

LONG-TERM PROSPECTS FOR NORTHWEST EUROPEAN REFINING

ASYMMETRIC CHANGE: A LOOMING GOVERNMENT
DILEMMA?

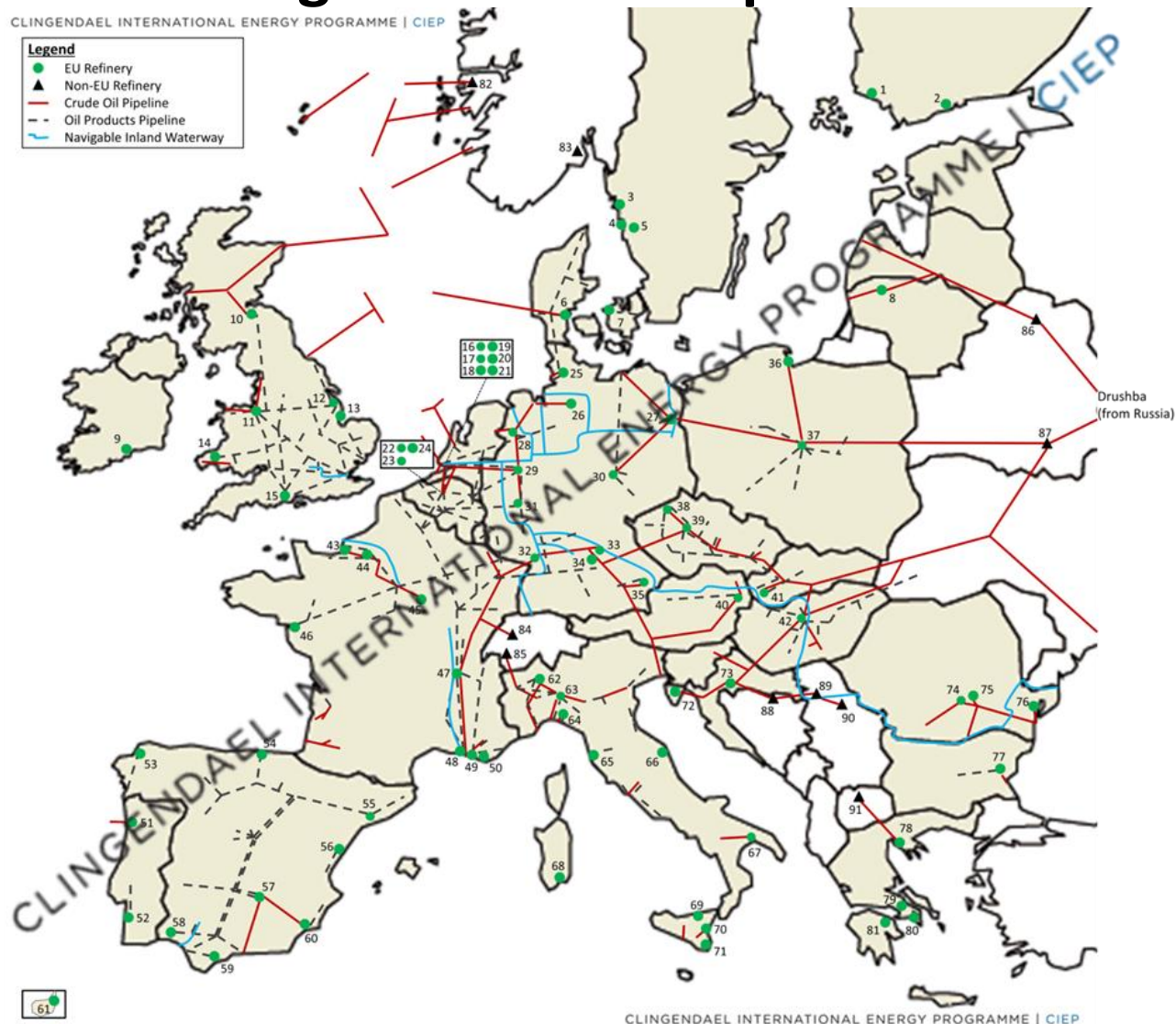
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Refining Sector in the EU: A Diversity of Markets?

