

# Industry Report Petroleum **2020/21**

**KEY FACTS AT A GLANCE**



# AT A GLANCE

## THE AUSTRIAN PETROLEUM INDUSTRY

		2020	2019	2018	2017	2016
<b>Member companies, sold production, employees</b>						
Number of association companies		27	27	28	27	27
Sold production	€ mn	6,118	9,688	10,170	8,319	7,228
Total employees		4,625	4,402	4,145	4,054	3,999
Of which blue-collar		833	828	796	787	787
Of which white-collar		3,719	3,493	3,261	3,172	3,107
Of which apprentices		73	81	88	95	105
<b>Production, import, transport</b>						
Domestic oil production (incl. NGL)	tons mn	0.61	0.64	0.68	0.74	0.81
Domestic natural gas production	m <sup>3</sup> n bn	0.74	0.89	0.97	1.74	1.25
Crude oil import	tons mn	7.46	8.59	8.31	7.32	7.21
Natural gas import	m <sup>3</sup> n bn	6.13	10.74	7.49	8.09	7.18
Oil transport <sup>1</sup>	tons mn	7.48	8.75	8.36	7.40	7.30
Oil refining (incl. semifinished products)	tons mn	8.7	10.0	9.8	9.0	8.9
<b>Consumption, products</b>						
Domestic oil consumption <sup>2</sup>	tons mn	9.76	11.46	11.28	11.26	11.13
Petroleum imports – products <sup>2</sup>	tons mn	6.22	6.64	6.67	6.70	6.65
Petroleum exports – products <sup>2</sup>	tons mn	3.26	3.33	3.30	2.90	2.91
Domestic gas consumption (end consumers)	m <sup>3</sup> n bn	7.99	8.34	8.03	8.30	7.85
<b>Filling stations, vehicles</b>						
Number of filling stations <sup>3</sup>		2,733	2,733	2,699	2,685	2,670
Of which major branded		1,352	1,353	1,357	1,347	1,352
Approved vehicles		7,098,814	6,996,222	6,895,596	6,771,395	6,654,504
Of which cars and station wagons		5,091,827	5,039,548	4,978,852	4,898,578	4,821,557

<sup>1</sup> Adria-Vienna pipeline

<sup>2</sup> Without petrochemicals or in part without sole biofuels

<sup>3</sup> Excluding 273 agricultural diesel outlets (2019: 286; 2018: 286; 2017: 286; 2016: 285)

# FOREWORD



## DEAR READERS,

In late March 2021, Thomas Gangl retired from the chairmanship of the Austrian Petroleum Industry Association and proposed to elect me as his successor. On behalf of the APIA, I would like to thank him sincerely for his competent fulfilment of the chairmanship and I am pleased to be able to take over the chairmanship. I have been a board member of OMV AG since July 2021, and that company's executive officer responsible for refining. Born in the Netherlands, I provide international experience in the refining and chemical sectors, having previously worked for Borealis for eight years where I was board member in charge of base chemicals and operations.

The corona virus has triggered the most intense global crisis in many generations. Restricted mobility, obstructed trade routes and halting economic growth have left their impact, especially in the energy sector.

Remembering back, we see that the petroleum industry took two beatings in 2020. One was the crude oil price war launched at the OPEC+ negotiations in Vienna in March 2020. Saudi Arabia and Russia, to the surprise of many, announced that they would drastically increase their production volumes. At the same time, the most dramatic pandemic seen world-wide since the Spanish flu spread across the globe. The combination of the resulting supply and demand shocks caused the crude price to drop to stunning lows, even down to an occasional negative level in the US.

The situation has since stabilised. OPEC+ rigorously responded to the crisis, agreeing, in April 2020, on a historical reduction of the production rate by ten million barrels per day. Covid-19 infection rates declined significantly in Europe and the inoculation campaigns picked up speed. These positive developments did a wealth of good to the global economy. According to the IMF, the slump of 3.3% in 2020 is expected to be followed by a growth rate of 6.0% in 2021. For 2022, an ample growth of 4.4% is forecast.

Notwithstanding the variability of the virus we can, with all due caution, say that we have seen the worst of the crisis. It should be noted that petrol industry businesses such as OMV continued to meet their obligations as dependable energy providers at all times, even during the most difficult periods of the pandemic. This has been a success for our industry, showing once more that we are a crucial anchor for the functionality of our society and economy.

