



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Director-General

Brussels, 25 AVR. 2012
ENER/A1/MMD/bl/Ares(2012) 587968

Subject: Agenda for the 15th of May 2012 EU Roundtable on Refining

Dear Madam/Sir,

Following from Commissioner Oettinger's letter dated the 22nd of February 2012 informing about the organisation of an EU refining roundtable on the 15th of May 2012, please find an agenda enclosed with this letter.

The main objectives of the Roundtable will be:

1. To establish whether there is a consensus on the problems faced by the EU refining sector;
2. To allow Member States that have developed national refining plans and/or undertaken an assessment of the difficulties faced by their refining sector to share their recommendations and/or findings;
3. To assess the need for coordinated action at the EU level to deal with the sector's difficulties.

At a meeting between the European Commission and representatives from Member States with a refining presence which took place on the 13th of April 2012, there was wide support for the roundtable initiative, and for the usefulness of EU level political discussions. There was also a broad consensus on the key challenges faced by the EU refining sector and on their main implications, with many expressions of concern.

In particular, there was a shared concern among many MS on the potential impacts of EU regulations on the competitiveness of the EU refining sector, which prompted the EC to register the need for increased vigilance during ongoing negotiations on EU legislation of relevance to the sector.

Importantly, none of the MS representatives expressed the need for specific state or EU backed intervention in the restructuring process to maintain EU refineries open/prevent capacity restructuring from taking place.

However, some MS made recommendations for specific refining sector/petroleum products measures such as a carbon inclusion mechanism (FR) and "green labelling" of EU petroleum products (IT).

In its response to such recommendations, the EC expressed the view that any EU measures should meet certain important preconditions:

- i. On the one hand, that a consequence of any measure would have to be the realistic prospect of the restoration of competitiveness of the EU refining sector;
- ii. On another hand, that there should be no risk that an [unintended] consequence of any measure would be further worsening of the situation of the EU refining sector (i.e: by delaying necessary reductions in capacity)/the EU's security of supply situation of petroleum products (i.e: by putting up barriers to trade);

The EC said that it wasn't evident that any measure, including any temporary state aid, could guarantee such outcomes, and that in view of this, more realistic measures that could be considered at the EU level could include:

- i. Providing support measures to aid workers impacted by the restructuring of the industry, in terms for instance of retraining, job seeking and relocation. A number of EU level schemes exist which have been established specifically to provide support for workers in such circumstances;
- ii. A factual assessment and monitoring of the impacts of actual and projected demand, supply and trade in petroleum products in the EU on the EU's security of supply situation;
- iii. Monitoring of future EU legislative proposals for potential negative impacts on the competitiveness of the EU refining sector.

In light of the above, we would like to focus the debate of the refining roundtable on the 15th of May on a number of issues, and would look forward to obtaining responses, on the day, from stakeholders to the following questions:

1. Do you agree that the preconditions for action as listed above should be respected? If not, on what basis can action which contradicts such preconditions be supported? Would you add any other preconditions?
2. Do you agree that the EU refining sector does not require specific state or EU backed intervention in the restructuring process to maintain EU refineries open/prevent capacity restructuring from taking place? If not, what do you precisely recommend?
3. Do you view the problems of the EU refining sector as requiring any sector-specific EU level action, in particular to address the issues of loss of jobs and/or security of supply?
4. Are you in support of the measures i to iii proposed above? Do you believe that any of them are unrealistic/ go too far, or on the other hand that they do not go far enough?

Should you require any further information, please do not hesitate to contact Malcolm McDowell (malcolm.mcdowell@ec.europa.eu).

Best regards,



Philip Lowe
Director-General, DG Energy

Agenda

EU Roundtable on Refining

15 May 2012

Berlaymont Building, Brussels

14:00 – 16:45

1. Welcome and introduction by Philip Lowe, Director General, DG ENER
2. Short presentation on context, background and issues for discussion (please refer to letter accompanying this agenda).
3. Tour de table
4. Conclusion by Commissioner Oettinger