Mustafa Yılmaz, Chairman of Association of Energy

Experts Mehmet Ertürk and significant names of the business world. PETDER Chairman Ahmet Erdem delivered a speech at the panel “Active Participation of Consumers in Regulated Markets and Consumer Empowerment” at the summit. At the summit, where Petroleum Industry Association was one of the sponsors, the subjects discussed were the role of regulatory authority within the new developments in energy sector in the world, new approaches and strategies regarding the effects of energy policies and establishment of market regulations and their impacts on consumers.



## WASTE MANAGEMENT SYMPOSIUM HELD IN ANTALYA

4th “Waste Management Symposium”, annually held to strengthen and improve the practices in Waste Management, exchange information with interested parties (universities, private sector, NGOs, chambers and unions, institutes, municipalities) and evaluate the developments in waste management, was held under the leadership of the Ministry of Environment and Urbanization, General Directorate of Environmental Management in Antalya between 25-29 January 2015.

Opening speeches of the symposium were delivered by the Minister of Environment and Urbanization İdris Güllüce, Governor of Antalya Muammer Türker and Mayor of Antalya Metropolitan Municipality Menderes Türel.

At the symposium, where PETDER was one of the sponsors and had an exhibition stand, PETDER Secretary General Niyazi İlter was presented a plaque for the contributions of PETDER.



## 6th WORLD FORUM ON ENERGY REGULATION

6th World Forum on Regulation was held in Istanbul by EMRA on 25-28 May 2015.

The opening speeches of the forum were delivered by EMRA President Mustafa Yılmaz, CEER and ICER President John Mogg, Minister of Energy and Natural Resources Taner Yıldız and the President of the Turkish Republic Recep Tayyip Erdoğan.

PETDER was the USB sponsor of the Forum where PETDER senior management was also present.

## DANGEROUS GOODS SAFETY ADVISOR EXAM ADMINISTERED

The fourth Dangerous Goods Safety Advisor Exam was administered in Ankara on 25 April 2015, with the participation of over 2000 candidates.

Some PETDER officials also attended the exam. According to the “Communiqué on Dangerous Goods Safety Advisors” published in the Official Gazette dated 22 May 2014 and numbered 29007, enterprises carrying out one or more of the activities such as carriage, shipping, packaging, loading, filling and unloading dangerous goods are obliged to employ or receive service from a Dangerous Goods Safety Advisor.

## “SUSTAINABLE AND EFFICIENT PRACTICES CAN ONLY BE POSSIBLE THROUGH COLLABORATION”

PETDER attended the Petroleum Istanbul Fair held in Tüyap between 2-5 April 2015. Minister of Energy and Natural Resources Taner Yıldız attended the fair and visited PETDER stand. Opening speeches of the Petroleum Fair were delivered by Energy Exhibition Chairman Mustafa Akıncı, Turkey Energy Summit President Fatih Dönmez, PÜS Chairman İmran Okumuş, TLPGD President Selim Şiper, ADER Chairman Alexander Terletskiy, PETDER Chairman Martin Thomsen, EMRA President Mustafa Yılmaz, Head of GNAT Energy Commission Halil Mazıcıoğlu and Minister of Energy and Natural Resources Taner Yıldız respectively.

PETDER Chairman Martin Thomsen made the following remarks in his speech:

“As is known, with the help of the government, correct policies and enactment of the Petroleum Market Law, substantial investments have been made and employment opportunities have been provided in the oil market towards a free market system in the last 12 years and as a result, Turkey is at a better position in terms of competition, quality and service diversity compared to many developed countries.

With the Board Decision that entered into force after its publication in the Official Gazette dated 20 February 2015, the sales prices of gasoline and diesel types in Turkey have been subject to ceiling price for two months. It is clear that this third direct intervention to the market will have adverse effects mainly on investments, employment and service quality. We believe that a direct intervention to the prices will not provide a solution.

The Decision will have adverse effects on the currently intense competition in the market, especially at the expense of small scale enterprises. Narrowing the margins with the price ceiling will restrict competition and such enterprises will have to shut down in time. The industry has been operating in the red for the last five years. It is not possible to carry on this situation any longer.

The price ceiling has been implemented to compare Turkey with the four European countries. These countries are England, Italy, France and Germany.

Comparing the margins of a sector that is of capital importance for Turkish economy with the average margin of other countries is not realistic in terms of the economic realities in Turkey. There are various differences between Turkey and the four countries mentioned above. The major differences are structure of oil markets, supply and distribution infrastructures, legal compliance costs, tax payment schedules, financing costs and collection methods of compared prices. In addition, several additional cost elements specific to Turkey and most of which are legal requirements, such as anti-smuggling measures, national marker and automation system, should also be considered.

Several regulations have been made in the industry by public authorities and the industry has been trying to comply with such regulations. However, the large number of such regulations and lack of cooperation and coordination between organizations creates difficulties in the compliance process and makes it difficult to operate in the sector.

We believe that implementation of sustainable and efficient practices in the industry can only be possible through collaboration of EMRA and other public authorities with the industry. As we, PETDER and its members, had several times stated and requested prior to the price ceiling implementation, we would like to restate that we will be pleased to attend all meetings and studies towards a solution to this matter.”

### “LOGISTICS FORUM” HELD

Representatives of the logistics sector came together at Logistics Forum 2015 held at Yeditepe University. The organization that took place between 17-19 April 2015 started with the opening speeches and the first panel at Kayışdağı Campus and continued at Silence Istanbul Hotel & Convention Center. PETDER also attended the forum.

### ICIS BASE OILS AND LUBRICANTS CONFERENCE

2nd ICIS Base Oils and Lubricants Conference was held in Intercontinental Istanbul on 27-28 May 2015. Economic, legal and technical aspects of the base oil and lubricant market were analyzed in detail at the conference.



PETDER Secretary General Niyazi İter made a presentation on “Turkish Base Oil and Lubricant Market”. İter presented the figures in Turkish market and provided information on legal developments affecting the market.

### MEETING ON CONTROL OF SOIL POLLUTION AND POINT-SOURCE POLLUTED SITES DATABASE

Within the scope of the Regulation on the Control of Soil Pollution and Point-Source Polluted Sites published in the Official Gazette dated June 8, 2010 and numbered 27605, it is a legal obligation for those who are currently undertaking and those who shall begin to undertake the activities listed in Table 2 of Annex-2 of the Regulation to fill in the Activity Preliminary Information Form given in Annex-3 in Polluted Sites Database and report to the Provincial Directorates of Environment and Urban Planning as of June 8, 2015.

The meeting on Control of Soil Pollution and Point-Source Polluted Sites was held by PETDER in The Marmara Pera Hotel on June 17, 2015 with the participation of Ministry officials and PETDER members. Ministry officials made presentations at the meeting relating to the purpose and use of the system and consulted with the sector representatives on the issue.

### TURKTAY PANEL HELD IN ANKARA

The 6th “TURKTAY All Aspects of Waste Management in Turkey Panel” was held in Ankara between 21-22 October 2015.

During the sessions, where representatives from public institutions, universities, professional non-governmental organizations, unions of municipalities, municipalities and private sector who have invested in waste management were present, all problems in waste management were discussed.

PETDER Secretary General Niyazi İter made a presentation on “Waste Oil Management” at the panel.

At his presentation, İter shared detailed information on PETDER’s Waste Motor Oil management activities and pointing out the risks of waste motor oils not handed over to PETDER on the economy, human health and the environment, he explained the steps to be taken for collecting more waste motor oil.

## TOBB SUBCOMMITTEES CONVENED

► Technical  
► Legislation  
► Non-Fuel Products subcommittees established under TOBB Petroleum and Petroleum Products Industry Council for the purpose of increasing efficiency and supporting implementation of the issues discussed at the Council, convened in Ankara on July 3, 2015 under the chairmanship of Ahmet Erdem.

At his opening speech, Ahmet Erdem stated that committee working principle, purpose and schedule would be determined in collaboration with the committee members.

Committee presidents were elected at the committee meetings.

All committee members spoke at the meetings, putting forward their suggestions on the priority issues to be discussed at the committee meetings.

Technical Committee and Legislation Committee convened at the joint meeting on July 24, 2015 and Non-Fuel Products Committee held its second meeting in Istanbul.

## ENVIRONMENTAL LIABILITY DIRECTIVE PROJECT PUBLICITY MEETING HELD

The publicity meeting for the Environmental Liability Directive Project was held on 16 September 2015.

The Project mainly aims for protection of environment by adaptation of the directive to Turkish laws and providing a healthy environment by establishing an efficient environmental liability system.

PETDER represented the sector at the meeting where the main aim of the Project was stated as supporting the institutional, technical and legal framework for efficient implementation of the EU Environmental Liability Directive and building strong administrative and technical capacity at all levels.

## 6th TURKEY ENERGY SUMMIT HELD IN KONYA

6th Turkey Energy Summit organized by Energy Petroleum Gas Group was held at Konya, Selçuk University Süleyman Demirel Cultural Center on 12-13 October 2015.

EMRA President Mustafa Yılmaz attended the Summit organized with the support of the Ministry of Energy and Natural Resources and EMRA, and congratulated the private sector for their contribution to Turkey’s energy.

The main topics at the Summit were competition and liberalization in energy markets, impacts of the regulations on the petroleum market, pricing policies for electricity and natural gas, investment in solar energy systems, position of LPG within energy strategy and developments in energy trade.

At the Summit, PETDER attended with a stand, PETDER Chairman Martin Thomsen gave a speech in the session titled “Impacts of Regulations on the Petroleum Market” and TOBB Petroleum and Petroleum Products Industry Council President and PETDER Board Member Ahmet Erdem delivered a speech in the session titled “Competition and Liberalization in Energy Markets” on the first day of the Summit.

PETDER Secretary General Niyazi İter delivered

a speech in the session titled “The Position of LPG within Energy Strategies and the Role of Regulatory Authority” on the second day of the Summit.

Thomsen pointed out that the regulatory authorities play an important role in free development of the market to meet the needs of different customer groups and conveyed their thanks to EMRA for fight against illegal fuel, product quality directives, appropriate display of prices at stations and responsiveness to license applications during busy contract periods.

On the other hand, Thomsen stated that the repeated price interventions have caused turbulence in the market and reminded the risks of excessive intervention to the market, such as companies pulling out of the market, dying out or changing their business model while trying to adapt, impairment of business relations and adverse affects on consumers. Thomsen underlined that it is necessary to design the regulations with all shareholders in a free market environment.

At his presentation, PETDER Secretary General Niyazi İlter shared data on projections for future demand for petroleum and fuel products and alternative fuel strategies in EU, and stated that the global and national energy demand will increase and the Turkish petroleum market will continue its growth.

İlter also added that PETDER believes that the petroleum market will be an innovative and dynamic market where unrecorded activities are prevented and customer expectations are satisfied at a higher level with product quality and diversity

in cooperation with relevant organizations and under competitive and free market conditions.



## INFRASTRUCTURE REGARDING THE EXPORT AND IMPORT OF HAZARDOUS CHEMICALS WILL BE STRENGTHENED

“The Opening Seminar of Technical Support Project for Implementation of the EU Regulation concerning the Export and Import of Hazardous Chemicals” to be carried out by the Ministry of Environment and Urbanization for Implementation of the Regulation concerning the Export and Import of Hazardous Chemicals was held in Ankara on December 16th.

As Turkey is a candidate country for EU membership, within the framework of harmonization and implementation of the EU Regulation no. 649/2012/EC, published in 2012, concerning the Export and Import of Hazardous Chemicals, it is necessary to identify the current situation in Turkey and improve the technical infrastructure.

The objective of the project is to protect human health and environment from possible adverse effects of some hazardous chemicals by facilitating information exchange regarding their specifications and by establishing a national decision making process in relation to import and export of such chemicals.

The project aims to improve the organizational and technical capacity for alignment with and implementation of the EU Regulation 649/2012/EC on Export and Import of Hazardous Chemicals.

Within the framework of the implementation of the said EU Regulation in Turkey, a “Declaration System” will be established for international

**6. TÜRKİYE ENERJİ ZİRVESİ**  **THE PETROLEUM SECTOR SAYS THAT:**

- A free market will evolve in accordance with customer expectations which will yield best results on the part of consumers. The sector should continue to develop under free market conditions.
- Regulations and implementations should be handled with comprehensive impact analyses in communication with the sector and with the participation of the relevant Ministry and Institutions.
- Further amendments are necessary to ensure free market and competition conditions, eliminate unnecessary costs, increase efficiency and attract more national and international investments.
- All shareholders in the sector should collaborate for correction of negative perceptions with respect to smuggling, illicit trade, excessive prices and profits as well as informing the public properly and clearly.

trade of hazardous chemicals, the infrastructure will be strengthened for effective control of the prohibited/restricted chemicals at the customs and the public and stakeholders will be informed regarding the issue.

## **WORKSHOP FOR CONTAMINATED SITE MANAGEMENT**

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“The Challenges and Opportunities Behind the New Regulation Workshop” on Contaminated Site Management was held in Istanbul on December 9, 2015.

At the workshop, organized by Golder and Royal HaskoningDHV companies under the leadership of the faculty members of Boğaziçi University and Middle East Technical University, the challenges and opportunities for the submission of preliminary information, a thorough understanding of the regulatory requirements and an overview of significant experiences and best practices in cost-effective investigation and remediation projects were discussed.

# 5 INDUSTRY STATISTICS

## 5.1 DEVELOPMENTS IN CRUDE OIL AND FUEL PRICES

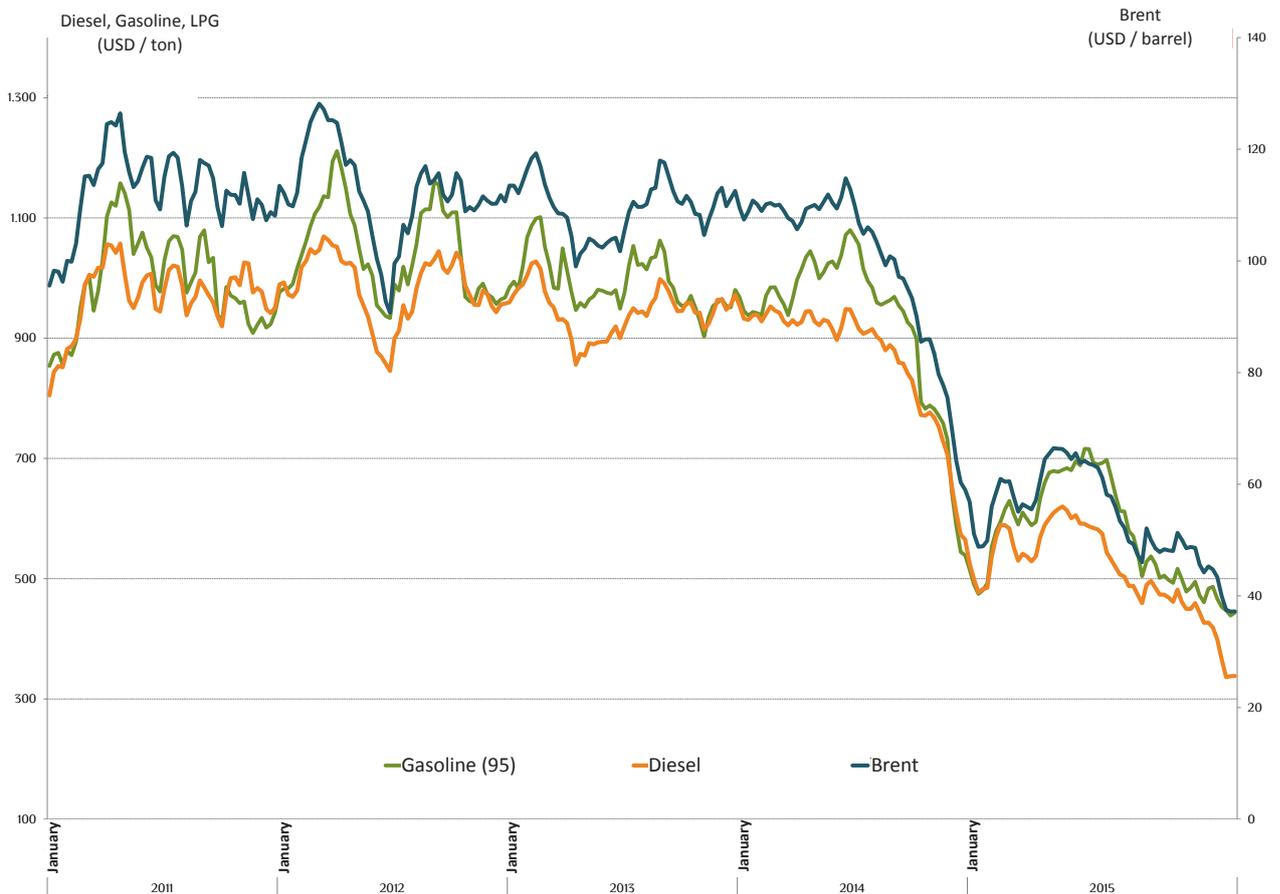


Figure 2: Changes in the average prices of Brent crude oil (\$/barrel), diesel and gasoline (\$/ton) in the Mediterranean markets between 2009 and 2015 Source: Argus; Platts

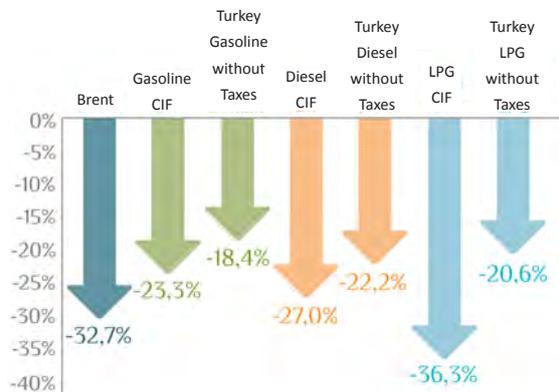


Figure 3: Change rates in the Mediterranean markets and Turkey pump prices (TL) in 2015 (% compared to the same period of the previous year) Source: Argus; EMRA

The fluctuations in world oil prices continued in 2015 and as a result of these fluctuations, fuel pump prices received much media coverage. Brent oil started 2015 with \$50 per barrel in the international markets, and by the middle of 2015 reached \$67 per barrel, its highest level in 2015 and had a downward trend until the end of the year. By the end of December 2015, the price of Brent Oil was around \$30. The changes in crude oil prices directly affected the price of fuel products in the Mediterranean markets, and the highest price for gasoline was 716 \$/ton and the lowest was 439 \$/ton, while the highest price for diesel was 620 \$/ton and the lowest 336 \$/ton.

When 2014 and 2015 averages are compared, it is observed that Brent oil price which was 99.3 \$/ton decreased to 53.7 \$/ton and decreased by 32.7% in TL currency (from 217.5 TL/ton to 146.4 TL/ton). As a result of this change, it is calculated that in 2015, the average decrease in gasoline, diesel and LPG CIF prices in the Mediterranean markets was 23.3%, 27.0% and 36.3% respectively.

### 5.1.1 Impacts of Crude Oil Price Changes on Pump Prices

Whether the ongoing fluctuations in global crude oil prices were passed through to fuel prices was one of the widely discussed topics on public agenda in 2015. As is the case in the world, it is also not possible to reflect the changes in crude oil prices to product prices and to the pump prices at the exact same rate in Turkey.

Global Brent crude oil prices decreased by 33.9% between January 1 and December 31 2015, leading to a decrease in gasoline prices by 15.6% (Figure 8, Chart 3) and diesel prices by 37.1% (Figure 9, Chart 3) in international markets. FuelsEurope prepared a film to inform the public. Our association had the film translated into Turkish in cooperation with FuelsEurope and brought to public attention. The film is available at our association's website ([www.petder.org.tr](http://www.petder.org.tr)).

The primary reasons preventing reflection of the changes in crude oil prices to fuel prices at the exact same rate are explained below:

► Crude oil is the raw material for various fuel (and petrochemical) products, going through production and raffination processes requiring large scale investments and costs to be turned into fuel. Then it goes through several stages such as distribution and storage until it is offered to consumers at the pump.

► Crude oil and products are traded in separate markets based on their own supply and demand. In this respect, while crude oil prices fall in international markets, product prices may not fall at the same rate or may sometimes increase.

