

ANNEX

I. Definitions

1. For the purpose of this Recommendation, the Commission reminds the Member States of the following definitions stipulated in Council Decision 1999/280/EC of 22 April 1999 and in the Annex to Commission Decision 1999/566/EC of 26 July 1999:

a) 'Consumer prices' according to the Council decision means the most representative price levels actually charged to consumers in a given category;

b) 'Petroleum products' according to the Commission Decision means

Motor fuels:

- premium leaded petrol¹
- Euro super 95
- automotive gas oil (diesel oil)
- LPG

Domestic heating fuel:

- heating gas oil

Industrial fuels:

- fuel oil with a sulphur content over 1 %
- fuel oil with a sulphur content equal to or less than 1 %;

2. In addition, for the purpose of coherent reporting, the Commission recommends to use the following definitions:

a) 'Categories of retailers' means oil companies, independent distributors and large stores;

b) 'Oil company' means a global vertically integrated oil undertaking;

c) 'Independent distributor' means a non-multinational, non-vertically integrated purchaser, distributor and supplier of petroleum products;

d) 'Large stores' mean hyper/supermarket chains with a total market coverage above 20% of inland consumption of motor fuels.

II. Collection of Data and Discounts

1. The Commission, taking into account the views expressed by Member States, recommends to only take stock of pump prices for motor fuels at filling stations with public access. As a result, professional transport, which fuels outside the distribution network, would be excluded.

¹ Lead substitute petrol reported by some Member States

2. Given the difficulties that a number of Member States have in collecting reliable data on consumer price discounts, the Commission recommends that Member States in principle only take into account posted prices at the pump. Further discounts should only be considered if they cumulatively

a) apply to all consumers over at least half of the working hours of the filling station and

b) amount to at least 2% of the final price.

This formulation should ensure that discounts with a substantial and lasting impact on the consumer price are reported. If a Member State would like to report discounts, then it should ensure that the consumer prices reported are representative.

3. Discounts relate to prices of motor fuels only (Euro super 95, diesel oil and LPG).

III. Market Coverage and Data Sources

1. The Commission recommends establishing thresholds for market coverage of categories of retailers to ensure representativeness of the sampling procedure.

2. On the point of thresholds, the Commission's recommendation is for Member States to report consumer prices from all categories of retailers of motor fuels with a market share of at least 10% in year minus two (y-2). For reporting in the course of year 2013 this means covering all categories of retailers that in 2011 had a market share of at least 10%. The two-year time lag is meant to allow Member States to use the data on consumption by petroleum product, which they provide to the Commission at the end of each year.

3. On the point of representativeness of the reported data that is envisaged in Council Decision 1999/280/EC of 22 April 1999, the Commission recommends that Member States apply a sample that is large enough to allow for adequate projections of price on the market. A large enough sample would cover in a systematic manner operators that account for at least 70% of the market for each petroleum product reported (Euro super 95, diesel oil, LPG).

4. Market Coverage relates to prices of motor fuels only (Euro super 95, diesel oil and LPG).

IV. Price Averages

1. The Commission would like to remind the Member States that according to the Annex of Commission Decision 1999/566/EC of 26 July 1999, prices net of duties and taxes communicated by Member States should be based on a weighted average. The same Annex makes a reference to taking into consideration prices charged at filling stations of large stores, when these account for more than 20% of inland consumption.

2. Likewise, concerning consumer prices, the Commission recommends Member States using simple arithmetic averages to opt for weighted averages.

3. The Commission recommends that weights are defined annually per product on the basis of the volumes distributed by different categories of retailers. It needs to be emphasised that the weighting approach is rather aggregate and does not seek individual company weights and/or weekly frequency of updating the weights.

4. Given that Member States already report annual consumption by petroleum product, establishing the breakdown of consumption by category of retailer is not expected to imply significant additional burden and, in some cases, may even build on existing data. Some Member States already carry out surveys on consumption of petroleum products to establish much more detailed shares of each company based on the quantity sold in the previous period (month, year, etc.).