Still, the current crisis offers an opportunity to look forward. An issue that defines the sector is climate change. It was interesting to find that global warming remained in the public consciousness even at the height of the pandemic – a clear sign of its importance. Looking at the regulatory situation it becomes obvious that our sector needs to face new challenges in the years to come. Europe is a pioneer of climate protection thanks to its green deal, intending to become the first climate-neutral continent by 2050. The United States have returned to the Paris Agreement, similarly seeking climate neutrality by 2050. Russia, too, has joined the Paris Agreement, and China, currently the world's largest CO<sub>2</sub> emitter, has announced that it wants to achieve climate neutrality by 2060.

The good news is that the petroleum industry has the requisite know-how and technologies that are indispensable for managing the climate turnaround. From the petroleum industry's point of view it is essential that politics provides a technology-neutral regulatory framework that is necessary to develop solutions which are feasible in economic as well as ecological terms.

Following the successful management of the covid-19 crisis, our sector is confronted with another critical challenge – coping with the energy transition. A look at the past shows that humankind has successfully handled several turnarounds already. Consequently I am convinced that, helped by the petroleum industry and its innovative solutions, we will be able to successfully take the next step into the future.

**Martijn Arjen van Koten**

Chairman of APIA

# OUR TASKS



**Hedwig Doloszeski**, Managing Director

The Austrian Petroleum Industry Association (APIA, or FVMI to give it its proper German title) is the Austrian-wide association of petroleum-based industries organised within the Austrian Economic Chamber, interacting in its capacity of statutory interest group between the industry and the public. Its members are companies that operate upstream (exploration and production of crude oil), midstream (transport in pipelines and storage) and downstream (processing at their own or associated refineries and sale of petroleum products).

## **CORE ISSUES RANGING FROM THE ENVIRONMENT TO SOCIAL POLICY**

The covid-19 pandemic called for enormous resources and flexibility on the part of the industry in 2020, yet climate change continued to be among the top items on the agenda. The petroleum industry perceives itself as a key driver of solutions for the future of energy supply and a reliable partner in implementing the energy turnaround. Our goal is to cope with the challenges of ensuring uninterrupted supply, competitiveness, sustainability and affordability. To manage this, it is necessary to have a clear statutory framework, to which APIA contributes through advisory opinions furnished to ministries and other government bodies within the industry-specific review of EU directives and national bills and draft ordinances.

APIA covers industry-relevant issues regarding environment and energy – such as energy efficiency, climate strategy, emissions trading, particulate pollution, regulations regarding (biomass) fuels, standards, waste water and garbage disposal and REACH, as well as taxation, commercial law and social policy issues, adding its expertise and organisational input within its working groups in coordination with its member companies and other experts.

Industry-specific information and reports on general business issues are passed on to its members after harmonising them with the relevant departments of the Austrian Economic Chamber.

## **COLLECTIVE BARGAINING, COOPERATION AND MONITORING**

Each January, the Association on behalf of employers negotiates a new collective bargaining agreement with the Union of Private Sector Employees, Journalism and Paper (GPA) and the Production Workers Union PRO-GE for about 4,600 employees in the petroleum industry, which usually enters into force in early February and which is published on the APIA web site and the database of the Austrian Economic Chamber.

The APIA office organises regular and ad-hoc working group meetings and closely cooperates with other organisations in the field, providing assistance to Österreichische Gesellschaft für Energiewissenschaften (Austrian Society for Energy Sciences; ÖGEW), the main office of Grubenrettungs- und Gasschutzwesen GmbH (mine rescue and gas protection services) and the sectoral committee for SCC (Safety Certificate Contractors).

Next to comprehensively representing its members' interests, one of the Association's primary responsibilities is the weekly poll of petrol station prices which is neutrally assessed by the APIA office and passed on to the EU Commission for an EU-wide comparison. Once a year, APIA produces statistics on petrol stations, which reflect the number of petrol stations broken down by brands and Austrian Länder (states).

The Association perceives itself and its PR work as the mouthpiece of the petroleum industry. Press releases, newsletters, a new LinkedIn link and fact sheets on the petroleum market in Austria are typical examples of its output. In a similar vein, APIA's annual report enables readers to track the development of the Austrian petroleum industry across many years.

# BODIES OF THE INDUSTRY ASSOCIATION

## OFFICIALS & EMPLOYEES

The Association Committee decides on the targets and strategies and is responsible for deciding on budgets and financial statements. Its members are appointed for a term of five years in the course of the elections for the Austrian Economic Chamber. The last election was held in 2020.