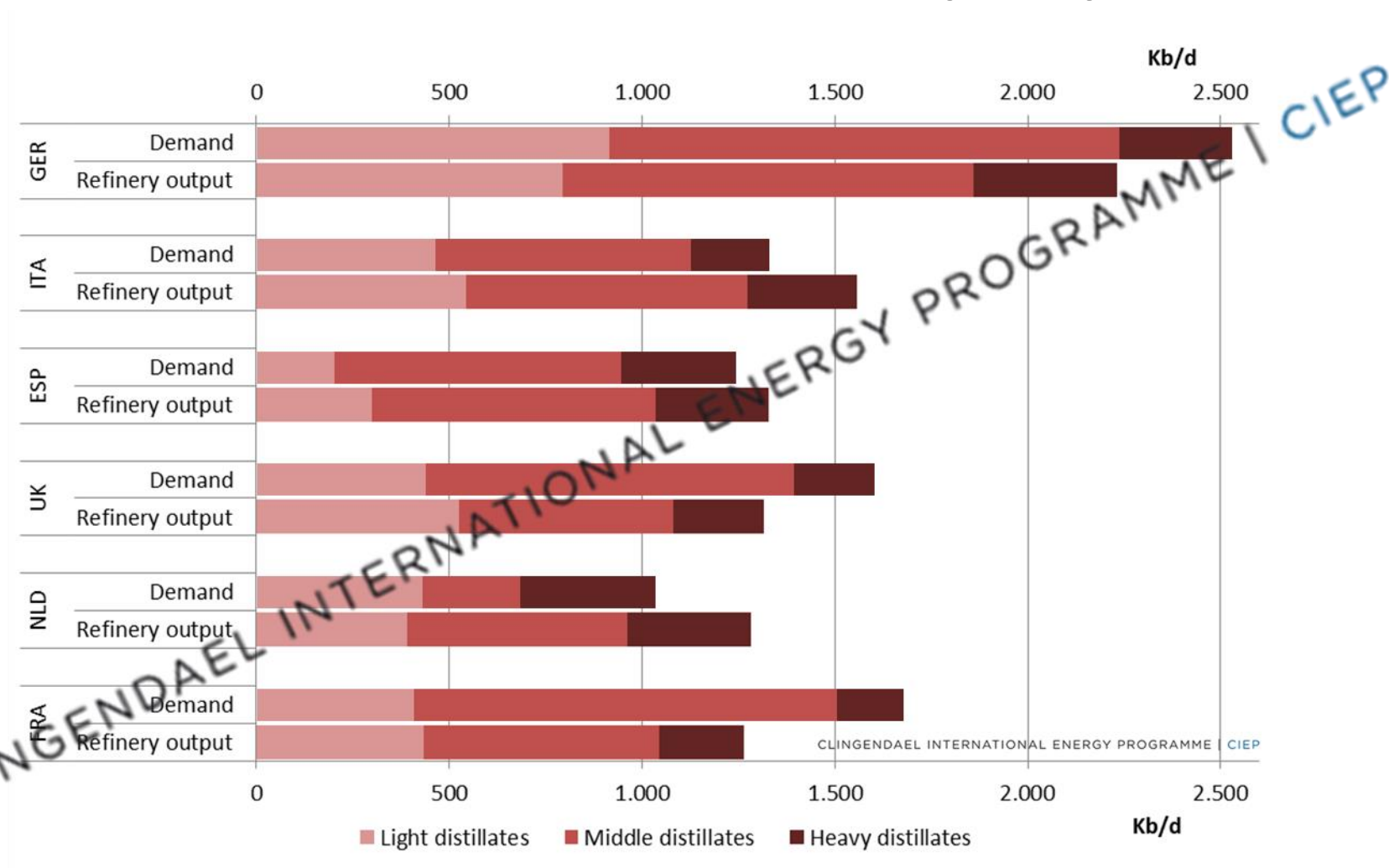
CONCAWE
Refining Symposium
March 21st, 2017