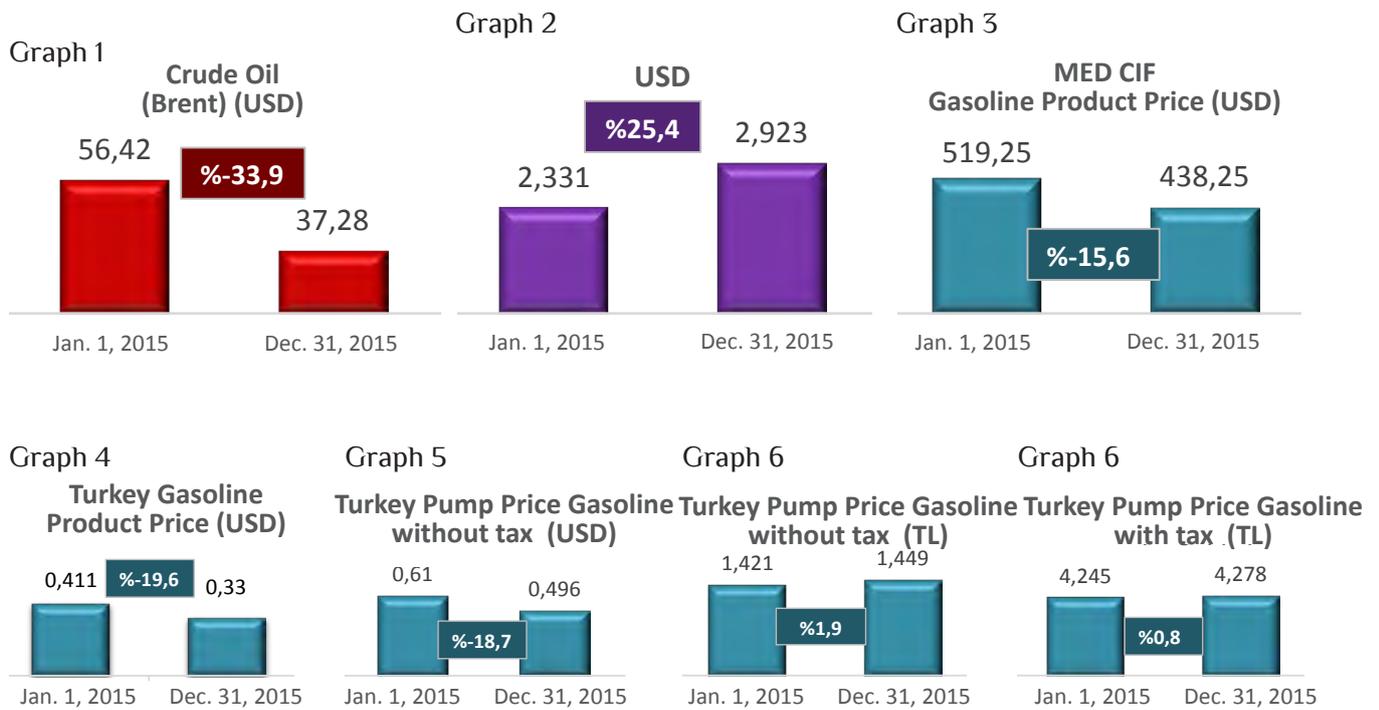
► In Turkey, most crude oil and fuel products are purchased in US Dollars and sold in Turkish Liras,

resulting in an exchange rate effect. Therefore, if the exchange rates increase despite the decrease in crude oil and product prices, fuel prices either change slightly or do not change based on the exchange rates, or may even increase.

► Another important factor is the share of the product price within fuel pump prices. In Turkey, taxes constitute the largest part of the fuel prices as is the case in most of the countries; the share of product prices is between 24-26%. (Figure 8 gasoline and Figure 9 diesel infographic). This is the share that is subject to change in international markets.

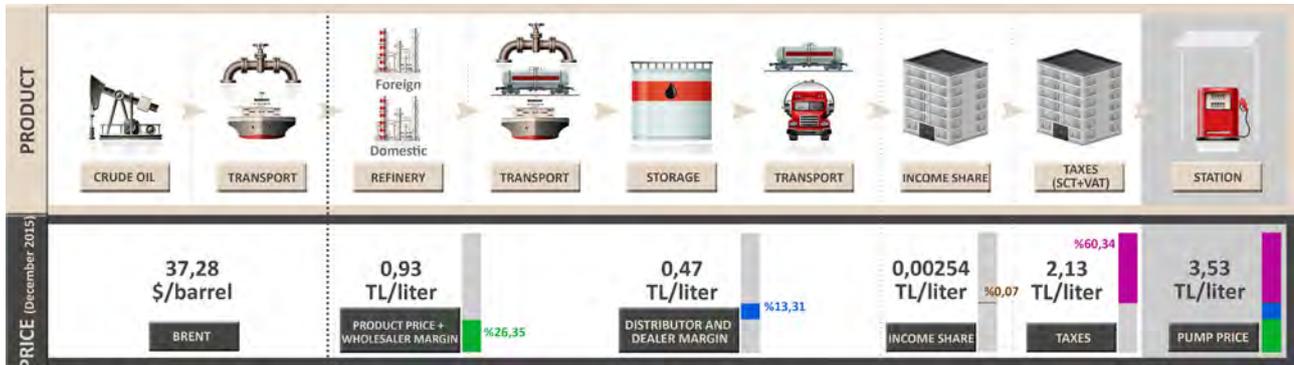
Due to the foregoing, the impact of the decrease in crude oil prices on the pump prices is very limited. Consequently, for instance a 50% decrease in crude oil prices may be reflected onto the pump prices as a 15% decrease. As can be seen in Figures 8 and 9, crude oil prices decreased by 33.9% between January 1 and December 31 2015, leading to a decrease in gasoline prices by 15.6% and diesel prices by 37.1% in international markets. In Turkey, the decrease in gasoline prices was 19.6% and the decrease in diesel prices was 39.7% in the same period. The decrease in gasoline pump prices was 0.8% and the decrease in diesel pump prices was 7.8% (especially due to the increase in exchange rates and the limited share of the product price within the pump price as has been explained above).

Figure 4: Price Formation in Gasoline\*

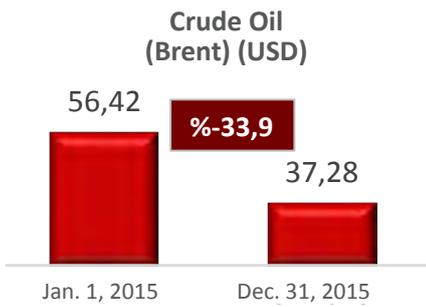


\* Calculated by PETDER using EMRA Dealer Sales Bulletin, Pricing Reports and CBRT foreign exchange selling rate data.

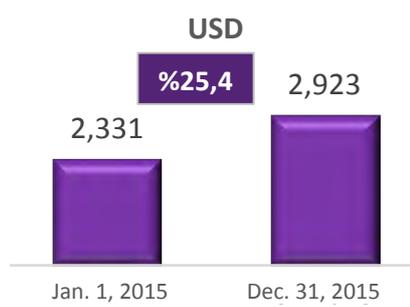
Figure 5: Price Formation in Diesel\*



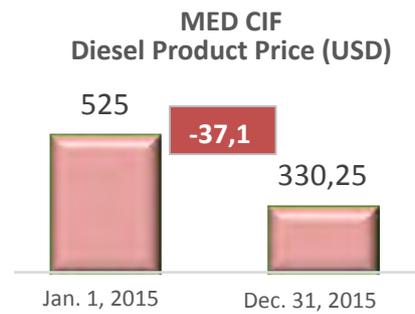
Graph 1



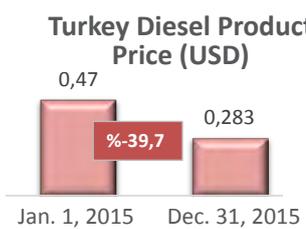
Graph 2



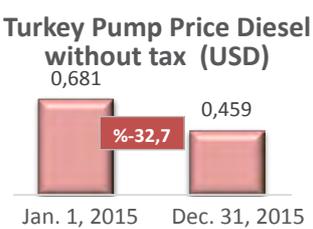
Graph 3



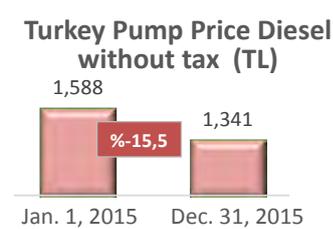
Graph 4



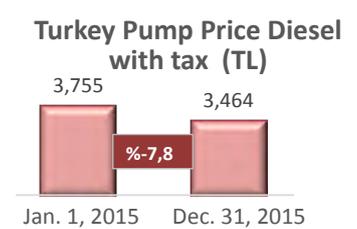
Graph 5



Graph 6



Graph 6



\* Calculated by PETDER using EMRA Dealer Sales Bulletin, Pricing Reports and CBRT foreign exchange selling rate data.

## 5.2 INDIRECT TAXES AND PRICE COMPONENTS

### 5.2.1 Indirect Taxes

The total amount of the indirect taxes collected from fuel and LPG sectors has continuously increased every year with the increase in consumption.

According to calculations based on consumption data, the indirect taxes collected from these sectors in 2015 reached 70.2 Billion TL. It is calculated that the indirect taxes collected from the Oil Sector since 2010 have totaled 332.1 Billion TL.

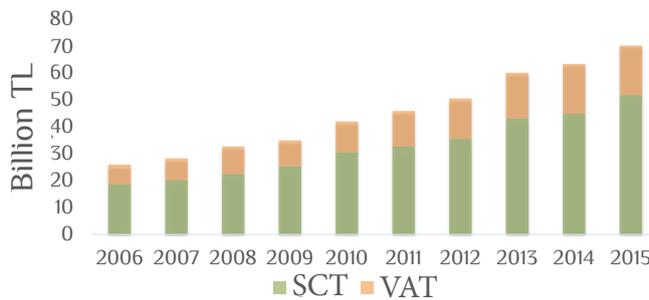


Figure 6: Indirect Taxes Collected from Fuel and LPG over the years (Source: EMRA, PETDER, TCMB)

Indirect taxes collected from diesel fuel constitute the largest share among the indirect taxes collected from fuel companies. This is a result of the increase in diesel consumption as well as the shift from gasoline to LPG due to lower tax rates.

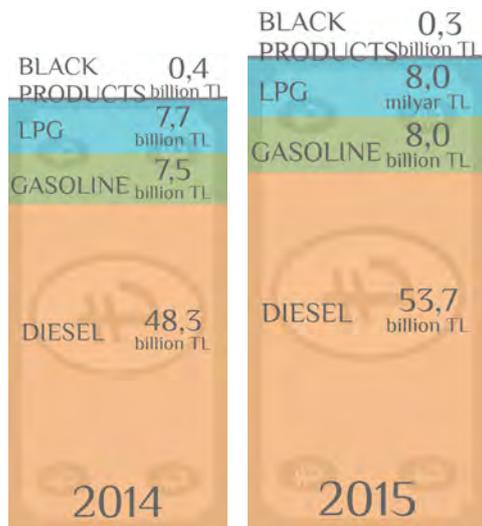


Figure 7: Breakdown of Indirect Tax Revenue Collected from Automotive Fuels in 2014 and 2015 (Source: EMRA, PETDER, TCMB)

### 5.2.2 Price Components

In 2015, indirect taxes imposed on gasoline pump prices have been 2.86 TL/lt (63.8% of the pump price). This amount was 2.17 TL/lt for diesel (57.2% of the pump price), 1.25 TL/lt for autogas LPG (51.8% of the pump price). The total percentage of the indirect taxes in the pump prices has changed over the years due to oil prices, amount of SCT applied and exchange rates.

Among all automotive fuels, the highest tax was applied to gasoline in terms of both amount and percentage and the lowest tax was applied to autogas LPG. In 2015, average SCT amounts applied were as follows: 2.1765 TL/lt for gasoline, 1.5945 TL/lt for diesel, and 0.8837 TL/lt for LPG autogas.

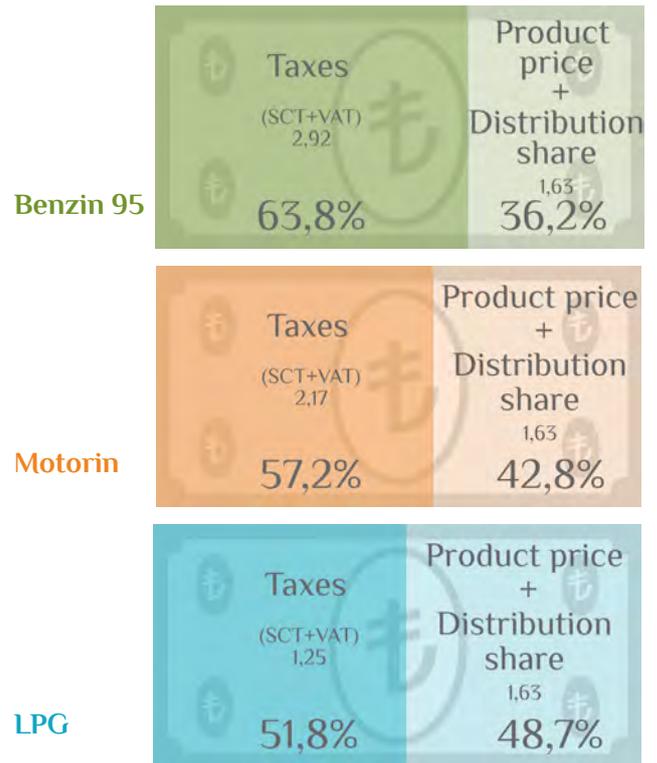


Figure 8: Pump Price Components (Source: EMRA)

Indirect taxes collected from oil products increased by 9.7% compared to the previous year and reached 70.2 Billion TL. 53.7 Billion TL of the indirect taxes collected from petroleum products in 2015 was collected from diesel, 8 Billion TL from gasoline and 8 Billion TL from LPG.

## 5.2.3 Margins

### Gasoline

The figure below displays the monthly gasoline margins in 2013 and 2015, the margins that would be expected (based on January 2013 rates) taking into consideration the inflation rates in the following months and monthly margins in € and \$ currencies.

As can be seen, gasoline market margins had a downward trend in terms of € and \$ currencies. The € and \$ gasoline margins that were 0.18 €cents and 0.24 \$cents respectively in January 2013 decreased to 0.11 €cents and 0.12 \$ cents in December 2015. There was a sharp fall in March 2014 due to the price ceiling practice and this affected the trend in 2014 and 2015.

On the other hand, when the inflation is taken into consideration, the industry also suffered as a result of the inflation rates in 2015. When the sector margins expected with only the inflation factor based on January 2013 rates and the reel gasoline market margins are compared, it is observed that the reel gasoline margins that had a steady trend despite the increases and the decreases in 2013 fell far below the margin expected in January 2014 based only on the inflation factor due to the price ceiling practice and this trend continued until the end of 2015. This situation, as has been stated in the previous sections, caused the industry to close 2014 and 2015 with a loss.

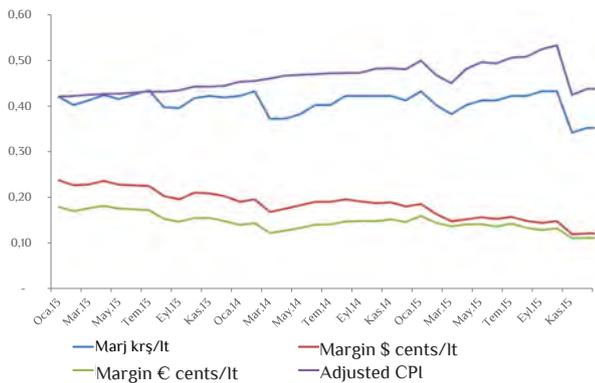


Figure 9: 2013-2015 Monthly Gasoline Margins (Source: EMRA, TCMB, PETDER)

### Diesel

The figure below displays the monthly diesel margins in 2013 and 2015, the margins that would be expected (based on January 2013 rates)

taking into consideration the inflation rates in the following months and monthly margins in € and \$ currencies. As can be seen, diesel market margins had a downward trend in terms of € and \$ currencies. The € and \$ diesel margins that were 0.19 €cents and 0.25 \$cents respectively in January 2013 decreased to 0.11 €cents and 0.13 \$ cents in December 2015. There was a sharp fall in March 2014 due to the price ceiling practice and this affected the trend in 2014 and 2015.

On the other hand, when the inflation is taken into consideration, the industry also suffered as a result of the inflation rates in 2014. When the sector margins expected with only the inflation factor based on January 2013 rates and the reel diesel market margins are compared, it is observed that the reel diesel margins that had a steady trend despite the increases and the decreases in 2013 fell far below the margin expected in January 2013 based only on the inflation factor due to the price ceiling practice and this trend continued until the end of the year.

This situation, as has been stated in the previous sections, caused the industry to close 2014 and 2015 with a loss.

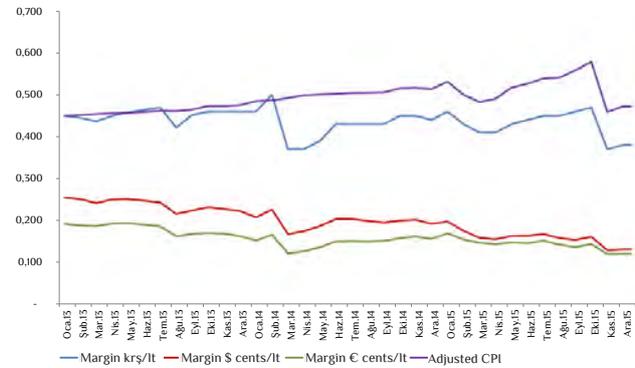


Figure 10: 2013-2015 Monthly Diesel Margins (Source: EMRA, TCMB, TUIK)

## 5.2.4 Situation in EU Countries and the Factors Affecting Price Comparisons

Indirect taxes have the largest share in fuel prices in Turkey and generally in the EU. Although there were fluctuations in 2015, in average share of taxes Turkey was ranked as the fifth country after the UK, Estonia, Italy and Greece in 95 Octane Unleaded Gasoline and sixth after the UK, Italy, Sweden, Finland and Ireland in diesel.

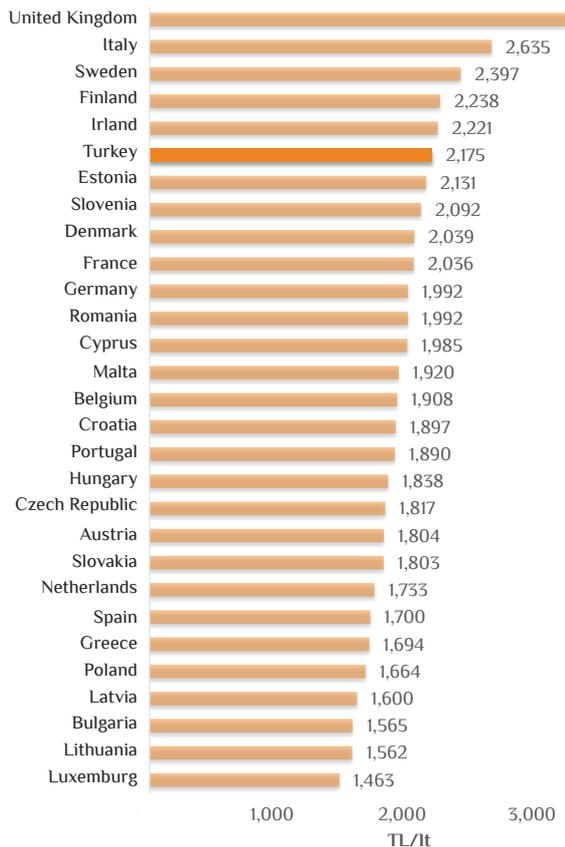


Figure 11: 2105 Average Taxes in Gasoline in EU and Turkey (TL/lt) (Source: <http://ec.europa.eu/energy/en/statistics/weekly-oil-bulletin>)

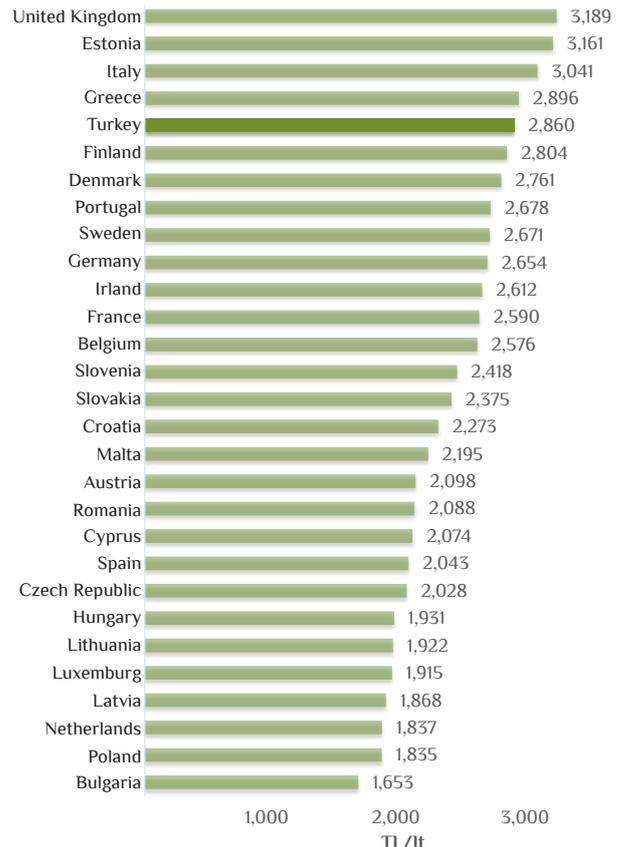


Figure 12: 2105 Average Taxes in Diesel in EU and Turkey (TL/lt) (Source: <http://ec.europa.eu/energy/en/statistics/weekly-oil-bulletin>)

Besides the difference in figures in indirect taxes, another issue to be taken into consideration is the difference in tax collection methods. In Turkey, the SCT paid by distributors ex-refinery is collected after sale, creating a financing cost.

In addition, the SCT accrued until the 15th is to be paid until the 25th of the same month and the SCT accrued until the 31st is to be paid until the 10th of the following month. In some EU countries these periods are extended. For instance, in Italy, the SCT accrued within the month is to be paid until the 15th of the following month and in Spain until the 20th of the following month. This situation has negative effects on national economy as a result of financing costs.

There are three components of fuel prices in Turkey:

- ▶ Product prices
- ▶ Taxes (SCT and VAT),
- ▶ Market profit margin shared by three legal entities, involving gross profit margins of refineries, distributors and stations.

A direct comparison of taxed and tax-free fuel prices in Turkey and in EU countries leads to inaccurate and incomplete evaluations. In addition to several factors affecting the margins in the countries, profit margins might change in time based on these. There are also significant differences between EU countries themselves depending on the conditions in each country.

It is necessary to take into consideration the following factors when making a comparison of fuel prices in Turkey and in EU countries.

