

CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE

# ANNUAL REPORT

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**2010**

PRAGUE

April 2011

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## *Council Chairman's Message*

*In 2010, the Czech Association of Petroleum Industry and Trade (ČAPPO) activities focused, as its priority, on addressing legislative issues connected with the blending of biofuels with motor fuels for transport, and specifically to the transposition of Directive No. 2009/30/EC of the European Parliament and of the Council amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions originating from the fuels used in road transport, and of Directive No. 2009/28/EC on the promotion of the use of energy from renewable sources. For the petroleum industry and persons obliged to comply with the regulations, the application of both Directives is very important due to the fact that they define a binding target for the substitution of the fossil component by biofuels, the obligation of reducing greenhouse gases emissions originating from fuels production, and the increase in the contents of biofuel in petrol and diesel oil. The Working Groups focused on the implementation of the directives prepared analysis of their impact on Czech petroleum industry. Similarly, ČAPPO contributed significantly to the preparation of the National Action Plan for the application of power from renewable sources until 2020. The elaborator accepted our proposal. At its own initiative, ČAPPO prepared its estimate of power consumption in transport till 2030 and presented it to the public.*

*In spite of our objections (in particular, they relate to the economic and technical matters) concerning the obligation to substitute fossil components in motor fuels according to the Directive of the European Parliament and of the Council No. 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport, and according to the Air Protection Act, our members observed in the period 2007 to 2010 the volumes of fossil component substitution in motor fuels prescribed by the Directive.*

*The Association expressed in public, on the level of governmental bodies, legislature and media, its opinion concerning the rate of increasing the biofuels contents in motor fuels – low-concentration blends. In particular, it advocated temporary suspension and deceleration of further increase in the biofuels contents, and the Ministry of Environment and the Ministry of Industry and Trade accepted this procedure for the period after the year 2010. The reasons are, in particular, global economic crisis that also causes significant fall in the refinery margins of motor fuels manufacturers and distributors and influences their economic results, and also the ambiguous attitude to the ecological benefits of the use of biofuels as well as the shortage in the sources for biofuels production from crops. With regard to the air protection, the association connects further development with the measures focused on the greenhouse gases emissions reduction that address this issue in its complexity.*

*In relation to the use of biofuels, the Council and the Working Group for biofuels organized a number of meetings with the representatives of the governmental bodies, legislature and specialists community. The Association repeatedly presented its position concerning the use of biofuels in transport, through its Chairman, members of the Council, its technical spokesman and its Secretariat, at a number of professional events and in the media where it highlighted not only the shortcomings in the legislation but also the breaches of fair free market conditions and problems connected with the use of first generation biofuels. It also submitted its amending proposals to Act No. 86/2002 Coll., the Air Protection Act, in the part Biofuels. At the same time, ČAPPO engaged in the preparation of the source materials for the suggestions concerning the amendment of Act No. 311/2006 Coll. on Motor Fuels, and the implementing regulation to this Act (Decree of the Ministry of Industry and Trade No. 133/2010 Coll.).*

*In the course of the whole year 2010, the member firms, who are distributors of petroleum and petroleum products, achieved very good results concerning the quality of motor fuels sold at service stations: the rate of defects made only 1.4% from collected samples, while the rest of the market achieved the rate of defects of 7.1 %. The detected deviations of fuels quality from standard values did not influence the use value of motor fuels. ČAPPO tried to persuade the governmental bodies that the Czech Trade Inspection should publish the significant deviations from quality standards observed at service stations. The association regards the publishing of the deviations, in particular, as a tool to detect tax evasions based on blending motor fuels with the non-standard fuels, and to protect the motorists.*

*In the course of the year, the member companies were able to maintain the high share of the domestic producers and dealers on the motor fuels market in consequence of the activities of petroleum processing firms of ČESKÁ RAFINÉRSKÁ, a.s. (a joint-stock company) and other ČAPPO members.*