Refining Sector in European Union



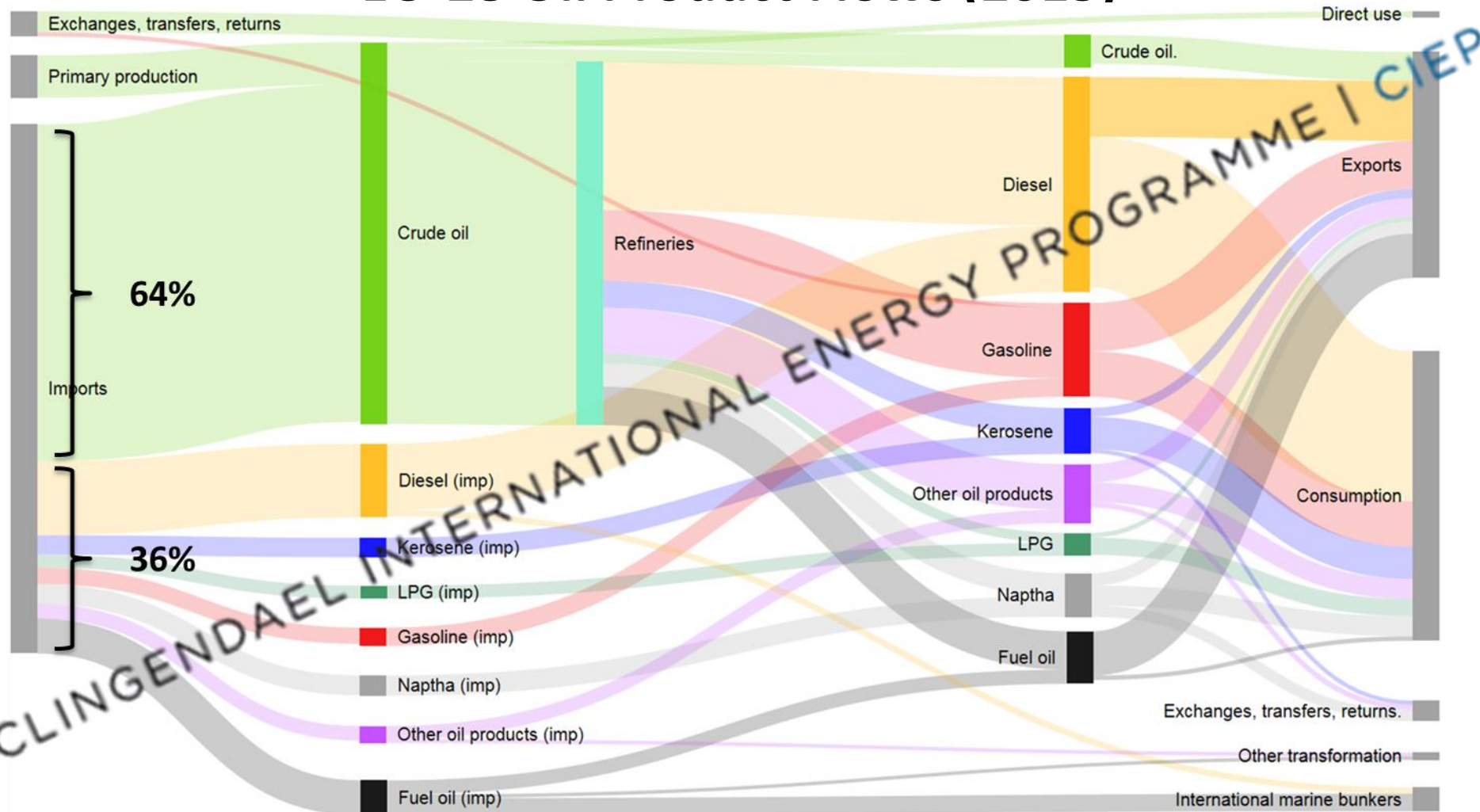
Source: CIEP (2017) "Developments in EU-28 Refining" (forthcoming)

National Petroleum Profiles (2016)



Source: CIEP (2017) "Developments in EU-28 Refining" (forthcoming) – JODI 2017 data