### APIA ASSOCIATION COMMITTEE

#### Chairman

Martijn Arjen van Koten  
Board Director Refining  
OMV Aktiengesellschaft

#### Deputy

Melanie Milchram-Pinter  
Managing Director  
BP Austria branch, BP Europa SE

Gert Seybold  
Chairman of the Board  
Shell Austria GmbH

#### Members

Ernst Burgschwaiger  
Authorised Signatory  
RDG E&P GmbH

Heimo Heinzle  
Managing Director  
RED Drilling & Services GmbH

Michael Längle  
Company Representative  
RAG Exploration & Production GmbH

Alessio Lilli  
Managing Director Transalpine Ölleitung  
in Österreich Ges.m.b.H.

Markus Mitteregger  
General Director RAG Austria AG

Reinhard Oswald  
Managing Director  
OMV Upstream International GmbH

Josef Rath  
Authorised Signatory  
OMV Downstream GmbH

Christina Reichart  
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Roberto Russo  
Managing Director Eni Austria GmbH

Armin Springer  
Commercial Director  
Eni Marketing Austria GmbH

Alfred Stern  
General Director  
OMV Aktiengesellschaft

Stefan Tomann  
Managing Director  
Erdöl-Lagergesellschaft m.b.H.

Hannes Wartbichler  
Managing Director  
JET Tankstellen Austria GmbH

#### Co-opted member

Isabell Hametner  
Authorised Signatory  
OMV Aktiengesellschaft

### APIA OFFICE

Hedwig Doloszeski  
Managing Director

Susanne Gfatter  
Waste and chemicals law

Reinhard Thayer  
Environment and energy

Gabriela Eder  
APIA secretariat,  
Safety Certificate Contractors (SCC)

Alessandra Fabro  
APIA secretariat, statistics

Sabine Ravasz  
ÖGEW secretariat

# WE ENERGISE AUSTRIA

## THE PETROLEUM INDUSTRY

The companies of the Austrian petroleum industry ensure individual mobility, thereby contributing substantially to value creation and tax revenues. Moreover, the industry provides jobs and offers future-proof training opportunities for the young.

Austria's petroleum industry generates an annual turnover (sold production) of over € 6 billion from producing, processing and selling petroleum and its products. The industry is closely interconnected in extensive networks which trigger massive consumption and investment effects both directly and indirectly. It is, furthermore, a key employer, providing work to about 11,000 employees, including its petrol station partners (excluding energy trading).

The petroleum businesses ensure sustainable supply security for all of Austria, every day of the year and typically 24 hours a day. In addition to supplying urban areas they cover peripheral places, which requires managing long transport routes and extensive storage capacities. The petrol stations sell much more than just fuels – they have turned themselves into regional service centres that offer a large range of products and services.

Domestic crude production covers about 7% of the country's requirements. Despite their relatively small contribution, local petroleum companies rank among the top European players, due to their excellent technological performance

in exploration and production. The crude oil obtained from domestic production and imports is mostly pumped in pipelines to the Schwechat refinery where it is processed into petroleum products. The Schwechat refinery delivers about 53% of the Austrian demand for petroleum products and doubles as a major petrochemical location.

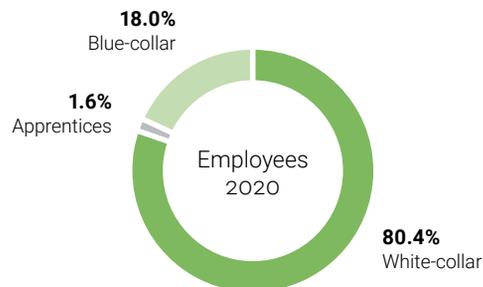
Tomorrow's energy market is dominated by issues of supply security. The petroleum industry provides a dense network of storage tanks for petroleum products and natural gas distributed throughout Austria, thereby ensuring that seasonal variations and temporary supply shortages can be compensated.

## TRANSFORMATION OF ENERGY SYSTEMS

The great challenge for the future is transforming our energy systems in order to achieve the EU's climate protection targets and provide for energy efficiency. Yet the envisaged climate targets will be reached only by the application of a large range of technologies while reducing energy

### Sold production and employees

Association companies of APIA



consumption and concentrating on renewables. It requires a strong focus on sustainable solutions and large-scale investment into research and development to achieve supply security in the long run.

The Austrian petroleum industry contributes to this long-range goal with a number of innovative projects. Thus, with regard to its petroleum products, the industry is making constant progress in reducing CO<sub>2</sub> emissions in refining and in its liquid fuels.