*Technical issues connected with the range of motor fuels and alternative motor fuels and the development of their quality parameters, waste oils collecting and management, the tax policy related to the mineral oils, reasonable dates and methods of large-capacity tanks for oil and oil products checks as well as amendments of technical standards and legislation were addressed on the level of the Council, Working Groups, and Secretariat. In this area, ČAPPO co-operated closely with the bodies of state administration, legislature, foreign associations, with the association of petrochemical industry EUROPIA, with the domestic organizations and institutions, as well as universities.*

*ČAPPO contributed significantly to the legislative process, in particular to the preparation and approval processes of additional amendments of several Acts, i.e. amendment of Act No. 254/2001 Coll. on Waters, Act. amendment of Act No. 185/2001 Coll.*

on Wastes, amendment of Act No. 235/2004 Coll. on Value Added Tax, and a number of other regulations.

The Association has contributed to the preparation of new Czech technical standards in the areas of petroleum, lubricants and bitumen, analytical procedures and operation of facilities for oil substances handling. At its own initiative, it started the preparation of a draft for a Czech technical standard for warehousing and shelf-life of motor fuels containing biofuels.

The Association significantly contributed to the implementation of some of the programmes of the EU. In particular, it was engaged in the handling of problems connected with the programmes Alternative Fuels and new legislation for the field of chemical industry (REACH).

In the course of the year 2010, there was further increase in exchange of information and co-operation between ČAPPO and state authorities, the legislature and the specialist public. Interest from the specialists' public and business entities in the opinions and documents of ČAPPO has also grown considerably. At the same time, the educational activities of the Association, in particular in the area of the media, of Internet and of own publication activities of the members, also increased. Members of the Association took active part in a number of conferences, seminars and workshops from the area of fuels, alternative motor fuels and safety. ČAPPO has completely reworked its website.

The Association cooperated with the Association of Chemical Industry of the Czech Republic as its collective member; the purpose of the membership is more intensive exchange of technical information, strengthening of synergy in advocating legislative justified requirements and improvement of education.

Again, the Association encouraged the administration and especially the inspection bodies to require much more strictly the performance of legal standards and regulations from all competitors on the market. In this area of activities, it initiated, in the first place, the preparation of a set of legislation and organization measures to reduce tax evasions in relation to the motor fuels trading through the amendments of the Act on Value Added Tax and the Act on Motor Fuels. We are prepared to approach the inspection bodies with this matter regularly and energetically in the future.

In the year 2010 ČAPPO member companies contributed to the strengthening of business stability on the market of fuels and lubricants, in particular by their active influence resulting in sound and ethical economic competition and provision of services at a standard, advanced European level.

*The Association joined the activities of the Technological Platform Road Transport where it pursues the problems of power for transport with the focus on fossil fuels from petroleum and first generation biofuels.*

*In the year 2011, legislation in petroleum industry will remain our priority. In particular, it will be the use of biofuels in transportation and selected EU projects focused on petroleum industry, environment and alternative motor fuels. Further, the Association will focus on the issues connected with petroleum security, exchange of information concerning safety of operation, as well as technical information from the field.*

*Again, ČAPPO members achieved excellent results in the 4<sup>th</sup> year of the PETROLawards 10 Competition organized by PETROLmedia. In the category of the Person of the Year, Mr. Ivan Ottis was awarded the first prize. The prize was handed over to Mr. Ottis personally by Mr. Martin Kocourek, Minister of Industry and Trade. In the category Products, BENZINA obtained the first prize in the category Products for its diesel oil Verva Diesel 60, and in the category Technology and Products it was again BENZINA for its New Information System - implementation of RIS project. In this category, ČESKÁ RAFINÉRSKÁ was also appreciated - for the adjustment of the technology for the improvement of the energy efficiency of the FCC unit in Kralupy. In the category of Service Stations, service station D1 Bělčice of Eni Česká republika ranked the first.*