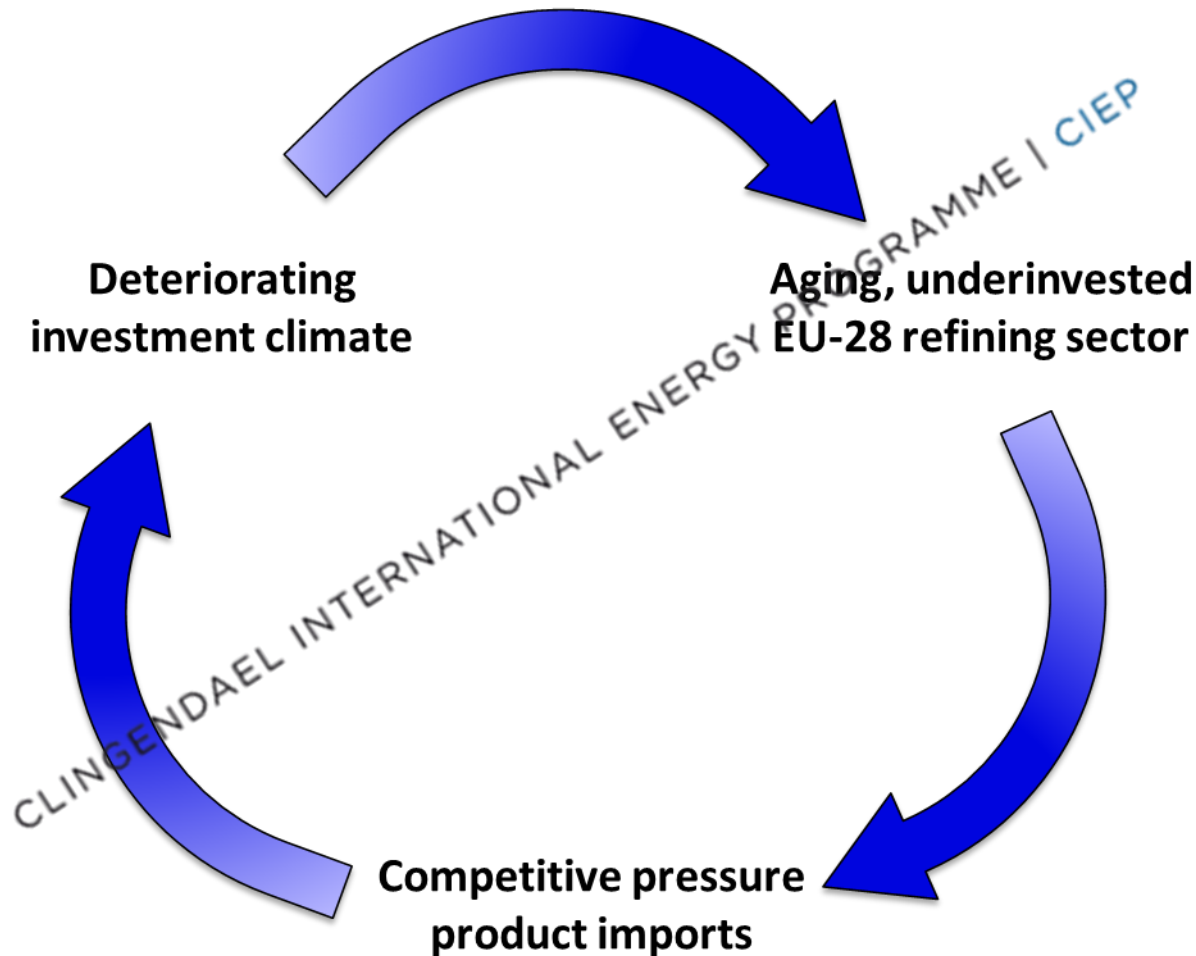
EU-28 Oil Product Flows (2015)