Both in the EU Oil Bulletin and in the surveys conducted by EU on the prices announced in this bulletin, it is stated that comparisons between prices and price trends in different countries should be carefully made.

- ▶ In the weekly bulletin, the extent that standard categories are representative of the total sales of a given product, differences in product quality, in marketing practices, in market structures;
- ▶ In the survey report, discount sales in the countries, application of different methodologies

in price reporting, variations in biofuel components and differences in taxation systems are highlighted.

**There are significant differences between the market dynamics in these countries and Turkey.**

Fuel is sold only at self-service stations in some European countries and at self-service stations along with regular stations in others. The operating models shaped by distributor/dealer station ownership in these countries are different from those in Turkey. The average sales per station in some countries are 2-3 times the average sales of stations in Turkey. In all these countries, the share of pipelines in fuel transportation is far above Turkey. In most of these countries tax collection methods are different than in Turkey and do not require additional financing for the companies. Comparing these prices with the station retail prices in Turkey leads to inaccurate results.

**There are differences in price indication methods.**

Countries notify their prices to the EU Oil Bulletin in different methods such as weekly average/single day, including/excluding discount sales, lowest price, supermarkets/hypermarkets and including/excluding self-service stations. Therefore, it is stated in reports that it is important to pay attention to such factors when making comparisons.

**There are additional costs due to legal obligations in Turkey which do not exist in these countries.**

High taxes imposed on fuel products as a fact and requirement of our economy result in illegal and smuggled fuel activities and the industry has to deal with this problem constantly. Unlike several European countries, the main additional costs in Turkey as a result of the measures and other legal obligations. Such factors as a result of legal obligations have reached significant amounts in terms of investment and operating costs.

**Differences in National Economies**

There are significant structural differences between the general economic structure in Turkey and in the other European countries and as a result of such differences, the inflation rate and financing costs are higher in Turkey. This situation creates additional costs in loans and bank guarantees and when using credit cards. In the Recommendations section of the EU Oil Bulletin in which the prices in European Union countries are compiled and shared, it is stated that “some Member States expressed

+

Dealer automation system operating and reporting in order to register fuel movements and operations

+

Implementation of national marker in order to detect smuggled fuel

+

Financing cost caused by cash payment of the SCT

+

Operation and maintenance of cash registers at each station for each pump

+

Additional costs for keeping national stock

+

Investments for e-book, e-bill, e-registration transition period

+

The costs for bank guarantee letters in import

+

Shipping costs

+

Annual EMRA payments of distributors

+

Dealer sampling cost

+

Employment of Occupational Health and Safety Specialists

*The main additional costs in Turkey as a result of the measures and other legal obligations, which have been imposed to prevent illegal activities and which PETDER supports*

concerns that inconsistencies in the reporting process might impede direct consumer price comparisons”. When making price comparisons with or without tax between countries the factors listed above should be taken into consideration and comparisons should be interpreted accordingly.

## 5.3 OIL AND LPG INDUSTRY STATISTICS

### 5.3.1 Number of Refineries, Distributor Companies and Stations

As of the end of 2015, there were 4 refineries (6 licensed refineries), 91 distributor companies, 12,704 fuel stations operating in the petroleum market with EMRA licenses. In the Liquefied Petroleum Gas (LPG) market, 87 distributor companies, 10,556 autogas stations were operating with EMRA licenses. Data indicates that number of autogas stations keeps increasing. The number of fuel and LPG distribution companies peaked in 2015.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Refinery Licenses	4	5	5	5	6	6	6	6	6	6
Fuel Stations	11.543	11.645	12.317	12.702	12.894	12.348	12.460	12.623	12.667	12.704
Distributor Licenses	51	47	45	54	53	50	58	77	78	91
LPG Stations	5.686	6.586	7.702	8.163	8.721	9.377	9.802	10.089	10.360	10.556
LPG Distributor Licenses	56	58	61	64	65	70	72	73	79	87

Table 3: Number of Licenses in Petroleum and LPG Markets (Source: EMRA)  
\*4 out of 6 licensed refineries are active

The number of fuel stations of each company between 05.08.2010-31.12.2014-31.12.2015 is given in the figure below. It is observed that there is a decrease in the number of fuel stations of the top four distribution companies.

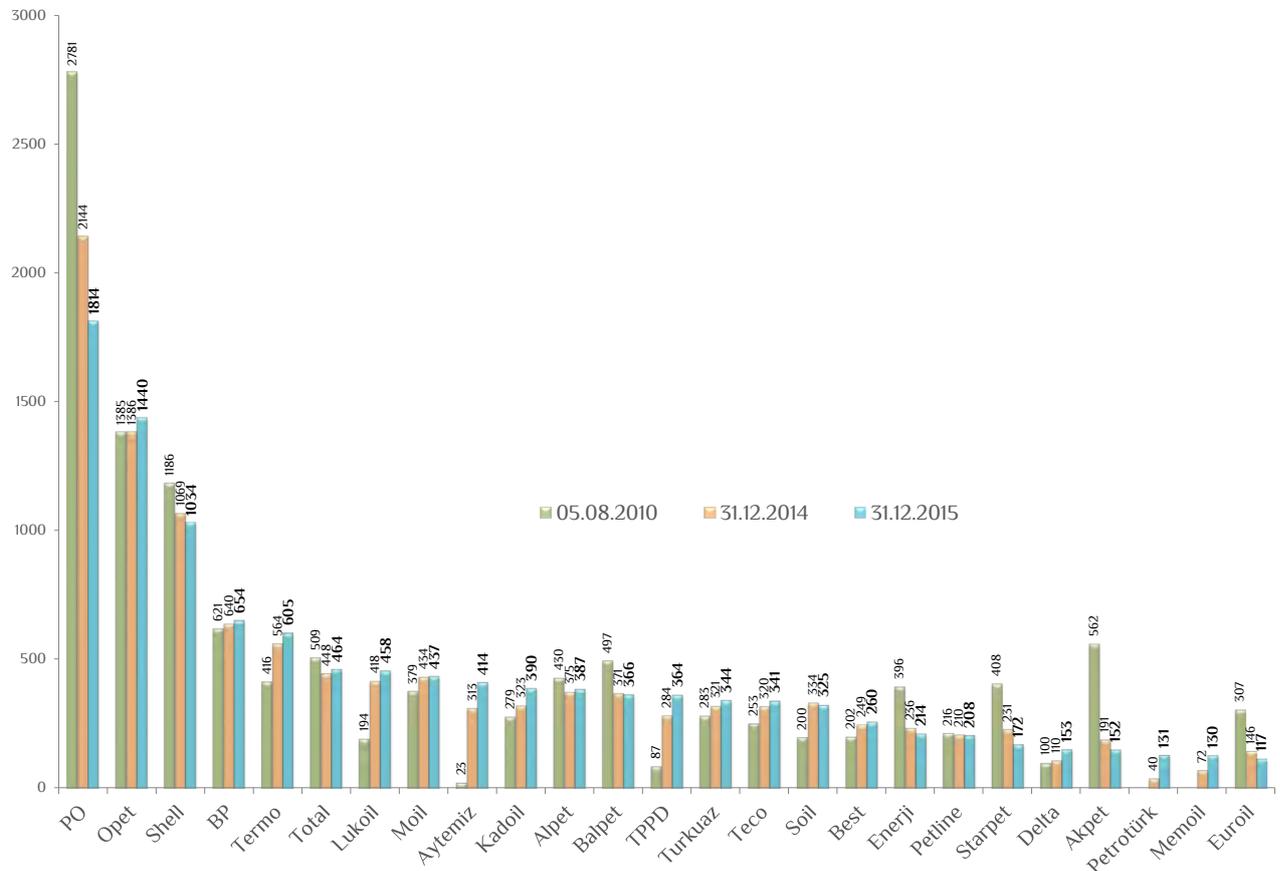


Figure 13: A comparison of the number of fuel stations of the distributor companies (Source: EMRA)

### 5.3.2 Market/Trading Volumes

The total financial magnitude of the fuel sector in 2015 reached 114.3 billion TL with an increase rate of 0.5% compared to 2014, as a result of an increase in consumption and taxes. The following two graphs below demonstrate sector magnitudes calculated for fuel and LPG comparatively and independently. In 2015, white products market volume increased by 0.9% reaching 106.8 billion TL, the LPG market volume became 13.1 Billion TL with a decrease of 5.8% and black products market volume decreased by 35.3% totaling 1 billion TL compared to 2014.

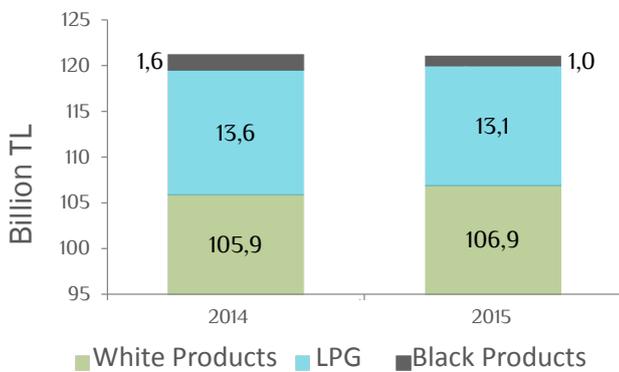


Figure 14: Trade Volumes in Fuel (billion TL) (Source: EMRA, PETDER, TCMB)

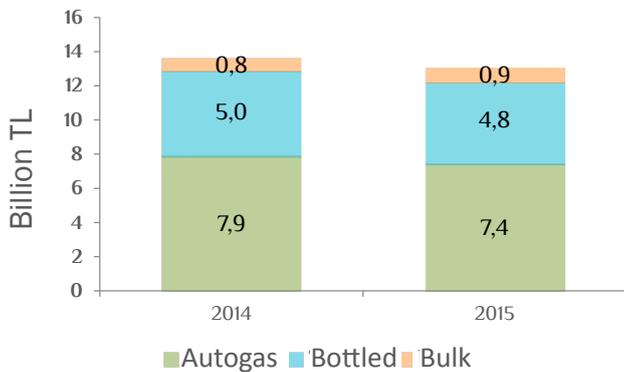


Figure 15: LPG Types Trading Volumes (billion TL)(Source: EMRA, PETDER, TCMB)

### 5.3.3 Automotive Fuels (Gasoline, Diesel, LPG Autogas) Consumption

#### 5.3.3.1 Diesel Consumption

Based on data compiled by PETDER, total consumption of diesel fuel types (diesel fuel and diesel fuel - other) in 2015 reached 24.7 million m<sup>3</sup> with an increase of 15.6% compared to 2014.

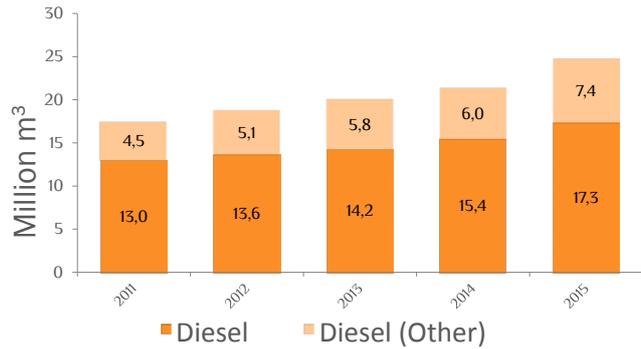


Figure 16: Total Diesel Consumption (million m<sup>3</sup>)(Source: EMRA, PETDER)

As a result of the removal of high sulfur off-road diesel from the market following EMRA Communiqué in 2011, all diesel fuels at the pumps are being offered to consumers in Turkey as low sulfur (10 ppm) diesel fuel as of April 1, 2011 and gasoline and diesel fuels are in full compliance with EU standards.

As a result of the restriction of the sulfur content of the gasoline and diesel fuels to 10 ppm, the amount of pollutant emissions are expected to decrease significantly. According to the report published by PETDER in September 2010, a decrease of 9,900 tons per year in the amount of emissions is expected. Fuel distribution companies continue to widen the product range of the special/differentiated diesel and gasoline products in parallel with the consumer demands in order to meet the quality and performance expectations of the consumers. Special/Differentiated Diesel Fuel consumption increased in 2015 constituting 30% of total diesel fuel consumption.

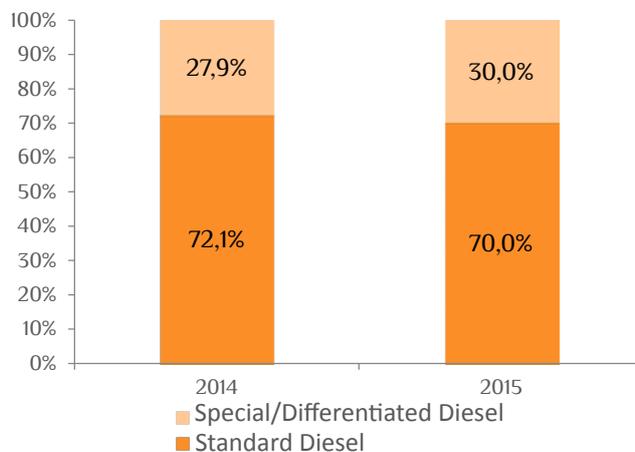


Figure 17: Shares of standard diesel fuel and special/differentiated diesel fuel in total diesel consumption (Source: EMRA, PETDER)

### 5.3.3.2 Gasoline Consumption

In 2015, total gasoline consumption increased by 9.1% compared to 2014 totaling 2.8 million m<sup>3</sup>. Gasoline consumption has an upward trend in the recent years.

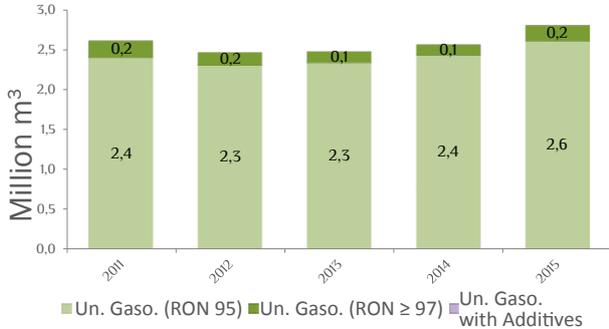


Figure 18: Change in total gasoline consumption over the years (Source: EMRA, PETDER)

Gasoline 95 Octane has the highest share (93.1%) in total gasoline consumption. The consumption of “unleaded gasoline with additives” that is used in older vehicles declined drastically almost reaching a near end.

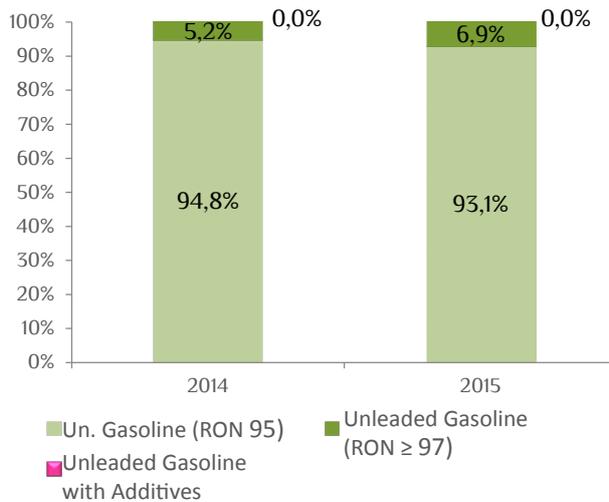


Figure 19: Shares of 95, 97 Octane gasoline and gasoline with additives in total gasoline consumption (Source: EMRA, PETDER)

### 5.3.3.3 LPG Autogas Consumption

LPG Autogas consumption, which was 5.1 million cubic meters in 2014, increased by 8.1% in 2015 and reached 5.5 million cubic meters.

The chart below displays LPG consumption in the last 9 years. The increase in LPG autogas shares is mainly because of the lower pump price of this product due to lower Special Consumption Tax rates.

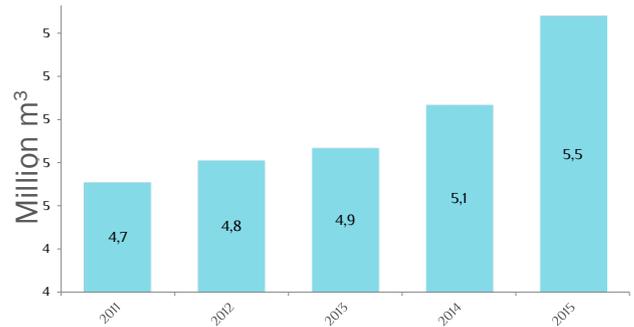


Figure 20: Change in LPG Autogas consumption over the years (Source: EMRA, PETDER)

### 5.3.3.4 Total Automotive Fuels Consumption

The total automotive fuel consumption increased by 13.7% compared to the same period of the previous year and reached 33 million m<sup>3</sup> in 2015. The following figure demonstrates the consumption progression for the last 9 years for all automotive fuels.

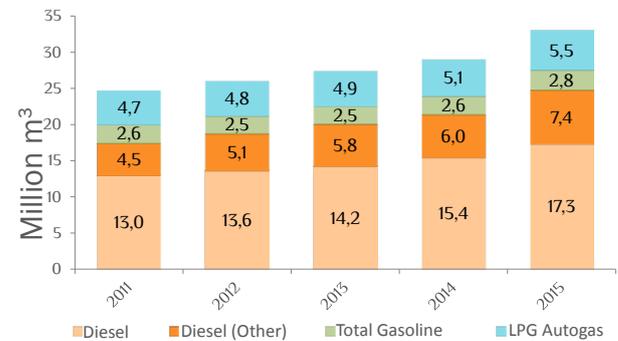


Figure 21: Change in the amount of automotive fuel consumption over the years (Source: EMRA, PETDER)

Among the automotive fuels, the share of diesel increased while the shares of gasoline and LPG Autogas in total consumption decreased. The charts below indicate that while the share of autogas (LPG) in automotive fuels gets smaller, LPG consumption has reached twice the amount of gasoline consumption. Autogas constitutes 16.6% of the total automotive fuel market.

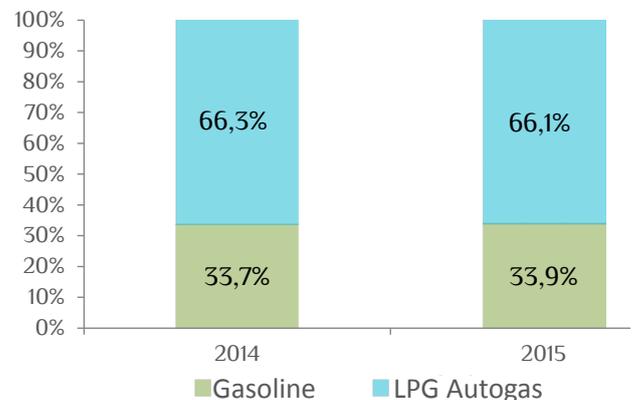


Figure 22: Automotive Fuels Consumption (volume based %) (Source: EMRA, PETDER)

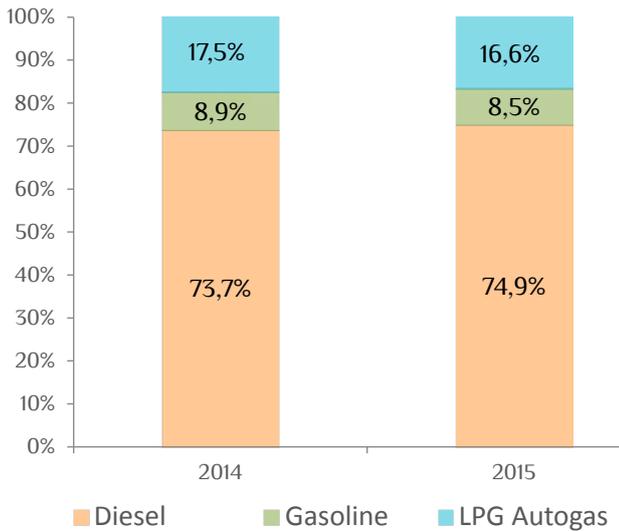


Figure 23: Gasoline and LPG Autogas Consumption (volume based %)(Source: EMRA, PETDER)

### 5.3.4 Black Products (Fuel Oil, Heating Oil) Consumption

In 2015, black products consumption totaled approximately 604,000 tons with a decrease of 14.6 % compared to the previous year.

In this period, heating oil consumption totaled 100,000 tons with a total decrease of 22.5% and Fuel Oil consumption totaled 503,000 tons with a decrease of 12.8 %.

Hence, the progressive decline in black products continued in 2015 due to the wide penetration of natural gas into the market.

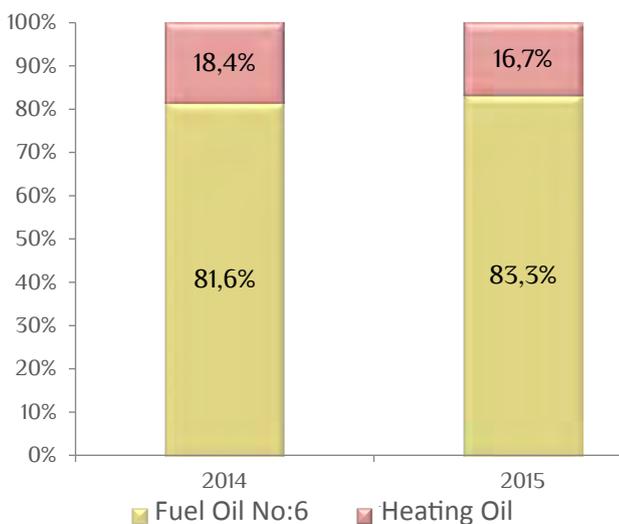


Figure 24: Change in Black Products Consumption over the years (Source: EMRA, PETDER)

### 5.3.5 Fuel Consumption (Gasoline, Diesel, Heating Oil, Fuel Oil)

Total fuel consumption totaled approximately 23.3 million tons in 2015 with an increase of 14.0%. As the chart below demonstrates, fuel consumption after having excelled in 2007 and 2008 has fallen back in 2009 and 2010.