*In the course of 18 years of its activities, ČAPPO demonstrated the effectiveness of its acting as a representative of its members in the negotiations with state administration and legislature. The activities of ČAPPO, especially within the framework of the process of preparation of amendments to the national legislation, serves the members from both social and economic point of view and creates fair business environment.*

*In the year 2010, the position of the Association as the entity esteemed by to the state administration, the legislature, the specialists community, and the media further improved. In the majority of cases, the Association succeeded when it advocated equitable requirements and suggestions from the member companies from which a part affected positively economic results of the member companies. The activities of the Association contributed to the cultivation of the business environment and maintenance of standard conditions of doing business in the industrially developed countries. All of the branded companies associated in the Czech Association of Petroleum Industry and Trade contributed to this.*

*Ing. Ivan Ottis  
Council Chairman  
Czech Association of Petroleum  
Industry and Trade*

*April 2011*

## CHARACTERISTIC OF DEVELOPMENT IN THE PETROLEUM INDUSTRY ABROAD AND IN THE CZECH REPUBLIC

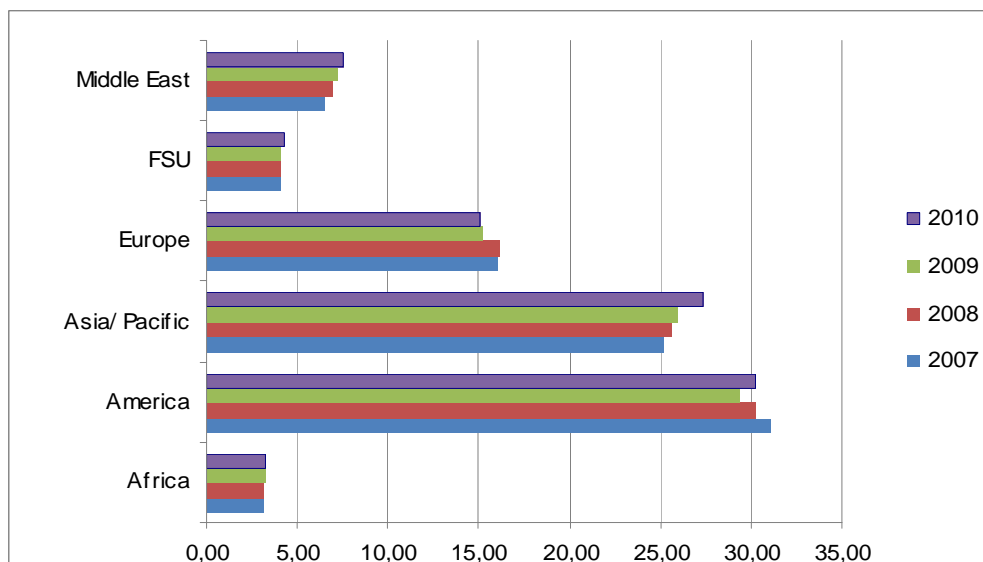
### Petroleum Industry in the World

According to the latest estimates of the IMF the growth of the world economy in 2010 surpassed 4%. The US growth is estimated at around 2.5%, OECD Europe at 1.5%, China and India at close to 10%.

Global oil demand in 2010 is estimated by the IEA at 87.7 mb/d (an increase by 2.7 mb/d on a year on year basis), while OPEC sources forecast it at 86.1 (an increase by 1.6 mb/d on a year on year basis). According to the IEA the OECD share is assessed at 46.1 mb/d, while the rest of 41.6 mb/d for non-OECD countries with the rising share of China, Malaysia, Thailand, Russia and the Middle East (mostly Saudi Arabia). OECD demand is deemed to have increased by 1.5%. Non-OECD demand rose by 5.3%.

According to the IEA in 2011 oil demand in OECD is projected to remain flat or slightly declining and, again, the non-OECD demand shall go up further. Apart from market fundamentals reflecting growing non-OECD economy, Chinese gasoil/diesel consumption and cancellation of subsidies for petroleum products in Iran belong to factors influencing demand in the forthcoming period.