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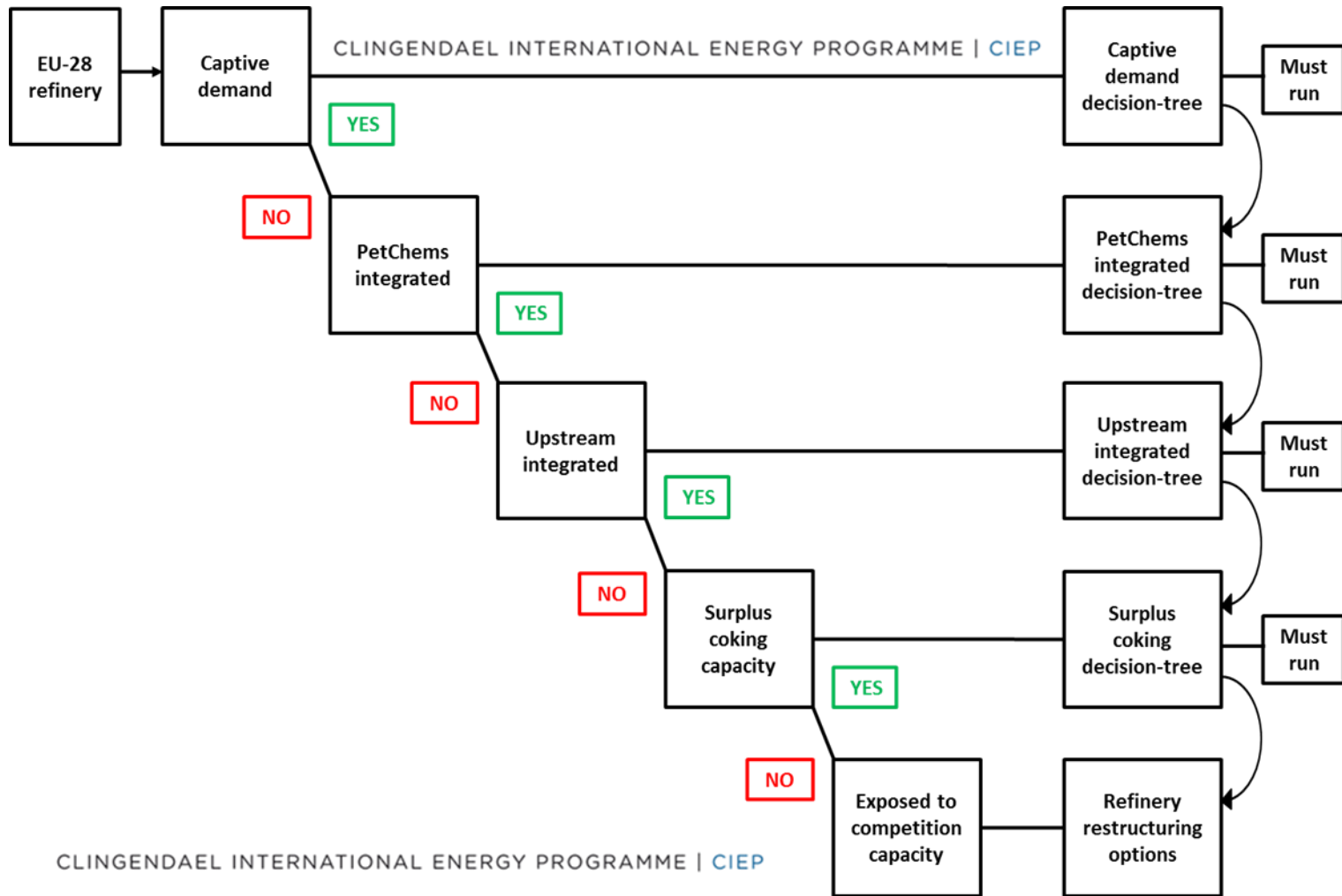
Source: CIEP (2017) "Developments in EU-28 Refining" (forthcoming) – Eurostat 2017 data

EU-28 Refining: A Negative Feedback Loop



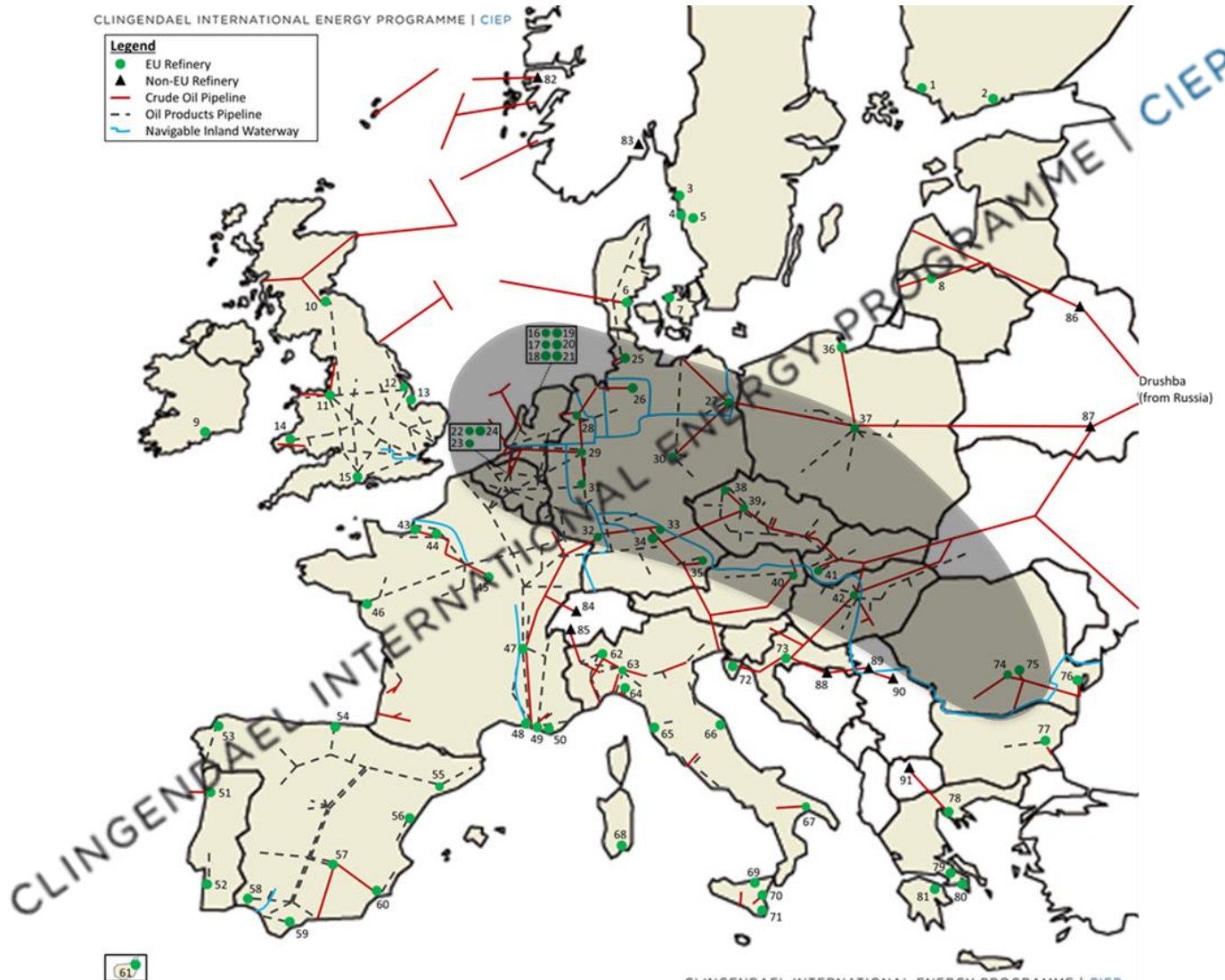
Source: CIEP (2017) "Developments in EU-28 Refining" (forthcoming)