This change is in great part due to the contracted consumption of black products because of the transition to natural gas, the adverse effects of the economic crisis in 2009 and the negative effects of Number 10 Oil consumption over diesel consumption.

The market continues to grow since 2011 due to the measures taken and the improvements.

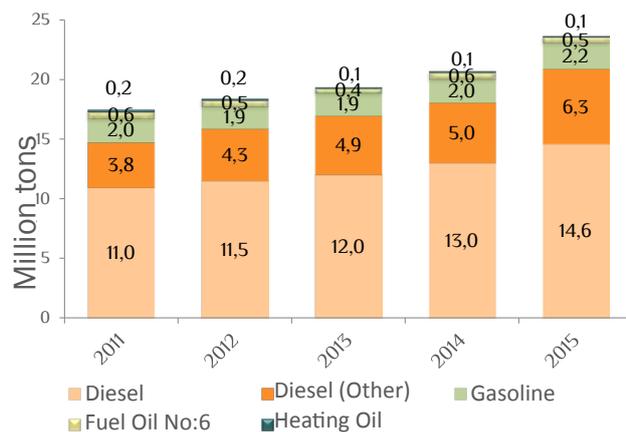


Figure 25: Change in Total Fuel Consumption (Source: EMRA, PETDER)

The shares of fuel types in total fuel consumption are given below and no significant change has been observed in 2015 compared to 2014. Diesel has the largest share in total consumption figures with 88%.

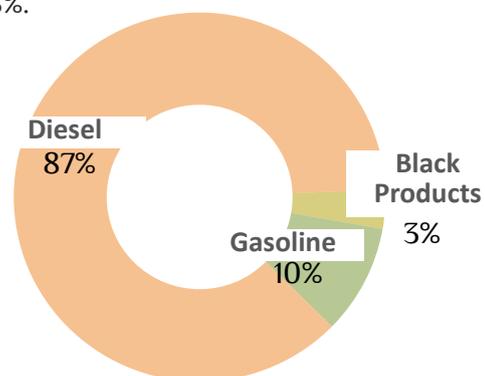


Figure 26: Shares of Fuel Types in Total Fuel Consumption (%)(Source: EMRA, PETDER)

### 5.3.6 Lubricating Oils Consumption

Developments in the lubricants market (mineral and synthetic) are followed through data compiled by PwC from lubricant producers on a voluntary participation basis.

The shares of these companies in the total lubricant

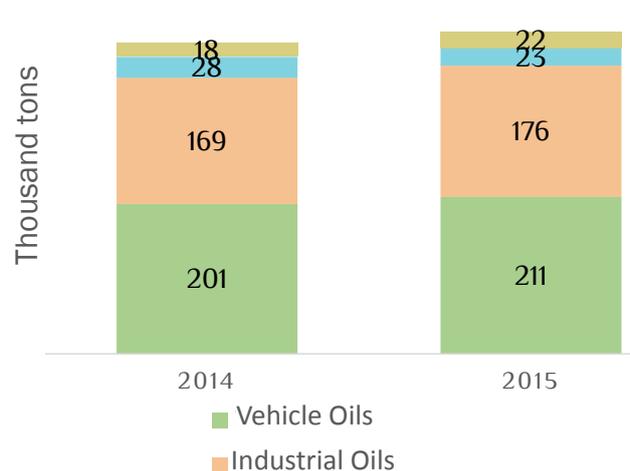
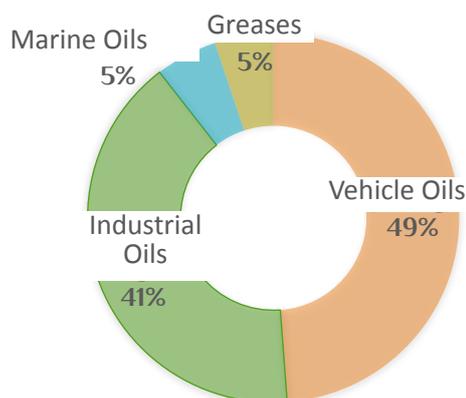


Figure 27: Lubricating Oil Consumption in Turkey (thousand tons)

The figures displayed in the table below indicate that in the recent years an excessive amount of surplus lubricants, which have been imported as base oil to be used in lubricant industry, used and

market have been determined through comparing data from EMRA and the Ministry of Environment and Urbanization. Based on this data, it is estimated that total domestic lubricant consumption in 2015 reached 432,000 tons.



In 2015, total lubricant consumption shares were as follows; 49% Vehicle Oils, 41% Industrial Oils, 5% Marine Oils and 5% Greases.

sold in the diesel market and used in illegal market activities under the name of Number 10 Oil, has been supplied to the market.

Base Oil (TON/YEAR)	2011	2012	2013	2014	2015
Base Oil Imported	1.033.622	832.627	743.795	591.346	552.358
Lubricants Imported	107.434	94.824	114.495	99.292	100.339
Additives and Preparations Imported	70.909	61.363	72.350	68.648	80.963
Refinery Base Oil Sales	380.104	266.000	154.291	119.697	126.430
SUPPLY to the market (A)	1.592.069	1.254.814	1.084.931	878.982	860.090
Base Oil Exported	1.052	706	3.858	3.264	4.626
Lubricants Exported	139.580	135.000	174.070	165.457	139.684
Additives and Preparations Exported	5.514	6.551	13.695	4.979	5.146
Lubricants Domestic Sales	411.000	408.000	416.000	417.000	432.000
Total DEMAND (B)	557.146	550.257	607.623	590.699	581.456
DIFFERENCE (A-B)	1.034.923	704.557	477.308	288.283	278.634

Table 4: Import, Export and Consumption Figures of Lubricants in Turkey (Source: TÜİK, TÜPRAŞ, PwC)

Demand surplus in lubricants exceeded 1 million tons in 2011 but decreased to 288,283 tons with the measures taken.

Despite the significant decrease in the surplus lubricants, there are still steps to be taken in order to prevent illegal activities under the name of Number 10 Oil.

**Vehicle Oils (Motor Oils, Gear and Transmission Oils)**

Turkey’s total vehicle oil consumption totaled 211,000 tons with an increase of 4.9% in 2015 compared to the previous year. While the amount of gear and transmission oils used in 2014 was 32,000 tons and motor oil consumption was 169,000 tons, in the same period of 2015, gear and transmission oil consumption totaled 35,000 tons and motor oil consumption totaled 176,000 tons.

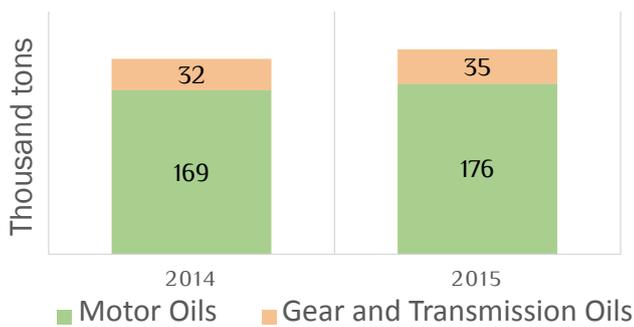


Figure 29: Vehicle Oil Consumption in 2014 and 2015 (thousand tons)

In 2015, consumption of motor oils increased by 4.1% compared to the same period of the previous year and totaled 176,000 tons. In this period, motor oils’ share in total lubricant consumption was approximately 41%. The figures below provide comparisons of motor oil consumption.



Figure 30: Motor Oil Consumption in 2014 and 2015 (thousand tons)

**Industrial Oils**

Total consumption of industrial oils totaled approximately 176,000 tons with an increase of 4.1% in 2015 compared to the previous year. During this period, industrial oils had approximately a 41% share within the total lubricating products. The comparative charts of industrial oil consumption are given below.

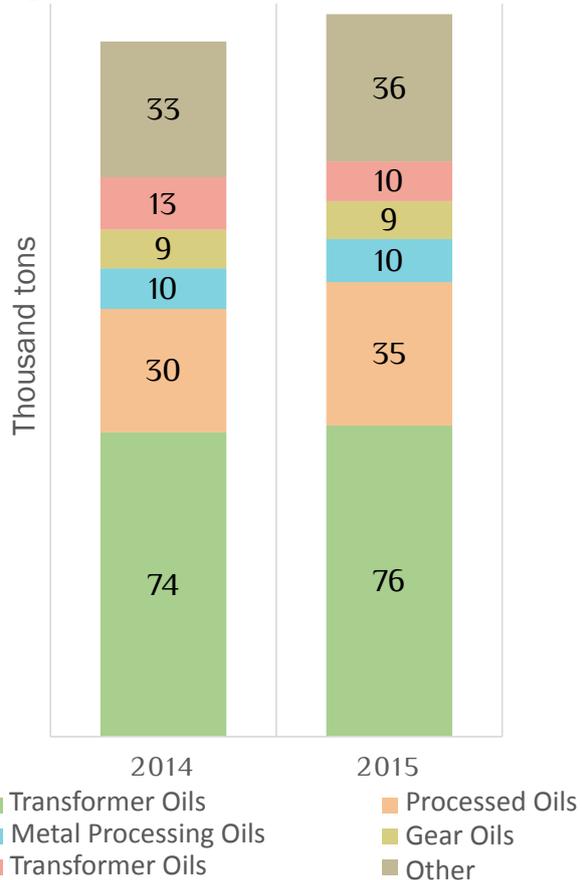


Figure 31: Industrial Oil Consumption in 2014 and 2015 (thousand tons)

**Special Products (Antifreeze and Hydraulic Brake Fluids)**

The total amount of antifreeze and hydraulic brake fluids produced in lubricant production facilities increased by 11.4% compared to previous year’s figures and totaled 39,000 tons.

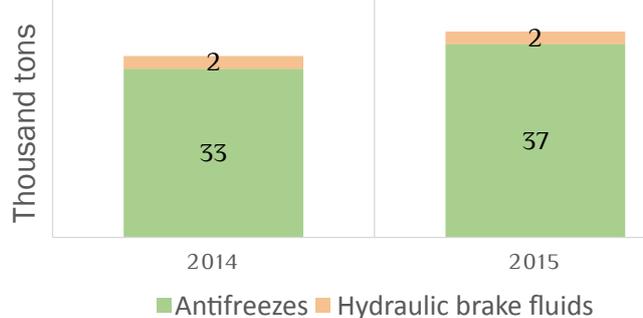


Figure 32: Chemicals Consumption in 2014 and 2015 (thousand tons)

# 6 OTHER STATISTICS

## 6.1 NUMBER OF MOTOR VEHICLES



Based on data from TSI, the total number of vehicles registered as of the end of 2015 was 19,994,472 and the shares were divided as follows;

53.0% automobiles, 16.3% vans, 14.7% motorcycles, 8.5% tractors, 4.0% trucks, 2.2% minibuses, 1.1% buses, and 0.2% special purpose vehicles.

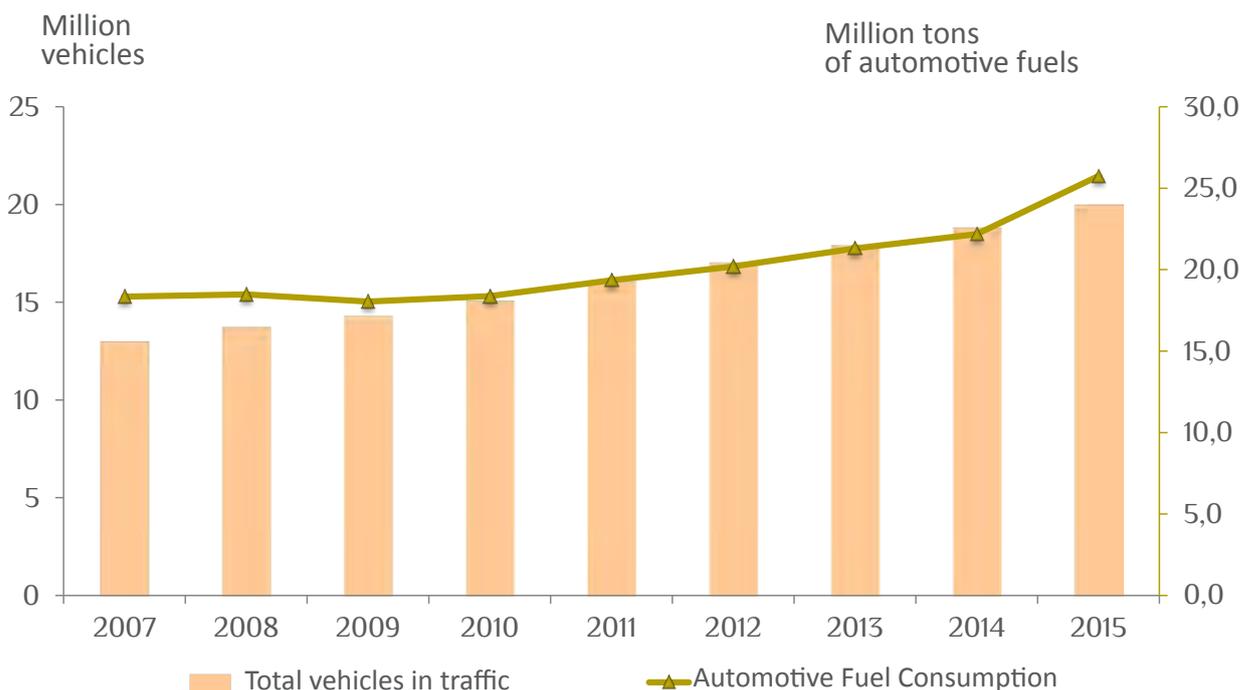


Figure 33: Number of Vehicles in Traffic and Change in Automotive Fuel Consumption (Source: TÜİK, PETDER, EMRA)

There was a significant increase in the number of diesel and autogas LPG powered vehicles. On the other hand, there was a slight decrease in the number of gasoline powered vehicles in 2015. Number of gasoline powered vehicles has had a downward trend in the recent years. When the breakdown of fuel types of automobiles registered

to traffic as of the end of 2015 is analyzed, it is observed that the number of LPG powered vehicles is 4,272,044, the number of diesel powered vehicles is 3,345,951 and the number of gasoline powered vehicles is 2,927,720. The change in the total number of vehicles in traffic and automotive fuel consumption is displayed in the Figure 34.

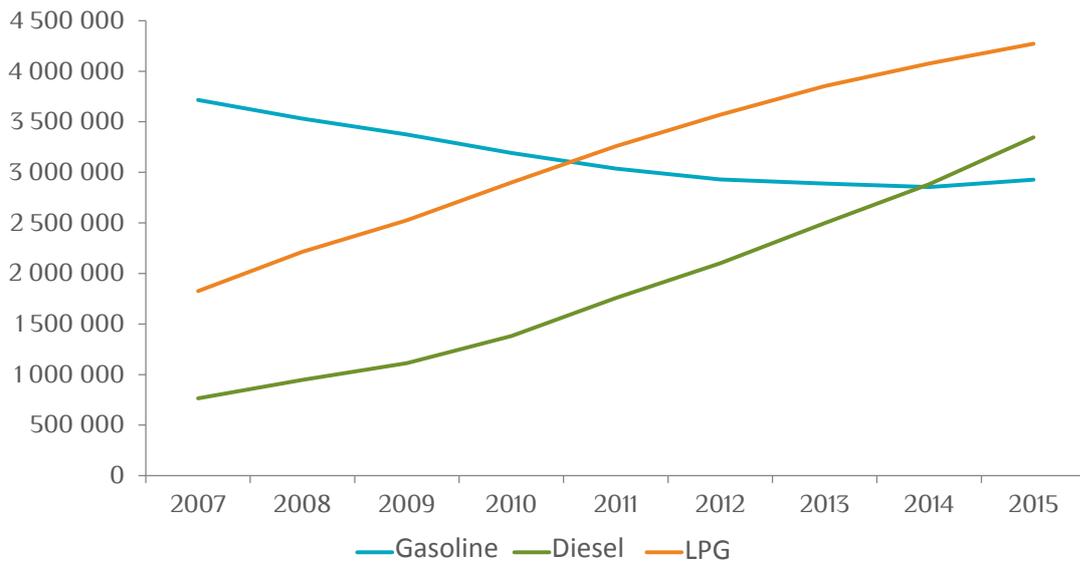


Figure 34: Number of Vehicles Registered to Traffic According to Fuel Types (million)(Source: TÜİK)

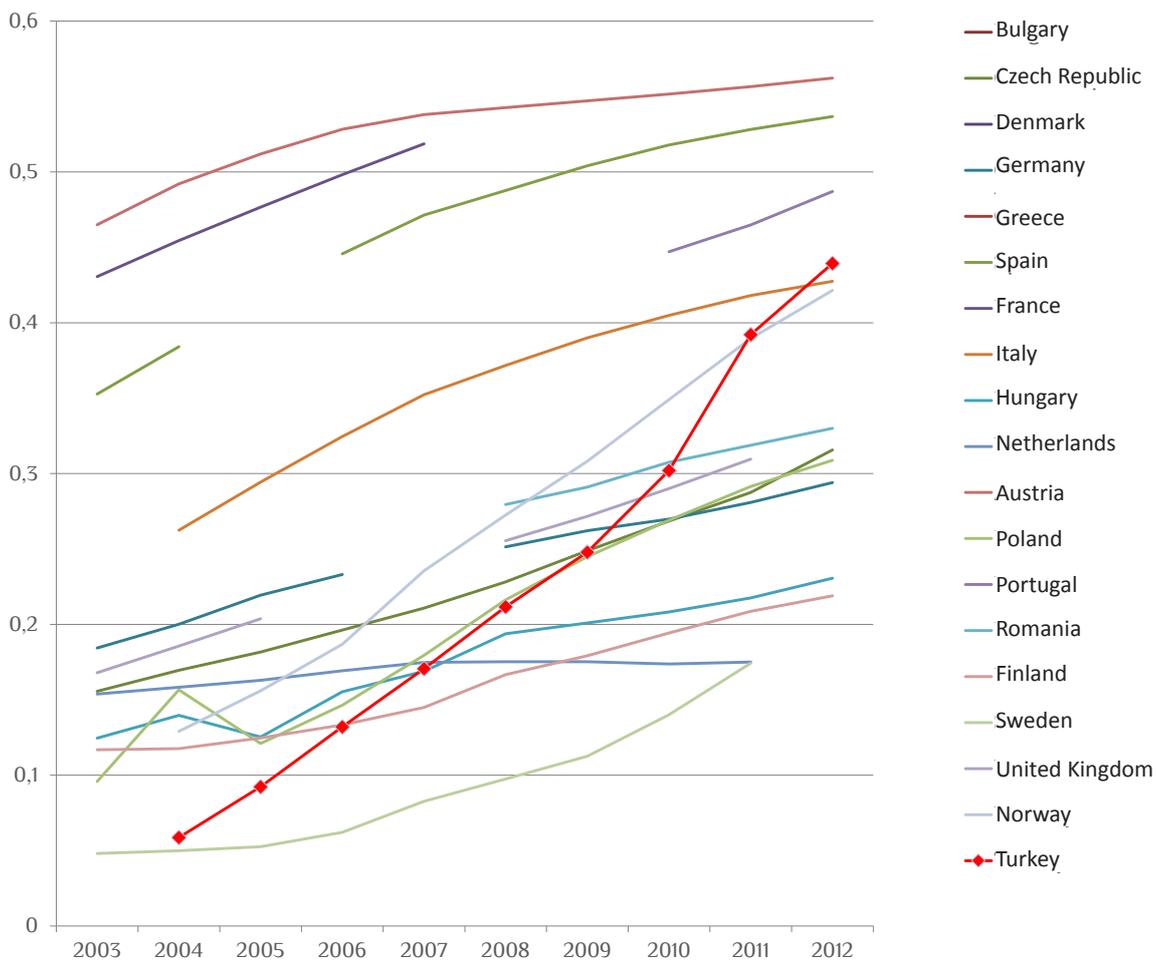


Figure 35: Transition from Gasoline Powered Vehicles to Diesel Powered Vehicles (Source: Eurostat)

The figure above displays the transition from gasoline powered vehicles to diesel powered vehicles in Turkey and Europe. Turkey, where the

transition was at the lowest rate in 2003, ranked among top 7 countries in 2012.