Graph No. 1: World Oil Demand 2007 – 2010 in mb/d



Source: IEA, OPEC

OPEC crude oil production rose throughout the whole year slightly surpassing 29 mb/d. In December, the output was at its higher since December 2008, but still some 2 mb/d below 2008 level. In 2011 OPEC production may be increased when needed as the spare capacity of around 5 – 6 mb/d is available for the whole Organization.

During the OPEC meeting in Vienna in October oil ministers agreed to adhere to existing quotas; they elected Iranian oil minister as the next OPEC president, which happened for the first time since before the Iranian revolution in 1979.

At their December meeting in Quito OPEC ministers did not change crude oil production quotas despite rising oil prices. The next meeting is scheduled for June 2011; the oil ministers did not exclude that an extraordinary meeting might be convened should quotas increase be required by the market circumstances.

Non-OPEC supply surpassed 50 mb/d; it was split between OECD – around 19 mb/d, non-OECD around 30 mb/d and biofuels below 2 mb/d.

Russian crude oil production was steadily rising during 2010 hitting 10.45 mb/d, the post-Soviet highest level. Russian authorities announced that crude and products export duties should be changed with an aim to increase crude oil exports and help to maximise oil industry revenues as more investment in new fields are needed. East Siberian Pipeline (ESPO) branch leading to China was commissioned in November and started to be filled.

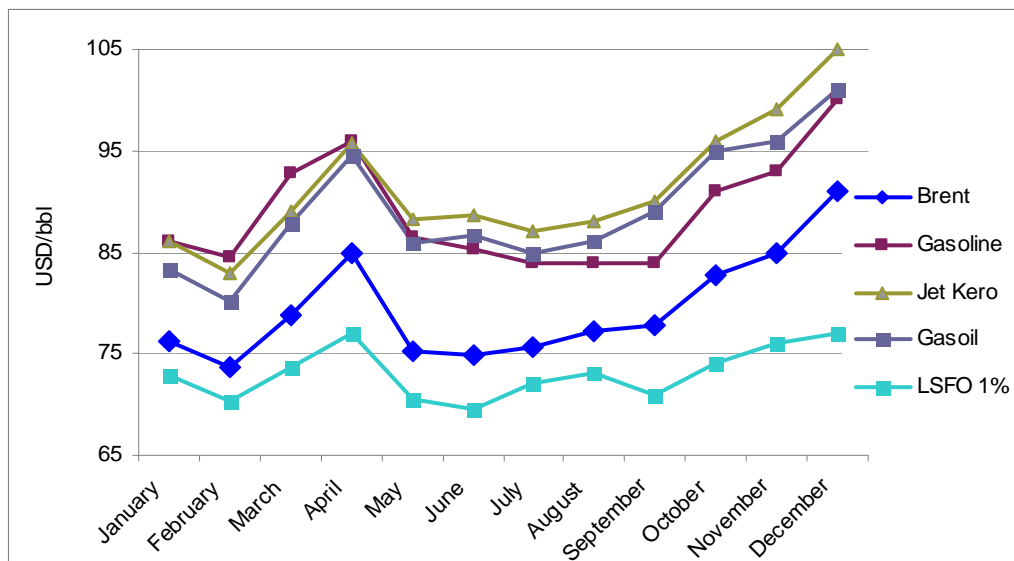
Russian authorities signalled that in the future foreign companies might be allowed to explore Russian continental shelves for oil and gas. At the present time oil fields with estimated reserves higher than 500 million barrels and offshore areas are available for exploration to Russian state-controlled companies only.

Caspian Pipeline Consortium (CPC) approved the expansion of its pipeline leading from Western Kazakhstan to Novorossiysk, Russian Black Sea Coast, was. Its capacity shall be doubled to 1.35 mb/d by 2015. The CPC pipeline expansion shall help solve logistics constraints for the rising Kazakh oil production.