Must-run Categories



Source: CIEP (2016) "Longterm Prospects for Northwest European Refining"

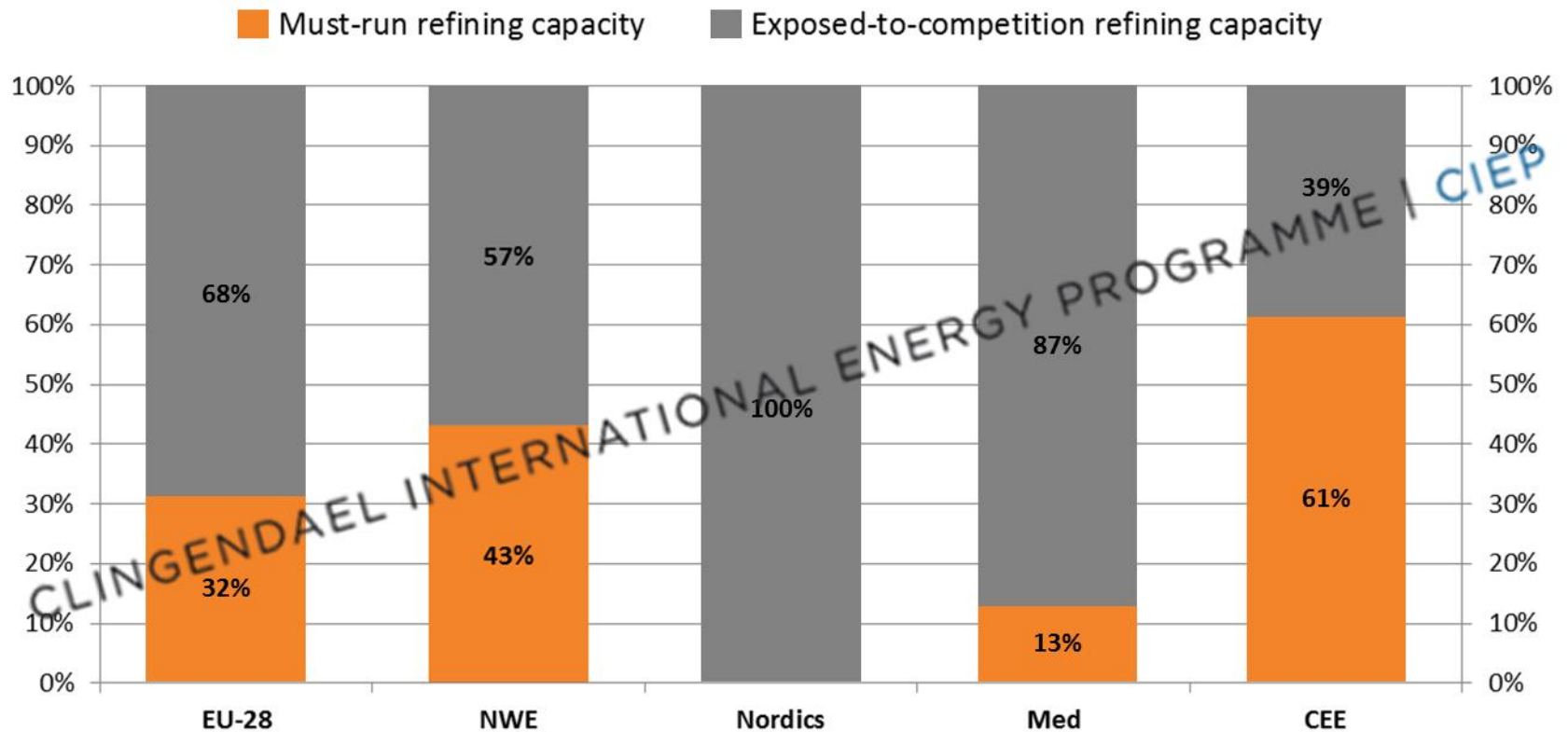
EU-28: “The Refining Banana”