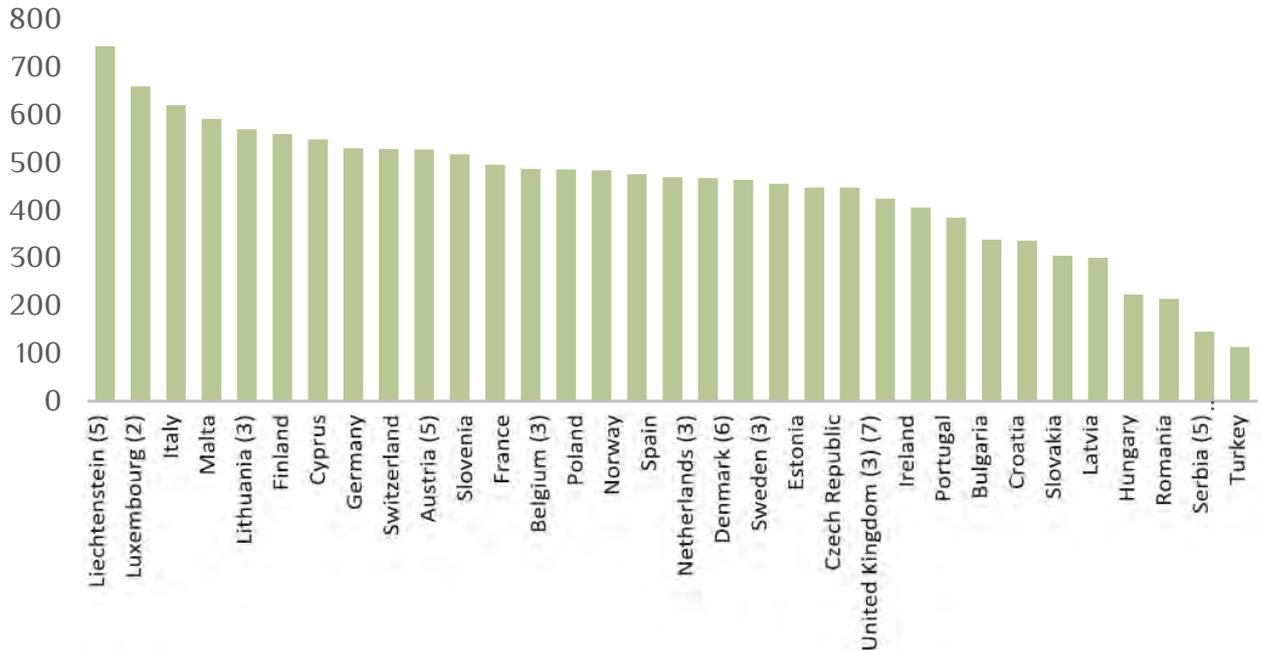


Figure 36: Number of Vehicles per 1000 People (Source: Eurostat)

(1) Greece, Iceland, Montenegro: No data (2) 2009 data (3) 2011 data (4) Aland included (5) 2010 data (6) 008 data (7) Only Great Britain (8) The vehicles that have not undergone technical inspection within the last 5 years are not included (9) Estimated values

Turkey ranks as the last country among European countries in terms of number of vehicles per 1000 people.

## 6.2 GROSS DOMESTIC PRODUCT AND AUTOMOTIVE FUEL CONSUMPTION RATES

Growth rates that are regarded as one of the most significant macroeconomic indicators are also closely followed by the oil sector. As the economic growth rates are related to industrial growth and transportation sector, they serve as an important indicator of the growth figures especially in the diesel fuel market. Turkish economy completed 2014 with a growth rate of 2.9% and grew by 4% in 2015.

automotive fuel consumption. However, although this balance was disturbed especially in the period after 2010, it remained stable after 2012 but an anomaly occurred in 2015. Fuel consumption outgrew GDP figures in 2015. It is considered that this is partly due to the progress in the fight against smuggled and illegal fuel.

The chart below displays the changes in economic growth rates and total automotive fuel consumption. A general overview indicates that there is a parallel between economic growth and



Figure 37: Annual Automotive Fuel Consumption and GDP Growth Rates (%) (Source: TÜİK, EMRA, PETDER)

# 7

## NEWS FROM PETDER

### PETDER'İN YENİ YÖNETİM KURULU BAŞKANI MARTIN THOMSEN

Martin Thomsen became the new Chairman of the Board of Directors of Petroleum Industry Association as of January 2015.



Ahmet Erdem was the Chairman of the Board of PETDER since the Ordinary General Assembly Meeting held on June 17, 2011.

Erdem, who continued his duty as the Chairman also after the PETDER General Assembly Meeting held on April 10, 2014, transferred this duty that he undertook for more than 3.5 years to Martin Thomsen as of January 2015. Erdem's Board duties continue as a Board Member.

The new Board of Directors is as follows:

#### Chairman

Martin THOMSEN (BP Petrolleri A.Ş.)

#### Vice-Chairman

Tamas MAYER (OMV Petrol Ofisi A.Ş.)

#### Accountant Member

Adnan ÜNAL (Petline Petrol Ürünleri A.Ş.)

#### Board Members

Ahmet ERDEM (The Shell Company of Turkey Ltd.)

Antoine TOURNAND (Total Oil Türkiye A.Ş.)

Ekrem EKMECİ (Opet Petrolcülük A.Ş.)

Yılmaz TECMEN (Turcas Petrol A.Ş.)

Ahmet İzzet EKE (Aytemiz Akaryakıt Dağıtım A.Ş.)

### PRESS RELEASES

#### PETROYAĞ BECAME A MEMBER OF PETDER (January 14, 2015)

Petroyağ ve Kimyasallar San. Tic. A.Ş. became a member of the Association with a Board Decision of Petroleum Industry Association. With Petroyağ, number of PETDER members increased to 15.

PETDER members are Alpet, Aytemiz, Belgin, BP, Exxon Mobil, Gulf, Opet, Petline, Petrol Ofisi, Petroyağ, Shell, Shell & Turcas, Total, Turcas and Turkuaz.

PETDER's Secretary General, Niyazi İter, stated "PETDER, bringing the leading institutions of the petroleum sector in Turkey together, has successfully been conducting its activities for 19 years. As PETDER, we became stronger with the participation of Petroyağ".

#### PETDER COLLECTED 17,750 TONS OF WASTE OIL IN 2014 (January 19, 2015)

Within the scope of the Regulation on Control of Waste Oils, PETDER, conducting waste motor oil collecting activities since 2004, collected and ensured the recycling as raw material and energy or disposal in licensed enterprises of 160,103 tons of waste motor oil in ten years.

The amount of waste motor oil collected and delivered by PETDER (Petroleum Industry Association) to enterprises licensed by the Ministry of Environment and Urbanization in 2014 was 17,750 tons.

#### Contribution to Energy Efficiency of Our Country

PETDER added 634 million kWh to Turkey's energy efficiency by ensuring the recycling as raw material and energy or disposal in licensed enterprises of 160,103 tons of waste motor oil,



which is an important source of energy, without harming the environment and human health. This number means an energy saving equivalent to the electric power need for a year of a population of 272 thousand.

#### **PETDER Continues to Collect Waste Motor Oil to Protect the Environment and Human Health**

Waste motor oils mixed with fuel in illegal ways or spilled into the environment threaten the environment and human health. When mixed to the water, 1 liter of waste oil pollutes 1 million liters of drinking water and when mixed to the fuel, it harms human health because of polluting emissions that it causes.

17,750 tons of waste motor oil collected by PETDER in 2014 may pollute 17.75 billion cubic meters of water. This amount of water, which is equivalent to the water need for a year of 84 million people, is also 15% of all consumable groundwater and surface water potential in our country.



#### **A Financial Source of 34 Million TL Used by PETDER for the Waste Motor Oil Management Project**

A financial source of 34 million TL is used for the Waste Motor Oil Management Project until today. The 50% of this amount was directly financed by the participant companies of the project.

PETDER, covering all the necessary costs for the collection, transport, recycling or disposal in appropriate conditions for environment and human health of waste motor oils in accordance with Regulation rules, is offering this service to enterprises producing waste motor oil for free.

#### **PETDER, the “Authorized Organization” by the Ministry of Environment and Urbanization**

The authorization for collecting waste motor oils is granted to “Motor Oil Producers” or “Authorized Organizations” by the Regulation and it is forbidden for people and institutions except these to collect waste oil. Petroleum Industry Association (PETDER) is an “Authorized Organization” for collecting waste motor oil and ensuring its recycling as product or energy or disposal in licensed facilities across the country.

#### **71,500 Seedlings with PETDER’s “One Barrel One Tree Project”**

Within the scope of “One Barrel One Tree Project”, PETDER plants one seedling for each barrel of waste motor oil collected from public institutions.



PETDER, planting 15,000 seedlings in 2014, added in total 71,500 trees to the nature.

### The Awareness on Waste Motor Oils Has to Be Improved

PETDER continues its activities in order to increase the amount of waste motor oil collected. Although awareness has been raised with these activities on waste motor oil, supportive implementations are needed in order to improve this awareness.

Some part of waste motor oils in our country is

still used in number 10 oil activities. The “number 10 oil” is a non-standard fuel product. It harms the vehicle and causes serious accidents, and even death in some cases.

Therefore, public transport vehicles, especially interurban and urban buses and minibuses, should be subject to strict and continuous roadside inspections. Service vehicles should also be evaluated within this scope. These inspections, not only for producers and sellers of number 10 oil but also for its consumers, should be supported with sanctions and results should be shared with the public.

### OPINIONS ON THE DRAFT DECISION ON FUEL PRICES (May 20, 2015)

The “Draft Decision on Fuel Prices” was submitted for the opinions of public opinion on April 22, 2015 by EMRA and various institutions expressed their comments on the Draft. In this scope, PETDER issued a press release to share its opinion on the issues mentioned by PÜİS (Petrol Ürünleri İşveren Sendikası – Petroleum Products Employers Association) in the press statements.

“One of the discussion topics is the prohibition of the dealers to participate in the discounts offered to clients in the electronic payment systems. The electronic sale systems developed in a long time as a result of technological improvements and the competition are used not only by the biggest shipping, distribution, transportation and other sector companies of our country but also by hundreds of SMEs for fuel purchases and it is estimated that approximately 2 million vehicles are benefiting from the system.

These systems are also very useful with their positive effect on transport costs and for controlling and registering the fuel purchases. In case such prohibition is applied;

• The cost of fuel in shipping and transportation services carrying passengers and freight benefiting competitively from the discounts through fleet sales will be increased and this case will affect product and service prices in a wide range and the inflation will also be affected negatively.

• It may be observed that the illegal/smuggled fuel consumption and/or unregistered fuel activities

are increasing at the client sectors of fuel sector in order to decrease the fuel cost and as a result, tax losses may occur.

▶ There will be no positive effect on retail fuel prices in case the dealers do not participate in the discounts for fleet clients.

Another issue opened to discussion by PÜİS is that, 55% of the gross margin between the refinery and pump prices should be given to the dealers through an intervention in the commercial relationships determined according to contract terms upon mutual agreement between distributor companies and dealers.

▶ Dealers and distribution companies who signed contracts in the scope of the regulations in force, the competition decisions in 2009 and free commerce principles will have significant losses and many financial and legal problems will occur between the parties.

▶ A limitation in favor of the dealer in the share of gross margin will not affect the final pump prices.

▶ The possibility of change of the share of gross margin in contradiction with the present regulations will cause problems in the sector in terms of predictability.

In addition, in the press statements of PÜİS, the prohibition of the sales of differentiated products which are offered to consumers as option in many countries is opened to discussions.

All diesel and gasoline types officially sold in Turkey are in compliance with the EU & Turkish standards and the technical regulations of the Energy Market Regulatory Authority (EMRA) and can be used in all types of vehicle. In order to respond customers' quality and performance expectations, in a competitive environment, many oil companies offer consumers additional options of special/premium/differentiated diesel and gasoline types which are developed through R&D activities. We believe that it will not be adequate to prohibit the sale of these products offered as an option to the Turkish consumers considering that they are available in developed countries.

We believe that EMRA will make the necessary evaluations in order to prevent damages for our sector, the relationships between the dealers and distributors, the consumers and for our economy.

As PETDER, as we always express, we think that sustainable and effective implementations in the sector will be possible only with the collaborated works of EMRA and the sector and that we fully support the works conducted by EMRA aiming at decreasing the costs in our sector.

## FUEL DISTRIBUTION COMPANIES ARE CAREFULLY COMPLYING WITH LAW AND DECISIONS

(July 27, 2015)

As of July 2015, the petroleum sector operates with its 86 distributors, 110 storage facilities, approximately 13.000 dealers and thousands of employees. The fuel sector has a volume of 120 billion TL with approximately 60 billion TL of SCT and VAT and supplies fuel for growing transport, construction, infrastructure projects and industrial activities and supports the development of the country.

Turkish fuel industry became a competitive market with free market structure after enactment of Petroleum Market Law no.5015 in 2005. However, direct interventions and regulations in the last 18 months have turned the market into a regulated market in contradiction with the applicable legislative framework.

**It is expected that the margins of the fuel sector Turkey are in accordance with the average margin of the four reference European countries (England, Italy, France, Germany).**

The unpredictable legal regulatory changes, such as the change of monitored countries with EMRA's decision in November 2014, put the companies which made commitments and investments according to the previous legal framework in a very difficult situation. It is understood that, in implementing the price monitoring methodology, the costs driven by the compliance requirements and the infrastructure between Turkey and the four countries are not fully considered by EMRA. All our reasonable grounds and objections, and objective studies developed by 3rd party companies are presented to relevant authorities and legal applications have been made.

Despite extremely low profit margins, PETDER member fuel distribution companies strive to operate in accordance with Laws and relevant

EMRA Decisions. The result of the foregoing can be observed in the 2014 100 top companies list of Fortune Magazine and Corporate Tax top 100 companies list. The industry closed 2014 with a loss and fuel distributors which are among the largest companies are not ranked in the top 100 companies in Corporate Tax list.

### Energy Markets Regulatory Authority and the Fuel Sector should collaborate

PETDER member fuel distribution companies always aim for the highest level in terms of services and quality offered to the customer and more importantly, occupational health, safety and environment issues and adopt a more competitive and careful attitude when compared with many other countries. We believe that the sustainable and efficient implementations in the sector can be developed only with the collaboration of EMRA and the sector.

### THE LACK OF AN INTEGRATED COMPULSORY NATIONAL STOCK POLICY IN THE FUEL SECTOR LEADS TO PROBLEMS IN THE LPG MARKET AND FOR CONSUMERS (October 14, 2015)

Relevant organizations should collaborate towards a solution in order to hold consumers harmless from any problems that may arise as a result of national stock obligation in LPG.

Pursuant to Article 16 of the Petroleum Market Law no.5015, refinery, fuel and LPG distributor license holders are obliged to keep minimum 20 times of the average supplied daily product amount at their own storage or licensed storage facilities whether as a whole or separately according to their status.

LPG consumption in Turkey totaled 3.7 million tons in 2014 and LPG storage capacity is 300 thousand tons. Based on the figures above, national LPG stock to be kept in 2015 is determined as 207 thousand tons. In this case, 80% of LPG storage capacity cannot be used for commercial purposes.

Due to safety stock levels of the tanks, limited area for new tanks, difficulty of the process and test periods, it is not possible to increase LPG storage capacity in parallel with market growth.



On the other hand, 83% of LPG offered to the domestic market is imported. Import is carried on at several supply points and problems arise from time based on the price and amount of production in international markets and regional developments at traditional supply points.

In the past few months, stock problems occurred in the LPG market and many distribution companies could not meet the dealers' demand sufficiently as LPG import was not efficient due to the challenges and developments mentioned above.

PETDER considers that the supply and stock shortage can be overcome through partial use of LPG autogas stocks by substituting products with each other within the scope of national stock obligation.

An integrated National Stock Policy managing fuel stocks and allowing companies to substitute products under certain circumstances will not only resolve the potential supply problems that may occur in the upcoming periods but also will be quite beneficial in terms of efficiency, productivity and costs of stock management in the industry.

We believe that a national stock committee supervised by the Ministry of Environment and Urbanization in collaboration with EMRA and sector representatives will facilitate the development and implementation of a clear, simple and functional national stock policy which will be beneficial both for the sector and the consumers.

## MEETINGS AND EVENTS

### WASTE MOTOR OIL MANAGEMENT PROJECT HSE TRAININGS COMPLETED

Waste Motor Oil Management Project HSE Trainings organized by PETDER were held in Nevşehir (November 16, 2015), Hadımköy (November 30, 2015) and Kocaeli Garage (December 1, 2015).

The process was completed with the training held at İzmir Aliğa Garage on December 28, 2015.

Within the scope of the trainings, 40 personnel employed in the project are instructed on HSE subjects including spills and safety.

In addition, at the workshop conducted with all field personnel, suggestions for collecting more waste motor oil and critical incidents at the field were discussed.

### OPINIONS ON ARTICLE 17 OF LPG MARKET LAW SHARED

Amendment proposals and justifications regarding Article 17 of LPG Market Law no.5307 have been submitted to the Undersecretariat of Prime Ministry, the Ministry of Energy and Natural Resources, EMRA and the Prime Ministry General Directorate of Laws and Decisions by three associations representing LPG industry (PETDER, Turkey LPG Association and Independent Liquefied Petroleum Gas Suppliers, Kit Suppliers and Autogas Dealers Association). In accordance with LPG Market Law, in the event of inconsistency with technical regulations, both an administrative fine under Article 16 and a sanction of termination of licenses, under Article 17, shall be imposed. While incompliance with technical regulations results in administrative fines in the other three markets regulated by EMRA, this implementation in the LPG market exposes the companies in the industry to severe sanctions even in recoverable situations. LPG industry expects that Article 17 of LPG Market Law no.5307 will be regulated with a motion to be added to the scope of the other laws with priority before GNAT so as to parallel the implementations in the petroleum market and other markets and that the problem is solved before the sanctions are imposed.

### WASTE MOTOR OIL SHOULD BE DELIVERED TO PETDER

Within the scope of “Waste Motor Oil Management Project”, PETDER has sent an official letter to all interested parties, including the Ministries, Governors’ Offices, Metropolitan Municipalities, Municipalities and Districts, stating that waste motor oils should be delivered to PETDER. The letter includes the following statements:

“In accordance with the provisions of Waste Oil Management Regulation, which entered into force after it was published in the Official Gazette dated July 30, 2008 and numbered 26952, PETDER has been carrying out the Waste Motor Oil Management Project as the only authorized organization by the Ministry of Environment and Urbanization.

Within the scope of the abovementioned Project, to which motor oil producers, importers and organizations offering motor oil to the market under their brand names participate by signing an agreement, PETDER collects waste motor oils across Turkey regardless of amount and distance, and delivers waste oils to licensed facilities for product or energy recovery.

However, it is not possible to say that the amount of waste motor oil delivered to PETDER by waste oil generators is enough. A major part of waste motor oil not delivered to PETDER is used in illegal fuel activities in Turkey, known as Number 10 Oil, resulting in tax loss in Turkish economy and causing loss of life and property, as well as environmental pollution. Therefore, it is of utmost importance that waste motor oils are delivered only to PETDER, the only authorized organization.

PETDER acknowledges and undertakes to collect, facilitate disposal of and completely fulfill legal documentation requirements relating to waste motor oils generated through oil change, in compliance with the provisions of the Regulation. Such activities will be free of charge and the costs relating to the course of procedures will be covered by PETDER. We kindly submit for your information and necessary action for delivery of waste motor oil generated at your facility or affiliated enterprises to PETDER.”

## PETDER AND EGAD MANAGEMENT CONVENED

PETDER and EGAD (Energy Journalists and Media Association) convened at a fast-breaking meal at İstanbul Kalyon Hotel on July 1, 2015.

PETDER Chairman Martin Thomsen, PETDER Secretary General Niyazi İliter, PETDER team and EGAD Chairman Ali Olcay Aydilek, Vice-Chairman Ali Berat Meriç, Vice Chairman Ufuk Şanlı, Secretary General Hüseyin Murat Fırat, Board Members Ercan Baysal, Merve Erdil and Mehmet Kara attended the meeting.

Thomsen presented information on the current status of the sector. Sharing the projection that the fuel distribution companies will probably close 2015 with a loss as was the case in 2014, Thomsen added that EMRA decisions on price ceiling and price monitoring also contributed to this result.

Thomsen noted that the distribution companies' margin within fuel liter prices was around 10% and

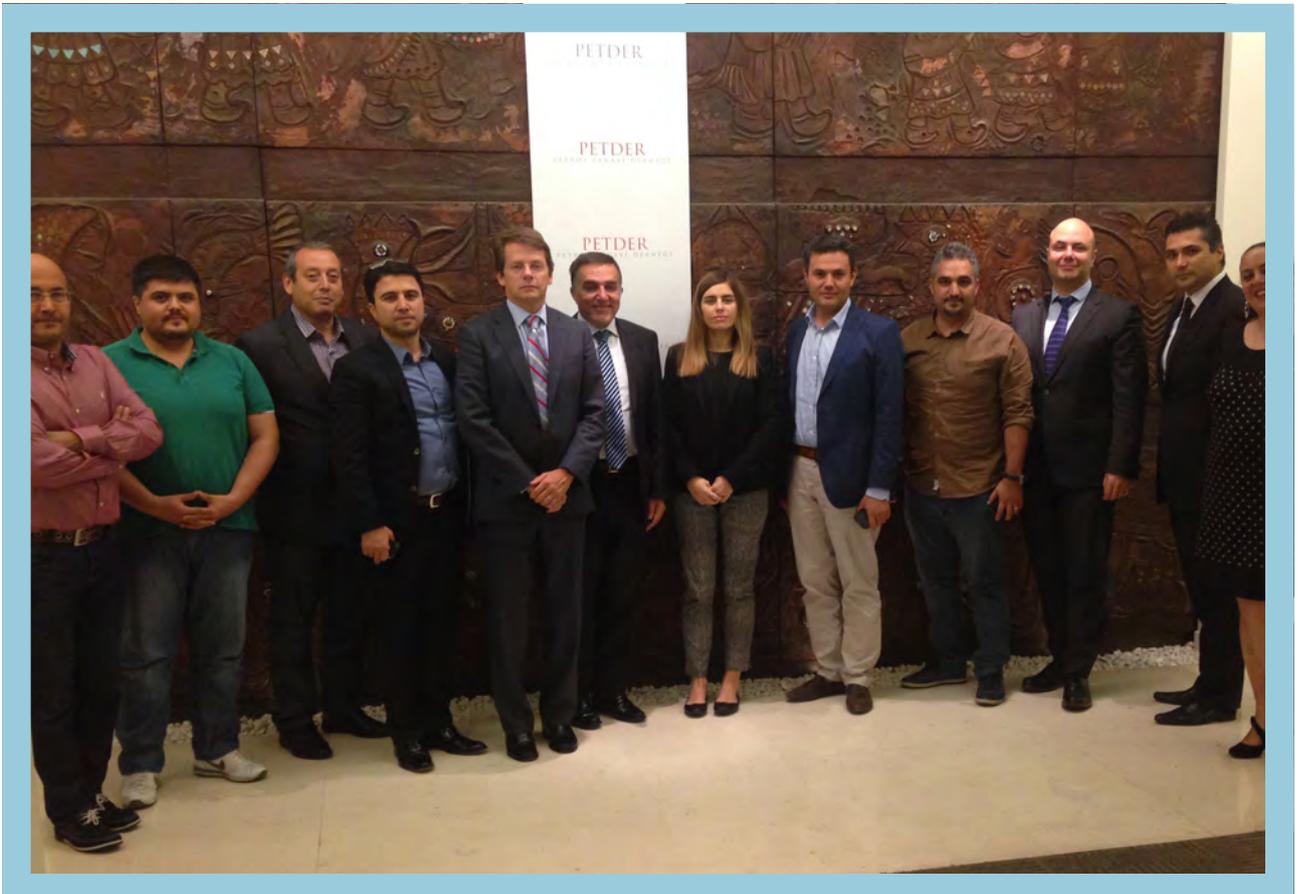
that all costs are compensated from this margin. He state that the price discounts were also made from this margin and underlined that the discounts in the 10% share would not be permanently beneficial for consumers.