Starting August the market was tightening reflecting a higher demand, an early start of the winter in the northern hemisphere and promising prospects for an economic upturn. A new, higher range of 70 – 90 USD/bbl seems to be a new preferred price level by OPEC countries.

In December, crude oil prices came close to USD 100/bbl for crude oil and broke this level for petroleum products. Rising oil prices are a part of the general increase in most of commodities (agricultural products, metals including silver and gold). Some analysts forecast prices around USD 100 for the near future; however they consider such a niveau being a risk for economies weakened by the financial crisis.

Graph No. 2: 2010 Monthly Prices for Brent Crude oil (FOB Sullom Voe) and Petroleum Products (FOB Rotterdam barges)



Source: IEA, OPEC

A July attack on a crude oil tanker sailing through Strait of Hormuz was almost unnoticed by the market as the traffic in the Arabian (Persian) Gulf was not touched. Strait of Hormuz is a sensitive point in the global oil shipments as most of Middle East crude oil exports pass through.

In August and September hurricane Alex, tropical storm Bonnie and field maintenance work in the North Sea added some stimulus to a price rise.

In September, European Commission drafted a proposal to regulate paper market, especially derivative trading and short-selling. This move shall align EU legislation with the previously approved US rules. However, the US Commodity Futures Trading Commission identified more 30 areas to be additionally regulated.

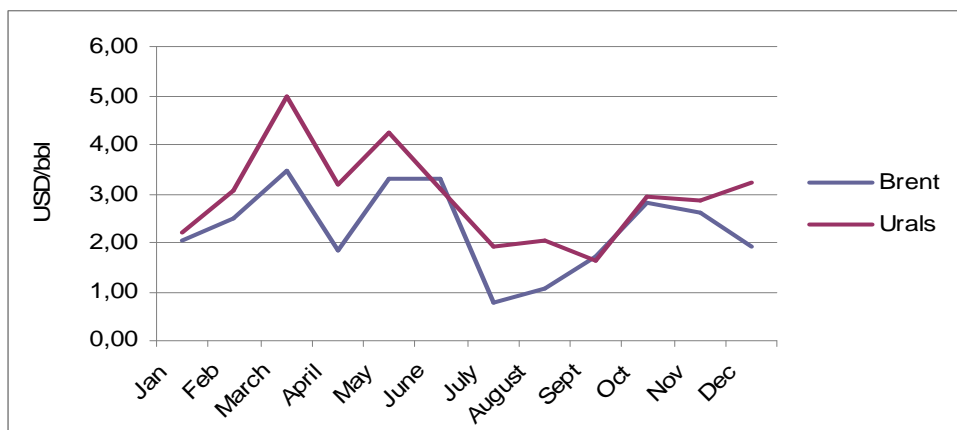
Industry OECD oil stock cover of 58 - 60 days of forward demand was high when compared with 2005 -2008 average figures of 54 days, however below 2009 levels of 60 – 62 days.

After many unsuccessful trials, the Macondo oil spill following the explosion on the BP Deepwater Horizon well in the Mexican Gulf in April was finally sealed in September. On 1<sup>st</sup> October, the US authorities announced new safety regulations for deepwater drilling and lifted the ban on it precipitated by the explosion. Other countries also tightened the safety regulations. The US government announced on 15 December that it was going to sue BP and other companies for negligence over the spill. Nevertheless, deepwater share of oil production shall have been increased from 6 to 8% by 2015.

The French strike against pension reforms beginning 27<sup>th</sup> September and ending 29<sup>th</sup> October crippled several French and one Swiss refinery operations and affected petroleum product supplies in France and Switzerland. The French emergency oil stocks were swapped with commercial stocks to assure for evenly spread supplies on the whole territory of France. Also loans of strategic stocks were authorized. Some vessels with destination Fos/Lavera were redirected to ports out of France, others waited for the unloading several weeks. The strike strengthened European margins.

Brent North West European margins were either below or on par with Urals Med margins most of the year.