Source: CIEP (2017) “Developments in EU-28 Refining” (forthcoming)

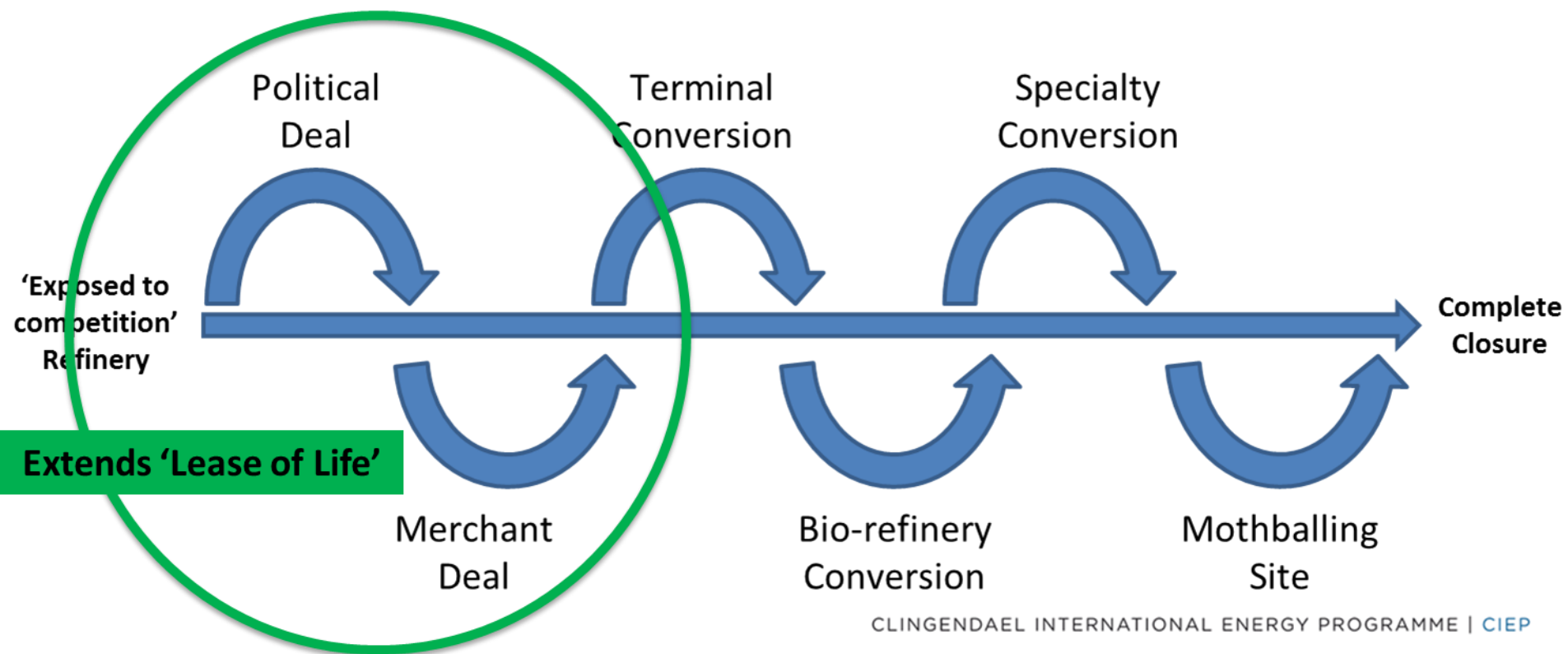
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Regional Must-run Capacity