Reminding that the margins are compared with Italy, UK, France and Germany, Thomsen remarked that these comparisons do not lead to accurate results due to the additional cost of at least 12 kuruş per liter in Turkey.

Thomsen listed some of these costs, such as station staff, bank guarantee letter, national marker and flow meter investments.

PETDER Secretary General Niyazi İliter expressed that a technical committee was formed with EMRA for determining the costs specific to Turkey and that studies on the issue continue.

PETDER management highlighted the importance of the collaboration between the private sector and public institutions to develop sustainable and efficient solutions.



## PETDER POINTS OUT THE RISKS OF NUMBER 10 OIL

PETDER prepared a public service announcement emphasizing that Number 10 Oil causes loss of lives, for the purpose of informing the public and pointing out the risks of illegal / smuggled products. In addition to the public service announcement, written and oral interviews on the issue were presented.

The following information was released to the public:

“Number 10 Oil” is a general name for commercial activities involving mixture of materials such as base oil, solvent, waste lubricants / vegetable oils and illicit diesel fuel usually sold in tins and used as a substitute for diesel fuel in liquid fuel market.

Number 10 oil is a lubricant with high fluidity, real consumption rate of which is very low.

Activities under the name of Number 10 Oil are carried out openly on highways, truck stops and bus terminals, industrial sites all over Turkey. Illegal fuels sold under the name of number 10 oil are widely used in commercial vehicles such as minibuses, buses and trucks.

Besides the large scale tax loss, number 10 oil

poses a serious threat to the environment and human health. Especially recently, news appeared on the media about accidents at plants where such activities and production is carried out or buses and trucks catching fire on the road due to illegal fuel, number 10 oil etc. and in some accidents caused by these fuels resulted in loss of lives.

Great progress has been made compared to the previous years with the financial and administrative measures and inspections.

It is estimated that the amount of surplus lubricants offered to the market decreased to 288,283 tons in 2014 as a result of the efficient practices and the measures taken.

However, despite all measures and successful steps taken in Turkey against smuggled and illegal/nonstandard fuel use, known as Number 10 Oil, continues. Demand surplus is still a problem.

**Marketing of these products should be prevented.**

First of all, marketing of any kind of illegal product should be prevented. Strict controls and inspections should be imposed on those who market such products with this purpose, the results and penalties should be shared with the public.

Especially long distance coaches and transportation vehicles should be inspected on the road regularly.



## “COLLABORATION FOR SOLUTION”

PETDER Board Members visited EMRA President Mustafa Yılmaz on March 10, 2015. On March 25, 2015, a committee of PETDER, PÜİS and TABGİS representatives had a meeting with the Minister of Energy and Natural Resources Taner Yıldız and EMRA.

While the main agenda topic at the meetings was the price ceiling, the necessity of collaboration between the industry and EMRA along with other public institutions and organizations for smooth operation and progress in the industry was highlighted.

## “PETDER WASTE OIL MANAGEMENT PROJECT PARTICIPANTS BRIEFING MEETING”

The Evaluation Meeting for PETDER (Petroleum Industry Association) Waste Motor Oil Collection Activities in 2004 was held at Istanbul Point Hotel on November 3, 2015. Besides the project participants, representatives from Istanbul Metropolitan Municipality, Istanbul Provincial Directorate for Environment and Urbanization and EMRA attended the meeting.

At the opening speech, PETDER Secretary General Niyazi İter expressed their appreciation regarding the steps taken and conveyed their thanks to EMRA. Operations Manager Volkan Siğinç provided the attendees with detailed information on activities.

Siğinç reminded that PETDER is the only “Authorized Organization” before the Ministry of Environment and Urbanization for collection of waste motor oil in Turkey. Siğinç remarked that part of waste motor oils are still being used as Number 10 Oil in Turkey and highlighted that Number 10 Oil, which is a non-standard fuel, absolutely damages the vehicle and causes serious accidents some of which result in loss of life. Siğinç summarized PETDER’s suggestions towards increasing the amount of waste motor oil collected as follows:

• Inspections and sanctions should be extended; the fines and penalties imposed should be shared with the public. In regard to the main four links of Number 10 Oil chain (waste oil generators, unauthorized persons collecting/transporting waste oil, Number 10 Oil producers and Number 10 Oil users), inspections should be

extended, deterrent sanctions should be imposed and these should be shared with the public by public authorities, especially by the Ministry of Environment and Urbanization.

• Re-refining plants similar to those in developed countries should be established in Turkey.

• Especially public institutions, municipalities and Provincial Special Administrations should hand over the waste motor oil generated only to PETDER.

• It is important that the plants where waste oil recovery activities are carried out conform to TS 13541 standard determining service location standards set by TSE. Conformity to the standard should be monitored with on-site inspections.

• In Turkey, the product recovered at these plants is a product whose form, mainly color and odor, has been improved, rather than base oil and becomes subject to Number 10 Oil activities under different names such as sawing oil or molding oil. Conformity of such products to TS 13369 standard should be checked through on-site inspections examining the process they undergo.

• It is important that production of base oil from waste oil is licensed by EMRA and EMRA continues to work on the process.

After Siğinç’s speech, PETDER Corporate Communications Executive Yasemin Dağ shared the results of the “Participant Satisfaction Survey” conducted online with participation of 105 people. It was observed that the level of satisfaction was high in general. Dağ also stated that all feedback received was reviewed and necessary actions were taken.

After the presentations, PETDER Secretary General Niyazi İter conducted a workshop to discuss the problems encountered during collection of waste motor oil and the solution suggestions with the participants. The participants actively participated in the workshop and the topics highlighted to increase the amount of waste motor oil collected were;

- extending inspections and controls,
- enhancing collaboration between relevant institutions,
- raising public awareness.

İter stated that the foregoing suggestions were shared with the relevant institutions and necessary actions were taken and added that the participants’ suggestions would also be taken into consideration.

**PETDER**  
PETROL SANAYİ DERNEĞİ

**20**.YIL

PETDER will celebrate its 20th year anniversary on September 23, 1996.



# PROJECTS

## WASTE MOTOR OIL MANAGEMENT PROJECT

Pursuant to the abolished “Regulation on the Control of Waste Oils” issued by the Ministry of Environment and Forestry on January 21, 2004, lubricant producers and importers are held liable to collect used motor oils which have been offered to the market.

Within the scope of the Waste Oil Management Project initiated by Petroleum Industry Association Commercial Enterprise on April 19, 2004, activities have been conducted in order to fulfill the provisions of this Regulation. Within the framework of the cooperation protocol signed with the Ministry of Environment and Forestry on July 30, 2004, waste motor oils used in motor vehicles are collected from car care services, fuel stations and state car care stations by licensed and authorized teams

under appropriate conditions within the scope of the Waste Oil Management Project.

Pursuant to Regulation on the Control of Waste Oils amended on July 30, 2008, Petroleum Industry Association was licensed as an “Authorized Institution” by the Ministry of Environment and Forestry on September 4, 2008. With the regulation, it has been prohibited for real or legal entities other than authorized organizations or motor oil producers to collect waste oils.

PETDER is the only organization authorized for collection of waste motor oil.

The project aims for processing of waste oils in facilities licensed by the Ministry of Environment

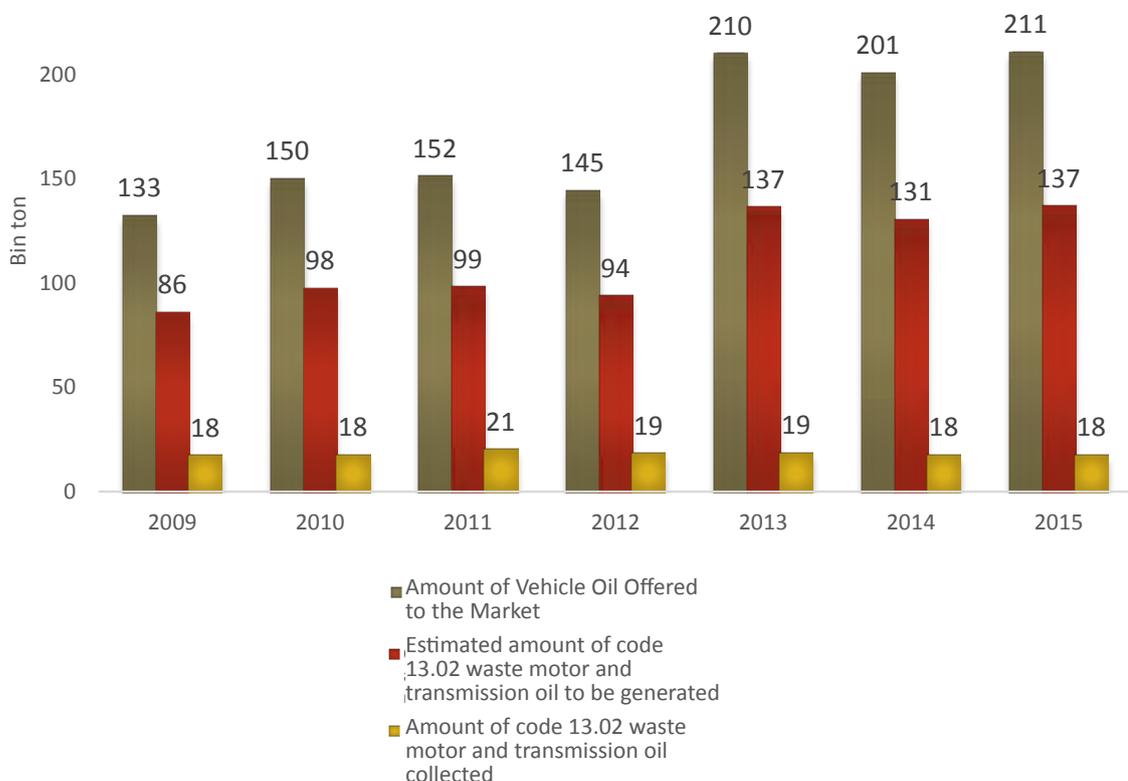


Figure 38: Comparison of Estimated Amounts of Waste Motor Oil and Transmission Oil to be Generated and Amounts Collected Each Year (thousand tons)

and Forestry without causing any damage to the environment and human health, locating waste generators and raising awareness. Since the beginning of the project in May 2004, the amount of waste motor oil collected and the number of collection points across the country has increased each year.

Waste motor oil generated at motor oil changing spots are collected by licensed vehicles with National Waste Transportation Form and delivered to licensed facilities to be recovered (as energy or raw material) or disposed based on their categories, and adequate legal documentation is prepared and the waste generators are not charged for any of these activities.

Waste oils which might pose a threat to the environment and human health are turned into a

contribution to the economy by being processed at refining and regeneration facilities, cement, lime and iron-steel factories to be recovered as energy or raw material or through disposal within the scope of the principles specified by the Ministry.

The amount of waste oil collected by PETDER in the last 11 years has totaled 177,904 tons and the funds used in this period have reached 40.17 million TL.

211,000 tons of vehicle oil was offered to the market in 2015 and it is estimated that 137,000 tons of waste motor and transmission oil was generated. The amount of waste motor oil collected by PETDER was approximately 18,000 tons. The main reason why the amount did not increase is that waste oil is being used in illegal fuel activities.

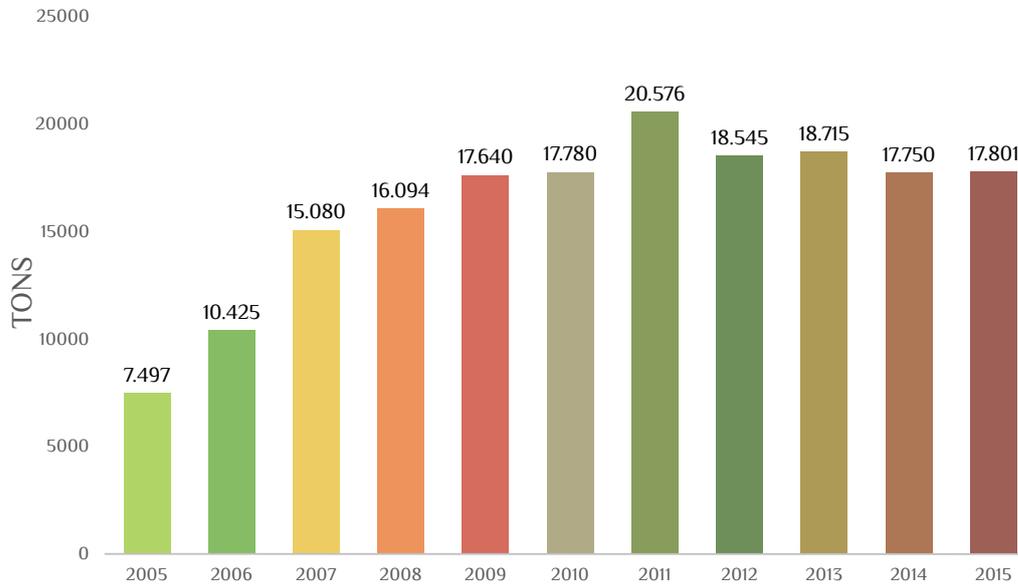


Figure 39: PETDER Waste Oil Management Project – Comparison of Amount of Waste Motor Oil Collected Each Year (ton)

In 2015, 14,516 trips were made to waste motor oil generators by PETDER and 17,801 tons of waste motor oil was collected and delivered to facilities licensed by the Ministry of Environment and Urbanization. 1,725 tankers of waste motor oil were delivered to licensed facilities in 2015. The number of participating companies was 73 by the end of 2015.

12,171 tons of the waste motor oil collected in 2015 was collected from car care services, 1,452 tons from industrial vehicle parks, 777 tons from state institutions, 832 tons from municipalities, 1,035 tons from construction and mining industry,

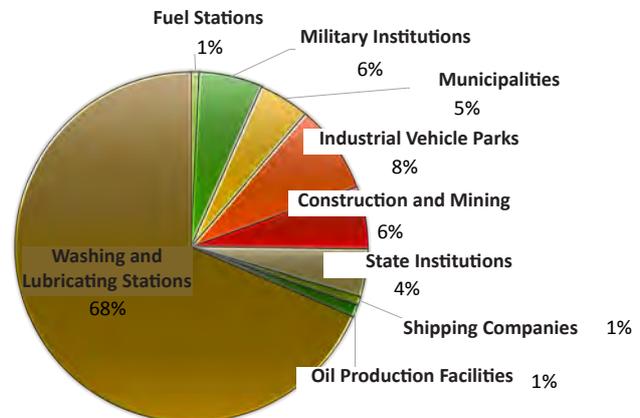


Figure 40: Industrial breakdown of waste motor oil collected in 2015

7,294 tons of the waste motor oil collected in 2015 was collected from Marmara Region, 2,641 tons from Aegean Region, 2,923 tons from Central Anatolia Region, 1,610 tons from Black Sea Region, 2,040 tons from Mediterranean Region, 656 tons from Southeastern Anatolia Region and 636 tons from Eastern Anatolia Region.

Top ten cities in waste motor oil collection in 2015 were İstanbul, Ankara, İzmir, Bursa, Kocaeli, Antalya, Adana, İçel, Hatay and Tekirdağ. The cities where the amount of waste motor oil collection was the least were Kilis, Ardahan, Muş, Hakkari and Ağrı. No waste oil was collected from Siirt and Şırnak.

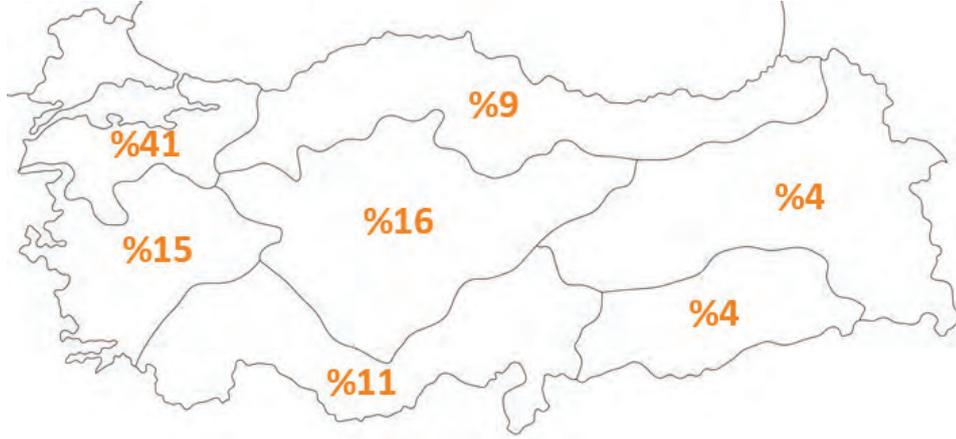


Figure 41: Sahre of collected waste motor oil by regions

**Waste Oil Management Project 2015 Activity Report**  
is available at [www.petder.org.tr](http://www.petder.org.tr).

## PROBLEMS ENCOUNTERED IN WASTE OIL COLLECTION AND SOLUTION SUGGESTIONS

Despite all measures and successful steps taken in Turkey against smuggled and illegal fuel, use of illegal/nonstandard fuels, known as Number 10 Oil, continues. Not only base oil but also waste oil is used to produce Number 10 Oil.

Waste motor oil not delivered to PETDER is mostly used to produce Number 10 Oil, as molding oil in constructions and for heating purposes (at industrial sites, greenhouses etc.)

However, especially use of Number 10 Oil causes loss of life and property, has adverse effects on national economy as a result of tax loss and unfair competition and pollutes the environment. Most of the waste motor oil not delivered to the authorized institution is sold under the name of number 10 oil at “nonmarket” areas such as:

- ▶ Truck / bus terminals,
- ▶ Vehicle industrial sites and
- ▶ Stores and open spaces at roadsides.

Unfortunately, despite all adverse effects and all measures taken, waste motor oil is still subject to trade at prices up to 1000 TL/Ton instead of being delivered to the authorized institution because of the unlawful profit obtained as a result of SCT imposed on legal fuel products.

PETDER works devotedly to collect waste motor oil in 81 cities and their counties and reaches everyone and receives waste oil regardless of the amount.

However, waste motor oil collection is not at a satisfactory level in Turkey. The main reason behind this is deriving high profits by using waste motor oil in illegal fuel activities by not paying the SCT. Aside from this main reason, the other reasons why waste motor oil delivery to PETDER is not at a satisfactory level are listed below:

### **Inspections and sanctions are not sufficient.**

Unfortunately, efficient, sufficient and consistent inspections in regard to Number 10 Oil used in illegal fuel activities and sanctions as a result of such inspections are not imposed. Besides inspections and sanctions, the fines and penalties

imposed are not shared with the public at a sufficient level. Waste motor oil becomes subject to illegal activities by;

- ▶ not being delivered to the authorized institution by waste generators,
- ▶ unauthorized people who receive/purchase waste oil,
- ▶ those who use waste oil in fuel activities under the name of refining/regeneration and
- ▶ being used as fuel by consumers especially in public transportation and shipping industries.

Due to lack of disincentives in regard to inspections and sanctions, waste oils are not delivered to the authorized institution by waste generators, are purchased and sold at high prices by licensed and unlicensed collectors, are used in fuel activities under the name of regeneration/refining, are used as fuel by consumers mainly in public transportation and shipping industries and all these illegal activities have been continuing for a long time and cannot be prevented.

In order to prevent such activities, regular, continuous and efficient inspections must be carried out at each of the four links of this chain.

PETDER has made various notifications to relevant authorities regarding the issue. Moreover, the inspections to be carried out should be supported with deterrent sanctions and these should be shared with the public.

### **Base oil production from waste oil is outside the scope of EMRA license.**

Waste oil regeneration/refining activities are carried out by industrialized refineries in all developed countries and they produce base oil using advanced technology. However, in Turkey, such recovery activities are carried out based on form (color and odor) without being subject to a license and mostly using primitive methods. Conformity of such activities should be inspected.

### **Compliance to TS 13541 on rules for raffination and regeneration facilities for waste oil and TS 13369 on base oil products is compulsory and compliance to these standards should be monitored through inspections.**

Compulsory standards pertaining to facilities producing base oil from waste oil in Turkey and base oil products should be enforced and required inspections should be performed.