New drive concepts and new fuels are priorities when it comes to furthering mobility. Hydrocarbon-based fuels will continue to play a large role, especially in road transport, long-distance driving, aviation and shipping. It will take quite some time until conceivable alternatives will become widespread. It is thus of the essence to improve the efficiency

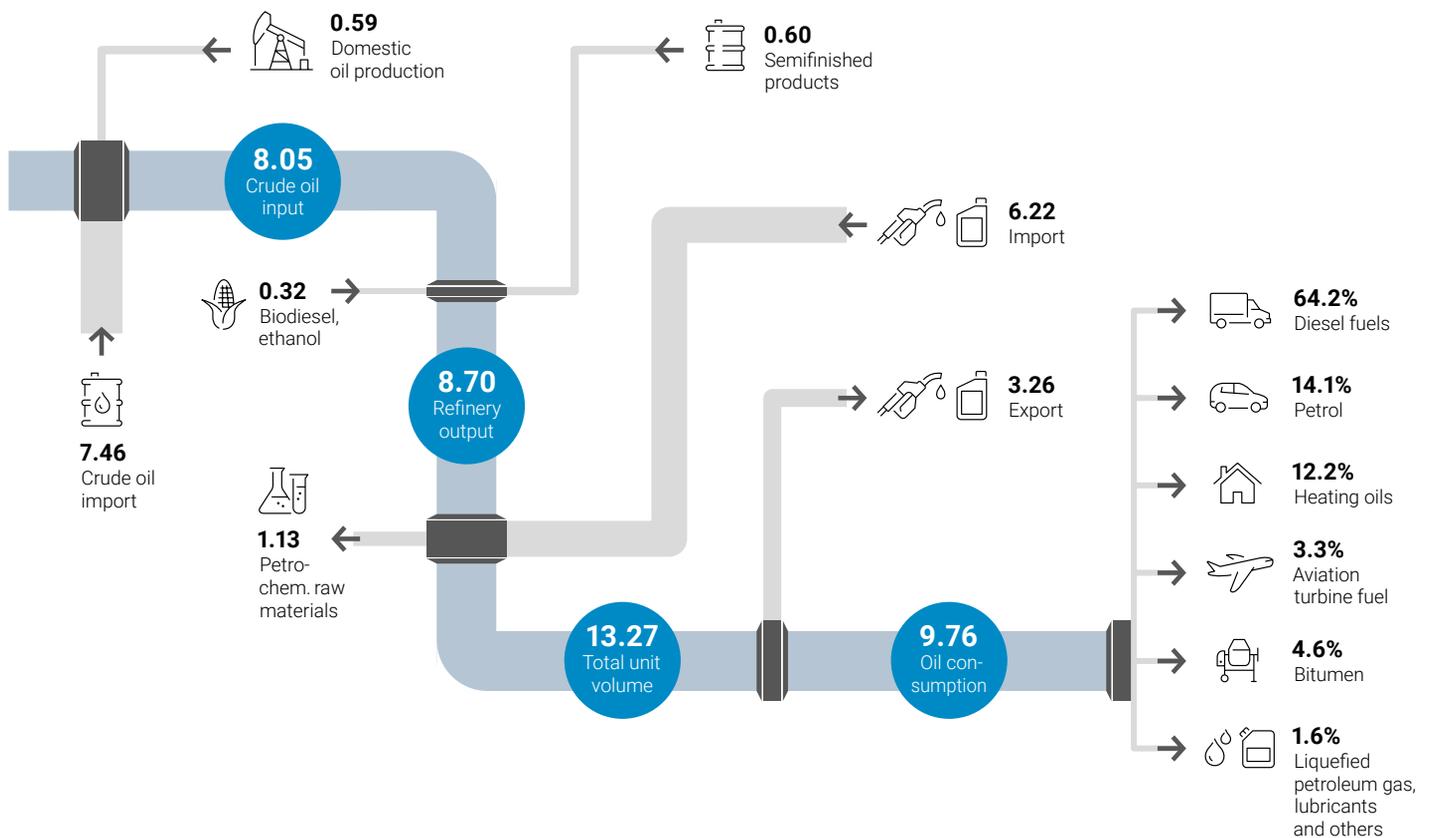
of current technologies until new sources of energy are available at a sufficient scale.

Investment into R&D is pivotal for the future. However, to fill its role, the industry – with the petroleum sector foremost – requires political commitment and a technology-neutral legal framework. Given the high cost of investment and operation, it is necessary to provide funding for decarbonisation projects at all levels.

The challenges of an energy transition in terms of supply security, competitiveness, sustainability and affordability cannot be handled by a single energy carrier on its own. It is necessary to accept all available energy carriers since we will continue to need them all for production, transport and heating. Energy and climate policies need to be seen in a European context and harmonised accordingly.

### Austrian petroleum balance 2020

Metric tons mn<sup>1</sup>



<sup>1</sup> Simplified chart; rounding errors from delimitation differences, double counts and refinery consumption

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