Source: CIEP (2017) "Developments in EU-28 Refining" (forthcoming)

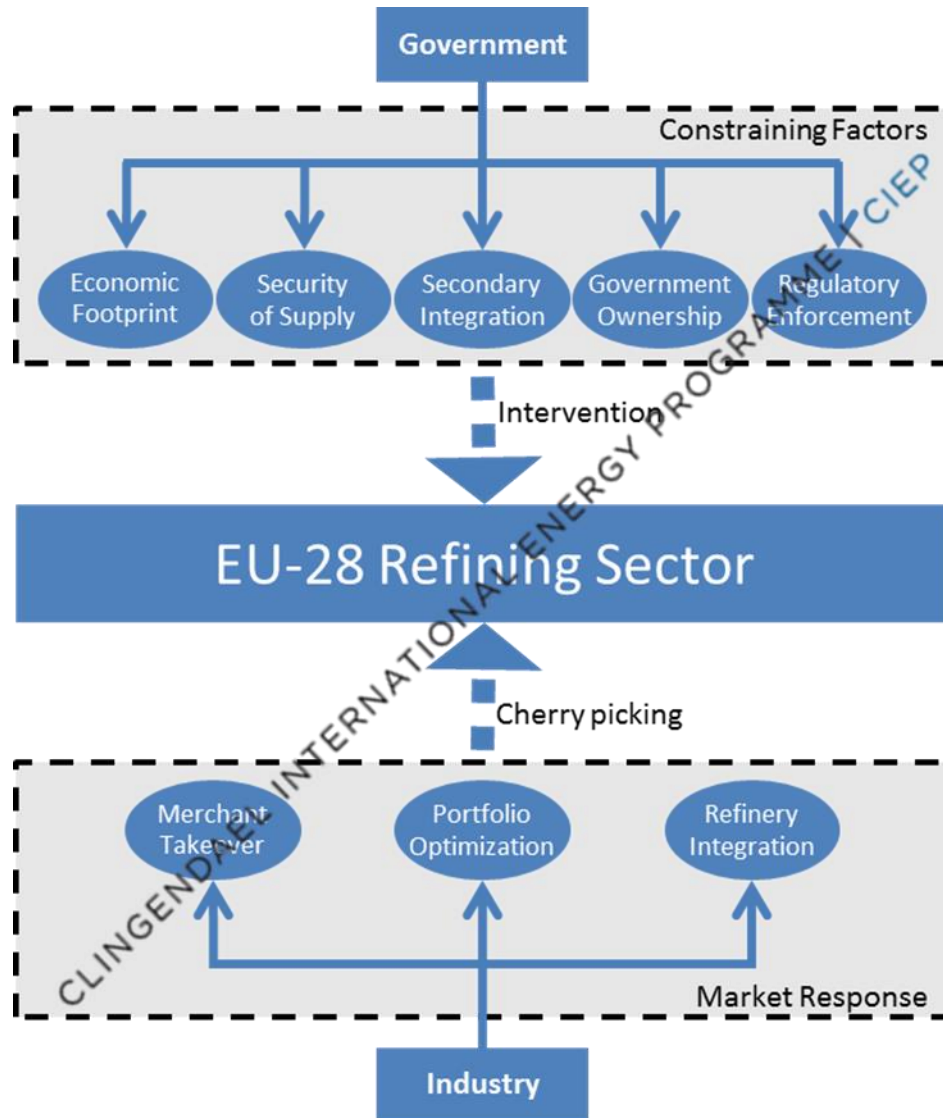
Barriers-to-Exit



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Source: CIEP (2016) "Longterm Prospects for Northwest European Refining"

“Exposure Does Not Mean Closure”



Source: CIEP (2017) “Developments in EU-28 Refining” (forthcoming)

Takeaways

- When assessing the refining sector, it is important to take a broad approach
 - Strategic value of a refinery
 - Integration in local economic structures
- Overall, challenging times ahead for EU-28 refining sector but:
 - Integration in local economic value chains ensures a long-term competitive edge
 - Barriers-to-exit play a significant role in European refining
- Will the future value-proposition (or role) for refineries change?

Thank you.

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