### **Some public institutions do not deliver waste oil.**

The amount of waste motor oil received from public institutions, municipalities and provincial special administrations is not sufficient. Even in the public sector, waste oils are not delivered at a sufficient level and are used in other areas.

### **Inspections and sanctions should be extended; the fines and penalties imposed should be shared with the public.**

In regard to the main four links of Number 10 Oil chain (waste oil generators, unauthorized persons collecting/transporting waste oil, Number 10 Oil producers and Number 10 Oil users), inspections should be extended, deterrent sanctions should be imposed and these should be shared with the public by public authorities, especially by the Ministry of Environment and Urbanization.

**1. Waste Oil Generators:** It is believed that regular inspections on the amount of “lubricant input-waste oil output” as well as amount and documentation of waste oil delivered to PETDER mainly at car care services and workplaces at industrial sites, where lubricants are used and/or waste oil is generated as a result, would be beneficial to prevent sale of waste oil. For this purpose, the amounts delivered to PETDER by waste motor oil generators and their product purchase declarations to Provincial Directorates should be crosschecked.

**2. Unauthorized Persons Receiving/Purchasing and Transporting Waste Oil:** Waste motor oil is collected by unauthorized vehicles and persons under different names and sold to Number 10 Oil producers. Such unauthorized waste oil collection activities sometimes carried out using PETDER’s name and with vehicles not conforming to HSE-S standards must be prevented and licenses of such vehicles must be cancelled.

It is stated in vehicle licenses granted by Provincial Directorates that wastes under code 1302 (including waste motor oil) can be carried with these vehicles. This is interpreted by waste motor oil generators as it is also allowed to collect waste oil with these vehicles and abused by collectors without license/authority to carry wastes under code 1302.

Therefore, it is necessary to grant the license or authority to carry goods with the code 1302 only to vehicles carrying goods for the Authorized

Organization and to grant such license to other vehicles only in the case of existence of an agreement with the Authorized Organization. Up-to-date license plate list is available at PETDER.

**3. Waste Oil Recovery Plants and Number 10 Oil Producers:** It is estimated that approximately 20,000 tons of industrial waste oil is collected by recycling companies. Taking into account 2,000 tons of Category-1 waste motor oil legally delivered to these companies by PETDER, it is believed that it is not possible for these companies to maintain their commercial activities with these amounts. Examination of input raw materials and output products of these companies would reveal the unrecorded activities. It is necessary to carry out inspections on financial situations of recycling companies, sanctions should be imposed and these should be shared with the public.

In addition, Number 10 Oil is mainly sold at “nonmarket” locations such as truck/bus terminals, vehicle industrial sites and stores and open spaces at roadsides rather than legal fuel stations. Such locations should be regularly inspected, deterrent penal and financial sanctions should be imposed in case of fuel sale and these should be shared with the public.

**4. Number 10 Oil Users:** Number 10 Oil is a legal lubricating product used for several purposes. However, it is illegal to use, sell and purchase this product as fuel. This illegal trade causes loss of lives and property as well as a significant tax loss and unfair competition.

Number 10 Oil is mainly used as fuel in buses, trucks, vans and minibuses in the transportation sector. Some of these activities involve carriage or hazardous goods and public transport. It caused serious accidents and loss of lives in the past. Recently it has been claimed that it is also being used in heavy construction equipments and tractors. It is necessary to carry out inspection on roads mainly targeting drivers of buses, service vehicles and minibuses. National Marker inspections to be carried out on roads under the collaboration of relevant bodies and local authorities will immediately reveal whether the products used in the vehicles are legal or not.

It is believed that regular inspections to be carried out on main highways in Turkey, penal and financial

sanctions to be imposed in case of nonconformity and sharing these with the public will prove beneficial to reduce the use of Number 10 Oil. Such inspections would also decrease illegal fuel sales.

**Implementation of compulsory standards for refining and regeneration plants should be inspected.**

**5.** Refining and regeneration plants in developed countries are plants that use cutting-edge technology and require high investment costs. Such plants, which are few in number, operate as refineries in these countries.

However, such activities are carried out using simple methods and with temporary certificates of activity in Turkey. Such plants should comply with the TS 13541 standard on service requirements.

**6.** It is important that the plants where waste oil recovery activities are carried out conform to TS 13541 standard determining service location standards set by TSE. Conformity to this standard should be monitored with on-site inspections.

**7.** In Turkey, the product recovered at these plants is a product whose form, mainly color and odor, has been improved, rather than base oil and becomes subject to Number 10 Oil activities under different names such as sawing oil or molding oil. Conformity of such products to TSE 13369 should be checked through on-site inspections examining the process they undergo.

**Re-refining plants similar to those in developed countries should be built in Turkey.**

**8.** Lack of large corporate investments similar to those in developed countries where advanced technologies are used for base oil production from waste oil, technical incompetence of the players in the field and their engagement in illegal activities in Turkey have been serious factors impairing the development of the sector.

PETDER believes that advanced technology refining plants to be built in Turkey will enable conversion of waste oil used in illicit activities into products with high added value.

# ONE BARREL ONE TREE SOCIAL RESPONSIBILITY PROJECT

1 Barrel 1 Tree Project started with the protocol signed with the Ministry of Environment and Urbanization on September 3, 2010.

After the preparation of the visuals and publicity materials, "1 Barrel 1 Tree Project" was announced to the public with a press release on September 6, 2010 upon approval of the Ministry of Environment and Urbanization.

1 Barrel 1 Tree Project, initiated for the purpose of increasing environmental benefits of collecting waste motor oil by planting one tree for each barrel of waste motor oil collected from state institutions, aims to contribute to;

- keeping account of more waste motor oil with the support of state institutions,
- protecting the environment and human health,
- raising public awareness about the harms of waste motor oil,
- preventing illegal activities carried out under the name of Number 10 Oil.

The scope of the project is to plant one tree for each barrel of waste motor oil collected by providing free of charge service with licensed transportation vehicles to all governmental institutions across the country (state institutions, armed forces, municipalities) in cooperation with the Ministry of Environment and Urbanization and the Ministry of Forestry and Water Affairs.

Within the framework of this project financed by PETDER, "by planting one tree for each barrel of waste motor oil collected from state institutions", 71,500 trees, 15,000 of which were planted in 2014, have been planted in three years in return for the waste oil collected.

The number of trees planted is going to increase over the years.

1Barrel1TreeProject website [www.birvarilbiragac.com](http://www.birvarilbiragac.com) became online at the end of 2013. The website provides participant companies with information on the stages of the project and forestation areas as well as promoting the project.

## FORESTATION AREAS

### 2014 - ANKARA

Roadside Forestation



Cypress, thuja

Number of trees: 15.000

### 2013 - ANKARA

Roadside Forestation



Cypress, thuja

Number of trees: 16.500

### 2012 - AFYONKARAHİSAR

Roadside Forestation



Cypress, thuja

Number of trees: 25.000

### 2011 - ANKARA

Field Forestation



Acacia, ornamental plum, blue cypress, thuja

Number of trees: 15.000



## NEW COMMUNICATION CHANNELS

### 44 44 YAĞ

Within the scope of the Waste Motor Oil Management Project carried out by PETDER, the contact number, especially for waste motor oil generators and those who wish to get more information regarding the project, was changed as “44 44 924 – 44 44 YAĞ”. With the new number;

- ▶ Contact information will be easier to remember,
- ▶ Communication between waste oil generators and PETDER will be faster and easier,
- ▶ Organizational structure of Waste Motor Oil Management Project will be stronger.

### PETDER SMART PHONE APPLICATION

PETDER Smart Phone Application developed in order to facilitate waste motor oil notifications is now available in AppStore and Google Play Store. The application aims to facilitate communication between waste motor oil generators and PETDER.

Users who download the application to their smart phones will be able to

- ▶ Send a notice through “Waste Oil Notification” page,
- ▶ Call PETDER by clicking on the phone number 44 44 924,
- ▶ View the plate and license numbers of licensed waste motor oil collection vehicles in their city,
- ▶ Be informed about announcements made by PETDER.

### PETDER WEBSITE

PETDER website [www.petder.org.tr](http://www.petder.org.tr) is being renewed. The new website aims to provide up-to-date information and easier access to the content in order to ensure that users can reach the requested information in less time.

## WASTE MOTOR OIL COMMUNICATION CHANNELS

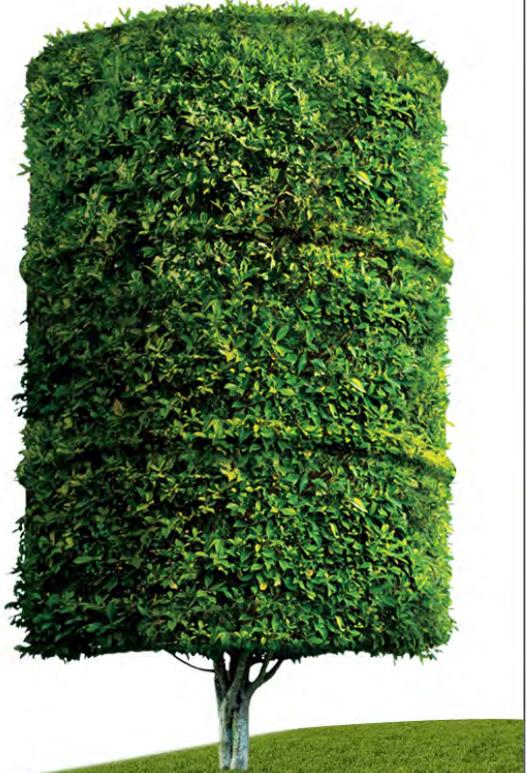


PETDER  
Smart  
Phone  
Application

Text

Call 44 44 924  
44 44 YAĞ

Send e-mail [info@petder.org.tr](mailto:info@petder.org.tr)



**PETDER**  
PETROLEUM INDUSTRY ASSOCIATION

## TV AND RADIO PUBLIC SPOTS ON RISKS OF USING NUMBER 10 OIL AS FUEL SUBSTITUTE

The television and radio public spots prepared by PETDER and the Ministry of Environment and Urbanization in order to raise public awareness on “Risks of Using Number 10 Oil as Fuel Substitute” was approved by the Radio and Television Supreme Council and began to be broadcast on all national television channels.

The public service announcement is expected to raise public awareness on the subject matter and contribute to Turkish economy by helping to put an end to use of Number 10 Oil and to activities for preventing the damages it causes on property, and more importantly, on human life.





# LEGAL REGULATIONS

## JANUARY 2015

### MINISTRY OF ENVIRONMENT AND URBANIZATION

2015.01.24 Communiqué on Safety Reports to be prepared for Large Scale Industrial Accidents

### EMRA

2015.01.15 EMRA Fines and Penalties

2015.01.19 EMRA Licenses

2015.01.29 EMRA Board Decision

### MINISTRY OF CUSTOMS AND TRADE

2015.01.10 Regulation on Commercial Advertisements and Unfair Commercial Practices

2015.01.17 Communiqué Amending Customs General Communiqué (Generalized System of Preferences) (Serial No: 1)

2015.01.31 Regulation Amending Customs Regulation

### MINISTRY OF FINANCE

2015.01.17 Communiqué (No: 444) Repealing Tax Procedure Law General Communiqué (No: 413)

### TSE

2015.01.13 TSE Termination Announcements

2015.01.15 TSE Termination Announcements

2015.01.17 TSE İzmir Termination Announcements

2015.01.29 TSE Termination Announcements

## FEBRUARY 2015

### COUNCIL OF MINISTERS

2015.02.26 Law Approving our Participation to the Protocol Amending Article 1 (A), Article 14 (1) and Article 14 (3) (B) of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) dated 30 September 1957

### MINISTRY OF ECONOMY

2015.02.17 Communiqué Amending the Communiqué on Import Control of Wastes under Control for Protection of Environment (Product Safety and Control 2015/3)

### MINISTRY OF ENERGY AND NATURAL

## RESOURCES

2015.02.07 Communiqué on Administrative Fines to be imposed in 2015 pursuant to Article 10 of Energy Efficiency Law no.5627

### EMRA

2015.02.01 Regulation Amending Petroleum Market License Regulation

2015.02.04 Communiqué Repealing Communiqué on Technical Regulations of Production, Supply from Domestic and Foreign Sources and Placing on the Market of Autobiodiesel

2015.02.04 Communiqué Repealing Gasoline Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Diesel Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Kerosene Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Autobiodiesel Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Fuel Naphtha Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Maritime Fuels Technical Regulation Communiqué

2015.02.04 Communiqué Repealing Fuel Oil Technical Regulation Communiqué

2015.02.04 EMRA Fines and Penalties

2015.02.14 EMRA Licenses

2015.02.15 EMRA Fines and Penalties

2015.02.20 Board Decision on Fuel Pricing

2015.02.19 Regulation Amending Petroleum Market License Regulation

### TSE

2015.02.13 TSE Termination Announcements

2015.02.20 TSE Termination Announcements

2015.02.25 TSE Termination Announcements

## MARCH 2015

### MINISTRY OF ENVIRONMENT AND URBANIZATION,

2015.03.20 Communiqué on Transportation of Wastes by Road

## MINISTRY OF ECONOMY

2015.03.04 Communiqué (Product Safety and Control 2015/28) Amending the Communiqué on Import Control of Wastes under Control for Protection of Environment (Product Safety and Control 2015/3)

2015.03.14 Communiqué (Product Safety and Control 2015/29) Amending the Communiqué on Import Control of Wastes under Control for Protection of Environment (Product Safety and Control 2015/3)

## EMRA

2015.03.13 EMRA Licenses

2015.03.15 EMRA Fines and Penalties

2015.03.18 Communiqué Amending the Communiqué on Procedures and Principles of Supplying Non-Fuel Petroleum Products from Domestic and Foreign Resources

2015.01.23 EMRA Fines and Penalties

2015.03.25 Communiqué Repealing the Communiqué on Auditing of Real and Legal Persons Operating in the Energy Market, by Independent Auditing Firms

2015.01.29 EMRA Fines and Penalties

## MINISTRY OF CUSTOMS AND TRADE

2015.03.13 Regulation Amending Customs Regulation

2015.03.18 Communiqué (Transit Transactions) (Serial No: 9) Amending Customs General Communiqué (Transit Regime) (Serial No:3)

## PROFESSIONAL COMPETENCY BOARD

2015.03.19 Communiqué Amending the Communiqué on National Occupational Standards (Communiqué No:2015/5)

## TSE

2015.03.27 TSE Terminated Agreements

2015.03.10 TSE Sivas Terminated Agreements

## MINISTRY OF TRANSPORT, MARITIME AFFAIRS AND COMMUNICATIONS

2015.03.03 Communiqué on Marine Transportation of Dangerous Goods

## APRIL 2015

### COUNCIL OF MINISTERS

2015.04.07 Law Amending Several Laws and Decree Laws

2015.04.23 Law Amending Occupational Health and Safety Law and Several Laws and Decree Laws

## MINISTRY OF LABOR AND SOCIAL SECURITY

2015.04.30 Regulation Amending the Regulation on Duties, Authorities, Responsibilities and Training of Occupational Safety Experts

## MINISTRY OF ENVIRONMENT AND URBANIZATION

2015.04.02 Waste Management Regulation

2015.04.02 Communiqué on Verification of Greenhouse Gas Emission Reports and Authorization of Verification Institutions

## EMRA

2015.04.05 EMRA Fines and Penalties

2015.04.09 EMRA Licenses

2015.04.15 EMRA Fines and Penalties

2015.04.24 EMRA Fines and Penalties

2015.04.29 Board Decision on Lubricant License Terms

## MINISTRY OF CUSTOMS AND TRADE

2015.04.18 Communiqué (Serial no: 2) Amending Customs General Communiqué (Taxpayer Registration and Tracking System) (Serial No:1)

## MINISTRY OF INTERIOR

2015.04.17 Regulation Amending Highway Traffic Regulation

## MINISTRY OF FINANCE

2015.04.04 Communiqué (No: 447) Amending Tax Procedure Law General Communiqué (No: 397)

2015.04.04 Communiqué (No: 446) Amending Tax Procedure Law General Communiqué (No: 415)

2015.04.04 Communiqué (No: 448) Amending Tax Procedure Law General Communiqué (No: 421)

2015.04.10 Tax Procedure Law General Communiqué (No: 449)

2015.04.18 SCT (II) List Implementation General Communiqué

## TSE

2015.04.01 TSE Terminated Agreements

2015.04.09 TSE İzmir Terminated Agreements

2015.04.10 TSE Terminated Agreements

2015.04.18 TSE Terminated Agreements

## MINISTRY OF TRANSPORT, MARITIME AFFAIRS AND COMMUNICATIONS

2015.04.02 Regulation Amending the Regulation on Carriage of Dangerous Goods by Road

## MAY 2015

### MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY

2015.05.15 Regulation Amending Measurements and Measuring Instruments Regulation

#### EMRA

2015.05.06 EMRA Fines and Penalties

2015.05.16 EMRA Licenses

2015.05.23 EMRA Fines and Penalties

2015.05.23 Regulation Amending Petroleum Market License Regulation

### MINISTRY OF CUSTOMS AND TRADE

2015.05.06 Communiqué (Customs Transactions) (Serial No: 131) Repealing Customs General Communiqué (Customs Transactions) (Serial No: 115)

### UNDERSECRETARIAT OF TREASURY

2015.05.14 General Terms for Road Motor Vehicles Compulsory Liability Insurance

### MINISTRY OF INTERIOR

2015.05.15 Regulation Amending Highway Traffic Regulation

#### TSE

2015.05.09 TSE Terminated Agreements

2015.05.09 TSE Mersin Terminated Agreements

2015.05.10 TSE Aydın Terminated Agreements

2015.05.10 TSE Terminated Agreements

2015.05.20 TSE İzmir Terminated Agreements

2015.05.22 TSE Terminated Agreements

2015.05.29 TSE Terminated Agreements

## JUNE 2015

### COUNCIL OF MINISTERS

2015.06.30 Council of Ministers Decree on article 10 of Corporate Tax Law

2015.06.01 Decision Amending the Decision on Liability Insurance for Dangerous Goods

2015.06.01 Decision Amending the Decision on Transit Transport of Crude Oil and Jet Fuel through Turkey by Road or Railway

### MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY

2015.06.09 Regulation Amending the Regulation on Type Approval of Air Conditioning System Emissions from Motor Vehicles (2006/40/AT)

### MINISTRY OF LABOR AND SOCIAL SECURITY

2015.06.11 Communiqué on Harmonized Standards on Personal Protective Equipment

#### EMRA

2015.06.04 EMRA Fines and Penalties

2015.06.12 EMRA Board Decision – National Marker Implementation

2015.06.12 Regulation Amending the Regulation on National Marker Implementation in the Petroleum Market

2015.06.12 EMRA Board Decision – Notification System User Manual

2015.06.22 EMRA Fines and Penalties

2015.06.22 EMRA Licenses

2015.06.25 Board Decision Amending the Board Decision on License Application and Notification Details in the LPG Market

### MINISTRY OF CUSTOMS AND TRADE

2015.06.30 Regulation Amending Customs Regulation

2015.06.18 Regulation Amending the Ministry of Customs and Trade Market Surveillance and Inspection Regulation

2015.06.17 Communiqué (Customs Transactions) (Serial no:127) Amending Customs General Communiqué (Customs Transactions) (Serial no:90)

### UNDERSECRETARIAT OF TREASURY

2015.06.06 Regulation Amending Highway Traffic Regulation

### MINISTRY OF INTERIOR

2015.05.15 Regulation Amending Highway Traffic Regulation

### MINISTRY OF FINANCE

2015.06.27 Communiqué Amending Value Added Tax General Implementation Communiqué (Serial No: 3)

2015.06.20 Tax Procedure Law General Communiqué (No: 453)

2015.06.20 Tax Procedure Law General Communiqué (No: 454)

2015.06.20 Tax Procedure Law General Communiqué (No: 455)

2015.06.03 Communiqué (No: 451) Amending Tax Procedure Law General Communiqué (No: 435)

2015.06.03 Communiqué (No: 450) Amending Tax Procedure Law General Communiqué (No: 426)

2015.06.03 Tax Procedure Law General Communiqué (No: 452)

## TSE

- 2015.06.30 TSE Terminated Agreements
- 2015.06.18 TSE Terminated Agreements
- 2015.06.15 TSE İzmir Terminated Agreements
- 2015.06.11 TSE Terminated Agreements

## JULY 2015

### COUNCIL OF MINISTERS

- 2015.07.25 Decision Amending the Decision on Implementation of Certain Articles of Customs Law No: 4458

### MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY

- 2015.07.24 Communiqué on TS 1445 Liquefied Petroleum Gases (LPG) – Rules of Transportation Communiqué No: MSG - MS - 2015/5)

## EMRA

- 2015.07.16 EMRA Fines and Penalties
- 2015.07.30 EMRA Fines and Penalties
- 2015.07.16 EMRA Licenses

### MINISTRY OF CUSTOMS AND TRADE

- 2015.07.15 Regulation on Commercial Communication and Commercial E-mails

## TSE

- 2015.07.02 TSE Terminated Agreements
- 2015.07.08 TSE Aydın Terminated Agreements
- 2015.07.11 TSE Terminated Agreements
- 2015.07.11 TSE Sivas Terminated Agreements
- 2015.07.12 TSE İzmir Terminated Agreements

## AUGUST 2015

### MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY

- 2015.08.25 Regulation Amending Measurements and Measuring Instruments Type Approval Regulation