5. Taking further factors into account for weighting, such as manned and unmanned services, would be welcomed, but cannot be universally recommended as it may impose additional administrative burden. Member States that already use more detailed weighting procedures that account for the volumes distributed by different categories of operators (e.g. weights defined with greater frequency or at more detailed company level) are encouraged to keep these detailed weighting procedures in place.

Price Averages relate to prices of all Petroleum Products as defined by Commission Decision 1999/566/EC of 26 July 1999.

V. Biofuels

1. In the Oil Bulletin a 'backward' calculation is applied to obtain the ex-tax prices, whereby all taxes and duties (VAT, excise duties and other indirect taxes) are deducted from the consumer prices. As a result of possible differentiated taxation between conventional fossil fuels and biofuels, ex-tax prices for Euro super 95 and diesel oil are – for some EU countries – difficult to compare.

2. To account for this difference Member States are required to report explicitly the differentiated excise duties for biofuels. Therefore the Commission Services propose to modify the procedure for calculating the excise duties reported by introducing in the reporting web platform a new reporting table (see Table below). This Table is only for Member States with different taxation on biofuel components.

3. The table asks national administrations to introduce the share of the biofuel component for Euro super 95 and diesel oil as reported in the weekly Oil Bulletin – which may be different from the obligatory minimum share established by law – and introduce separately the size of rate of the excise duties for the fossil fuel component and the size rate of the excise duties for the biofuel components. This procedure would allow to effectively establish the real size of the excise duty charged per 1 000 l of Euro super 95 and diesel oil in countries where there is a differentiation between the taxation of the fossil fuel and biofuel components.

4. The Commission Services are prepared to establish an automated procedure for transferring the input from this additional reporting table into the existing web platform, automatically transferring the 're-calculated' excise duties into the respective cells that currently indicate excises for Euro super 95 and diesel oil. The calculation procedure of ex-tax prices would then be concluded in the usual 'backward' way, whereby all taxes and duties (VAT and the excise duties re-calculated to capture the possible differentiated taxation on biofuel components) are deducted from the consumer prices.

5. Therefore the only practical modification that this new table will introduce would be to correct excise duties by the share of biofuels in case of differentiated taxation of fossil fuel and biofuel components. For the countries that do not apply such a differentiation in excise duties, the reporting

values will remain unchanged, with the newly introduced table only providing information about the share of the biofuel components in Euro super 95 and in diesel oil.

Table: Reporting on biofuel components of Euro super 95 and diesel oil: correcting the information on excise duties in case of differentiated taxation between fossil fuel and biofuel components.

		Composition of motor fuels		Excises on motor fuels
Euro super 95	% fossil fuel component		excise per 1000L	
	% biofuel component		excise per 1000L	
Automotive gas oil (diesel oil)	% fossil fuel component		excise per 1000L	
	% biofuel component		excise per 1000L	

6. The recommended procedure is expected to add insignificant administrative burden, while at the same time capturing an important difference in the taxation of Euro super 95 and diesel oil, giving the data user a better understanding as to the expected impact of biofuels on pump prices.

VI. Reporting of other Indirect Taxes

The Commission has noted that at present ten Member States report indirect taxes other than excise duties. These other indirect taxes include, among others, regional taxes on petroleum products and strategic stockholding fees. The Commission recommends that all Member States indicate in the methodological notes (cf. Point VIII below) and duly report in the web reporting format any other indirect taxes applicable on petroleum products and on which VAT applies.

VII. Reporting of Fuel oil Prices

Regarding fuel oil price reports, the Commission considers specifying in the weekly Oil Bulletin that prices reported by the Member States only cover industrial use, excluding the transformation sector as well as inland waterways and marine bunkers.

VIII. Methodological Notes

Along with the Oil Bulletin, the Commission is going to issue methodological notes explaining the reporting process on which the data is based. In particular, these notes will state to what extent the methodology recommended by the Commission has been applied.