### MINISTRY OF LABOR AND SOCIAL SECURITY

- 2015.08.04 Communiqué on Policy for Prevention of Major Accidents

## EMRA

- 2015.08.13 EMRA Fines and Penalties
- 2015.08.15 EMRA Licenses
- 2015.08.23 EMRA Fines and Penalties
- 2015.08.29 EMRA Fines and Penalties

### MINISTRY OF CUSTOMS AND TRADE

- 2015.08.20 Regulation Amending Customs Regulation

## MINISTRY OF FINANCE

- 2015.08.27 Tax Procedure Law General Communiqué (Serial No: 456)

## TSE

- 2015.08.09 TSE Aydın Terminated Agreements
- 2015.08.13 TSE Mersin Terminated Agreements
- 2015.08.15 TSE Terminated Agreements
- 2015.08.19 TSE Terminated Agreements
- 2015.08.21 TSE Terminated Agreements
- 2015.08.29 TSE İzmir Terminated Agreements

## SEPTEMBER 2015

### EMRA

- 2015.09.05 EMRA Fines and Penalties
- 2015.09.13 EMRA Licenses
- 2015.09.13 EMRA Tariffs
- 2015.09.17 EMRA Fines and Penalties

## TSE

- 2015.09.05 TSE Aydın Terminated Agreements
- 2015.09.06 TSE Mersin Terminated Agreements

## OCTOBER 2015

### MINISTRY OF ENVIRONMENT AND URBANIZATION

- 2015.10.16 Communiqué Amending the Competence Certificate Communiqué on Regulation on Soil Pollution Control and Point Source Polluted Areas

### MINISTRY OF ECONOMY

- 2015.10.30 Communiqué Amending the Communiqué (Communiqué No:2015/2) on Import Quota and Tariff Quota Management

### MINISTRY OF TRANSPORT, MARITIME AFFAIRS AND COMMUNICATIONS

- 2015.10.20 Regulation Amending the Ports Regulation

## EMRA

- 2015.10.17 EMRA Licenses
- 2015.10.21 EMRA Fines and Penalties

## TSE

- 2015.10.09 TSE Terminated Agreements
- 2015.10.16 TSE Terminated Agreements

## NOVEMBER 2015

### COUNCIL OF MINISTERS

- 2015.11.19 Regulation on the Procedures and Principles for Implementation of Turkish Qualifications Framework

## MINISTRY OF LABOR AND SOCIAL SECURITY

2015.11.19 Regulation Amending the Regulation on Duties, Authorities, Responsibilities and Training of Workplace Doctors and Other Healthcare Personnel

2015.11.19 Regulation Amending the Regulation on Duties, Authorities, Responsibilities and Training of Occupational Safety Experts

## MINISTRY OF CUSTOMS AND TRADE

2015.11.14 Communiqué (Serial No: 3) Amending Customs General Communiqué on Temporarily Imported Land Vehicles (Serial No: 1)

2015.11.14 Customs General Communiqué (International Agreements) (Serial No: 8)

2015.11.18 Communiqué (Customs Transactions) (Serial no:135) Amending Customs General Communiqué (Customs Transactions) (Serial no:96)

2015.11.19 Customs General Communiqué (Tariff-Classification Decisions) (Serial No: 22)

## MINISTRY OF FINANCE

2015.11.06 Regulation Amending the Regulation on the Procedures and Principles to be followed in Tax Audits

2015.11.10 Tax Procedure Law General Communiqué (No: 457)

## MINISTRY OF TRANSPORT, MARITIME AFFAIRS AND COMMUNICATIONS

2015.11.19 Railroad Security Regulation

## EMRA

2015.11.05 EMRA Fines and Penalties

2015.11.12 EMRA Fines and Penalties

2015.11.14 EMRA Fines and Penalties

2015.11.14 EMRA Licenses

2015.11.22 EMRA Fines and Penalties

## TSE

2015.11.06 TSE Terminated Agreements

2015.11.09 TSE Terminated Agreements

2015.11.11 TSE Terminated Agreements

2015.11.13 TSE Sivas Terminated Agreements

2015.11.18 TSE Terminated Agreements

## DECEMBER 2015

### MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY

2015.12.02 Regulation Repealing the Regulation on Calibration of Vessel Tanks

2015.12.02 Regulation Repealing the Regulation on

Devices Used for Measuring the Pressure of Motor Vehicle Tires

2015.12.26 Communiqué Amending the Communiqué on Procedures and Principles of Filling and Periodical Examination of Pressured Gas Cylinders

2015.12.26 Communiqué Amending the Communiqué on Granting a Competency Certificate for Examination, Testing, Maintenance and Repair of LPG Cylinders

2015.12.27 Regulation Amending the Regulation on Examination and Stamping Fees for Measurements and Measuring Devices

## MINISTRY OF ECONOMY

2015.12.31 Communiqué on Import Control of Chemicals under Control for Protection of Environment (Product Safety and Inspection: 2016/6)

2015.12.31 Communiqué on Import Control of Personal Protective Equipment (Product Safety and Inspection: 2016/11)

2015.12.31 Communiqué on Import Control of Wastes under Control for Protection of Environment (Product Safety and Inspection: 2016/3)

## MINISTRY OF CUSTOMS AND TRADE

2015.12.10 Customs General Communiqué (Customs Transactions (Serial No: 138)

2015.12.25 Regulation Amending the Regulation on Commercial Advertisements and Unfair Commercial Practices

2015.12.30 Communiqué on Customs Consultancy and Authorized Customs Consultancy Minimum Wage Tariff

## MINISTRY OF INTERIOR

2015.12.29 Regulation Amending the Regulation on Health Requirements and Examination of Prospective Drivers and Drivers

## MINISTRY OF FINANCE

2015.12.24 Tax Procedure Law General Communiqué (No: 459)

2015.12.24 Tax Procedure Law General Communiqué (No: 464)

2015.12.25 Tax Procedure Law General Communiqué (No: 463)

2015.12.25 Tax Procedure Law General Communiqué (No: 465)

2015.12.25 Tax Procedure Law General Communiqué (No: 462)

2015.12.25 Communiqué Amending Tax Procedure Law General Communiqué (No: 461)  
2015.12.25 Communiqué Amending Tax Procedure Law General Communiqué (No: 466)  
2015.12.25 Tax Procedure Law General Communiqué (No: 460)  
2015.12.25 Stamp Tax Law General Communiqué (Serial No:59)  
2015.12.25 Income Tax General Communiqué (Serial No: 290)  
2015.12.25 Motor Vehicles Tax General Communiqué (Serial No:46)  
2015.12.25 Communiqué Amending Value Added Tax General Implementation Communiqué (Serial No: 4)  
2015.12.29 General Communiqué Amending Tax Procedure Law General Communiqué (No: 467)

2015.12.10 TSE Aydın Terminated Agreements  
2015.12.21 TSE Kırşehir Terminated Agreements  
2015.12.22 TSE Nevşehir Terminated Agreements  
2015.12.22 TSE Terminated Agreements  
2015.12.30 TSE Terminated Agreements

#### MINISTRY OF TRANSPORT, MARITIME AFFAIRS AND COMMUNICATIONS

2015.12.31 Regulation Amending the Regulation on Carriage of Dangerous Goods by Road

#### EMRA

2015.12.10 EMRA Fines and Penalties  
2015.12.11 EMRA Licenses  
2015.12.19 EMRA Fines and Penalties  
2015.12.19 EMRA Board Decision (5933)  
2015.12.19 EMRA Board Decision (5934)  
2015.12.19 EMRA Board Decision (5932)  
2015.12.19 EMRA Board Decision (5931)  
2015.12.19 EMRA Board Decision (5921-3)  
2015.12.19 EMRA Board Decision (5922)  
2015.12.22 Communiqué on Fines to be imposed in 2016 pursuant to LPG Market Law 5307 and Article 16 of Law Amending Electricity Market Law  
2015.12.22 Communiqué on Fines to be imposed in 2016 Pursuant to Article 19 of Petroleum Market Law no 5015  
2015.12.31 Communiqué Amending the Communiqué on the Procedures and Principles of Supplying Non-Fuel Petroleum Products from Domestic and Foreign Resources  
2015.12.27 EMRA Fines and Penalties

#### COMPETITION AUTHORITY

2015.12.25 Communiqué regarding Increasing the Minimum Administrative Fine Stipulated under Paragraph One of Article 16 of the Law on Protection of Competition no.4054

#### TSE

2015.12.09 TSE Mersin Terminated Agreements

# 10 ABOUT PETDER

PETDER (Petroleum Industry Association) was established on 23 September 1996 by a group of leading fuel distribution companies with the aim of supporting a spectrum of activities ranging from production to consumption of oil products.

PETDER has fifteen members. These members are Alpet, Aytemiz, Belgin, BP, Gulf, ExxonMobil, Opet, Petline, Petroyağ, OMV Petrol Ofisi, Shell, Shell & Turcas, Total and Turkuaz.



## PETDER's Mission

PETDER advocates pro-actively for improvement in all aspects of the petroleum industry and carries out research and development activities to produce relevant, reliable and objective information which can be shared for formation of industry policies and strengthens its advocacy role.

## PETDER's Main Activity Areas

In cooperation with its members and related stakeholders and complying with the Competition Law, PETDER's main activity areas are;

- ▶ To play active role in the development of sector policies,
- ▶ To support the further development of competition,
- ▶ To perform research and development works for the solution of market inefficiencies, especially for fighting against illegal/non-registered fuel,
- ▶ To be a leader about the highest HSSE standards,
- ▶ To conduct communication activities for reliable

and objective information for the sector and public at large,

- ▶ To represent the sector in all areas in effective and efficient way,

To implement research and development studies with international and national expert organizations for the enhancement of knowledge and higher quality products and process.

## Waste Oil Management Project

Following the "Regulation on Control of Waste Oils", PETDER initiated the "Waste Oil Management Project" in 2004 in order to fulfill the members' liabilities resulting from the Regulation by collecting the waste motor oils generated at car maintenance and repair shops, fuel stations and public car maintenance stations by licensed and authorized personnel under appropriate conditions.

Waste motor oils collected by PETDER within the framework of the project are recycled, used

as energy or disposed at facilities licensed by the Ministry of Environment and Urbanization to eliminate the negative impacts on environment and human health and public awareness is raised on the negative impacts of waste oil and how it should be reclaimed. PETDER is the only institution authorized by the Ministry for the collection of waste motor oil.

### One Barrel One Tree Social Responsibility Project

PETDER provides free of charge service with licensed transportation vehicles across Turkey and plants one tree for each barrel of waste oil collected in cooperation with the “Ministry of Environment and Urbanization” and the “Ministry of Forestry and Water Affairs”.

Within the framework of this project financed by PETDER, 71,500 trees have been planted in four years. The number of trees planted in 2014 was 15,000. The number of trees planted continues to increase over the years.

### Traffic Safety Platform Fuel Committee

PETDER became a member of Traffic Safety Platform on 15 July 2013. PETDER plans and carries out Fuel Committee activities with its members.

### Public Spots

The television and radio public spots prepared by PETDER and the Ministry of Environment and Urbanization in order to raise public awareness on “Risks of Using Number 10 Oil as Fuel Substitute” was approved by the Radio and Television Supreme Council and began to be broadcast on all national television channels.

The public service announcement is expected to raise public awareness on the subject matter and

contribute to Turkish economy by helping to put an end to use of Number 10 Oil and to activities for preventing the damages it causes on property, and more importantly, on human life.

### Management System Certification

PETDER has been the first non-governmental organization which was granted the three certificates TS EN ISO, TS EN ISO 14001 and TS 18001 and certified in three areas of “Quality, Environment and Occupational Health”. PETDER has had both the activities of the Association and “Waste Oil Management” activities certified by S&Q Mart Certification Company accredited by TÜRKAK and aims to sustain the policy it has committed at each phase of its activities.



## BOARD MEMBERS (as of September 2015)

Chairman

Martin THOMSEN

BP Petrolleri A.Ş.

Vice Chairman

Tamas MAYER

OMV Petrol Ofisi A.Ş.

Accountant Member

Adnan ÜNAL

Petline Petrol Ürünleri A.Ş.

Board Member

Ekrem EKMENÇİ

OPET Petrolcülük A.Ş.

Board Member

Ahmet ERDEM

The Shell Company of Turkey Ltd.

Board Member

Antoine TOURNAND

Total Oil Türkiye A.Ş.

Board Member

Ahmet İzzet EKE

Aytemiz Akaryakıt Dağıtım A.Ş.

Board Member

Mustafa Ergi

Altınbaş Petrol ve Ticaret A.Ş.

## ORGANIZATION



Niyazi İLTER  
Secretary General



Serkan BERKET  
Management and External Affairs  
Coordinator



Bahattin ERKORKMAZ  
Technical Affairs Manager



Yasemin DAĞ  
Corporate Communications Manager



Zeynep ERSEN  
Financial and Customer Relations  
Executive



Ebru AYDIN  
Office Assistant



Volkan SİĞİNÇ  
Operations Manager



Hasan HIRAOĞLU  
Planning Executive



Serdar BEKDEMİR  
Planning Specialist

## COMMITTEES

PETDER committees in different fields of expertise carry out studies and activities with regulatory authorities and the stakeholders in the industry and study current and legal developments in their fields. The committees mainly meet once a month regularly and also when deemed necessary.

- Engineering Committee
- Taxation Committee

PETDER committees are;

- Law Committee
- Supply Committee
- Corporate Communications Committee
- LPG Sectoral Board
- LPG Technical Committee
- Lubricants Technical Committee
- Automation Committee
- Health, Safety and Environment Committee
- Transportation Committee

## COMMUNICATION

# PETDER

PETROLEUM INDUSTRY ASSOCIATION

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44 44 924  
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WASTE MOTOR OIL CALL CENTER



PETDER SMART PHONE APPLICATION

Table 5: 2006-2015 Fuel and LPG Consumption Figures

Product	Unit	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change (2014/15)
Unl. Gaso. with additives	m <sup>3</sup>	214.237	110.902	57.709	22.588	0	0	0	0	0	
Unl. Gasoline (RON 95)	m <sup>3</sup>	2.744.871	2.602.498	2.589.832	2.515.068	2.410.987	2.313.900	2.345.180	2.440.076	2.614.258	7,1
Unl. Gasoline (RON ≥ 97)	m <sup>3</sup>	383.340	310.926	294.493	235.700	208.426	163.095	140.382	132.564	193.302	45,8
<b>Total Gasoline</b>	<b>m<sup>3</sup></b>	<b>3.342.448</b>	<b>3.024.326</b>	<b>2.942.034</b>	<b>2.771.356</b>	<b>2.619.413</b>	<b>2.476.995</b>	<b>2.485.562</b>	<b>2.572.640</b>	<b>2.807.561</b>	<b>9,1</b>
Diesel	m <sup>3</sup>	13.505.394	13.161.773	11.919.770	11.516.166	12.970.291	13.643.591	14.231.355	15.411.746	17.281.102	12,1
Diesel (Other)	m <sup>3</sup>	2.742.552	3.415.699	4.007.423	4.987.982	4.484.992	5.141.038	5.841.868	5.953.700	7.417.325	24,6
<b>Total Diesel</b>	<b>m<sup>3</sup></b>	<b>16.247.946</b>	<b>16.577.472</b>	<b>15.927.193</b>	<b>16.504.148</b>	<b>17.455.283</b>	<b>18.784.629</b>	<b>20.073.223</b>	<b>21.365.445</b>	<b>24.698.426</b>	<b>15,6</b>
Kerosene	m <sup>3</sup>	18.880	13.624	11.171	32.714	65.079	56.194	59.109	50.358	71.657	42,3
<b>Total White Products</b>	<b>m<sup>3</sup></b>	<b>19.609.274</b>	<b>19.615.422</b>	<b>18.880.398</b>	<b>19.308.218</b>	<b>20.139.775</b>	<b>21.317.817</b>	<b>22.617.894</b>	<b>23.988.443</b>	<b>27.577.644</b>	<b>15,0</b>
Heating Oil	Ton	475.526	384.736	320.531	203.709	194.259	159.970	114.083	130.370	100.999	-22,5
Fuel Oil No:6	Ton	2.119.093	2.373.363	1.596.687	630.061	594.624	533.149	420.109	577.170	503.055	-12,8
<b>Total Black Products</b>	<b>Ton</b>	<b>2.594.619</b>	<b>2.758.099</b>	<b>1.917.218</b>	<b>833.770</b>	<b>788.883</b>	<b>693.119</b>	<b>534.192</b>	<b>707.540</b>	<b>604.054</b>	<b>-14,6</b>
LPG, Autogas	m <sup>3</sup>	3.582.613	3.770.638	4.105.857	4.445.538	4.710.386	4.812.245	4.869.509	5.068.586	5.480.780	8,1
<b>Total Automotive*</b>	<b>m<sup>3</sup></b>	<b>23.173.007</b>	<b>23.372.436</b>	<b>22.975.084</b>	<b>23.721.041</b>	<b>24.785.082</b>	<b>26.073.868</b>	<b>27.428.294</b>	<b>29.006.671</b>	<b>32.986.767</b>	<b>13,7</b>

Product	Unit	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Değişim (2014/15)
Unl. Gaso. with additives	Ton	166.034	85.949	44.724	17.506	0	0	0	0	0	
Unl. Gasoline (RON 95)	Ton	2.127.275	2.016.936	2.007.120	1.947.628	1.868.515	1.795.272	1.817.515	1.891.059	2.026.050	7,1
Unl. Gasoline (RON ≥ 97)	Ton	297.089	240.968	228.232	182.668	161.530	126.398	108.796	102.737	149.809	45,8
<b>Total Gasoline</b>	<b>Ton</b>	<b>2.590.397</b>	<b>2.343.853</b>	<b>2.280.076</b>	<b>2.147.801</b>	<b>2.030.045</b>	<b>1.919.671</b>	<b>1.926.311</b>	<b>1.993.796</b>	<b>2.175.860</b>	<b>9,1</b>
Diesel	Ton	11.412.058	11.121.698	10.072.206	9.731.160	10.959.896	11.528.834	12.025.495	15.022.925	14.602.531	12,1
Diesel (Other)	Ton	2.317.456	2.886.266	3.386.272	4.214.845	3.789.818	4.344.177	4.956.379	5.030.876	6.267.639	24,6
<b>Total Diesel</b>	<b>Ton</b>	<b>13.729.514</b>	<b>14.007.964</b>	<b>13.458.478</b>	<b>13.946.005</b>	<b>14.749.714</b>	<b>15.873.012</b>	<b>16.961.874</b>	<b>18.053.801</b>	<b>20.870.170</b>	<b>15,6</b>
Kerosene	Ton	15.104	10.899	8.937	26.171	52.063	44.955	47.287	40.287	57.326	42,3
<b>Total White Products</b>	<b>Ton</b>	<b>16.335.016</b>	<b>16.362.716</b>	<b>15.747.491</b>	<b>16.119.977</b>	<b>16.831.822</b>	<b>17.837.637</b>	<b>18.935.472</b>	<b>20.087.884</b>	<b>23.103.355</b>	<b>15,0</b>
Heating Oil	Ton	475.526	375.318	320.531	203.709	194.259	159.970	114.083	130.370	100.999	-22,5
Fuel Oil No:6	Ton	2.119.093	2.346.240	1.596.687	630.061	594.624	533.149	420.109	577.170	503.055	-12,8
<b>Total Black Products</b>	<b>Ton</b>	<b>2.594.619</b>	<b>2.721.558</b>	<b>1.917.218</b>	<b>833.770</b>	<b>788.883</b>	<b>693.119</b>	<b>534.192</b>	<b>707.540</b>	<b>604.054</b>	<b>-14,6</b>
LPG, Autogas	Ton	18.929.635	19.084.274	17.664.709	16.953.747	17.620.705	18.530.756	19.469.664	20.795.424	23.707.409	14,0
<b>Total Automotive*</b>	<b>Ton</b>	<b>2.006.263</b>	<b>2.111.557</b>	<b>2.299.280</b>	<b>2.489.501</b>	<b>2.637.816</b>	<b>2.694.857</b>	<b>2.726.925</b>	<b>2.838.408</b>	<b>3.069.237</b>	<b>8,1</b>
<b>Toplam Otomotiv*</b>	<b>Ton</b>	<b>18.326.175</b>	<b>18.463.373</b>	<b>18.037.834</b>	<b>18.583.507</b>	<b>19.417.575</b>	<b>20.487.539</b>	<b>21.615.109</b>	<b>22.886.005</b>	<b>26.115.267</b>	<b>14,1</b>

\* The difference in change ratios arises from the differences in m<sup>3</sup>/ton conversions of the products.



## KAYNAKÇA

- ▶ Data regarding Oil and LPG sectors is based on EMRA Oil and LPG Sector Report.
- ▶ Fuel data used in this report have been compiled from statements provided by 13 fuel distributors whose aggregate market share is calculated to be above 85% of the market and reported to the independent research organization on voluntary participation basis. For data on fuel distributors who did not participate in this voluntary data formation system, calculations were made using data from previous periods obtained from EMRA.
- ▶ Lubricant data used in this report is reported to PETDER through an independent audit organization on a voluntary participation basis.
- ▶ Inflation, GDP, CPI, exchange rates, vehicle numbers and total vehicle station data is obtained from Turkish Statistics Institute (TurkStat) and the Central Bank public reports. Crude oil prices and pump tax rates are obtained from Argus and European Commission sources.
- ▶ Turkish pump prices used in this report are obtained from EMRA and company websites. Data related to European pump prices is obtained from:  
European Commission, EC Oil Bulletin, [http://ec.europa.eu/energy/observatory/oil/bulletin\\_en.htm](http://ec.europa.eu/energy/observatory/oil/bulletin_en.htm)
- ▶ Global developments section is based on World Energy Outlook 2015.





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