Graph No. 3: North West European Refining Margins for Cracking

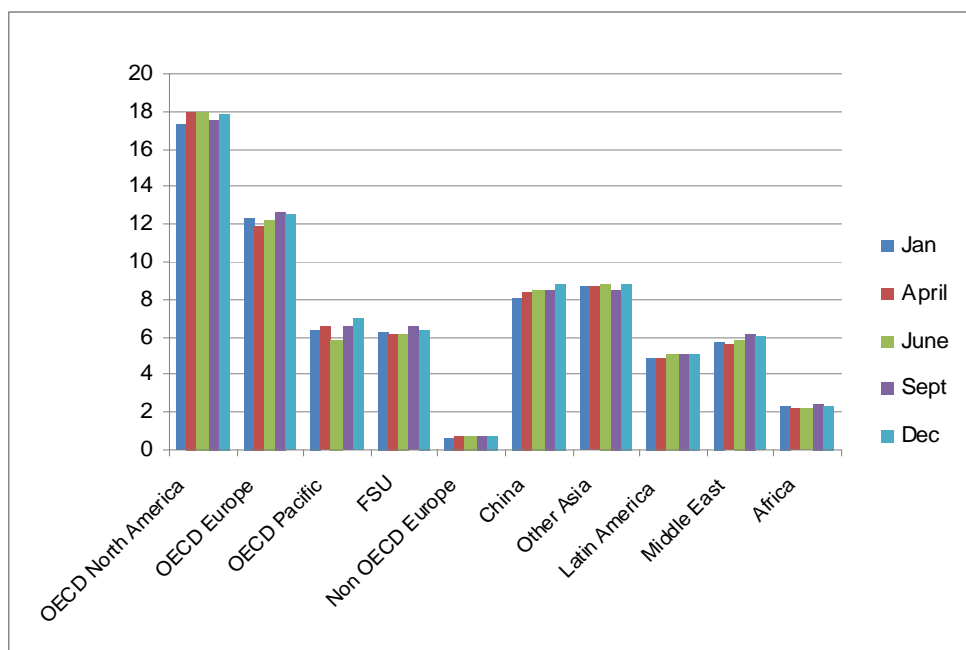


Source: IEA

New crude oil distillation capacity of 9.2 mb/d is projected to be built till 2015, 70% of which in Asia and Middle East. On the other hand OECD capacity shall be diminished by 1.4 mb/d. Chinese PetroChina and UK - based INEOS agreed on refining and trading joint venture including Grangemouth refinery in Scotland and Lavera refinery in France. Russian state-owned Rosneft bought 50% of the Venezuelan share in German Ruhr Oel, which includes Gelsenkirchen (100%), Schwedt (37.5%), Bayernoil (25%) and MIRO Karlsruhe (24%). Russian companies are owners or part owners of 13 refineries in Europe.



Graph No. 4: Crude Oil Processing 2010 in mb/d



Source: IEA

Since May OECD gasoline and diesel yields increased at the expense of other products and they were either in the upper half or above the five year range. Fuel oil yields, on the other hand, stuck to lower end of the five year range.

IEA medium term outlook predicts an increase in demand only for the non-OECD economies. By 2013, the share of non-OECD economies shall surpass 50 % of total world oil demand. Prices are estimated in the bracket of USD 75–85 per barrel. Between 2009 - 2015 OPEC production capacity is forecasted to be increased by 6%.

Between 2010 – 2015 biofuels production shall increase by some 30 %, however its share on the total supply remains very low as it is estimated roughly at 2,5% in comparison with the present 2%. The U.S. and Brazil shall remain the biggest producers (75% share of total world production in 2015). Germany raised the blending limit for ethanol from 5 to 10 %. Most European governments seem not to be ready to implement such a target in their countries.

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Mb/d = million barrels per day  
Urals = Russian Export Blend Crude

### Petroleum Industry in the Czech Republic

The situation in the Czech refinery industry and trade developed effectively and without significant swings under given conditions on the world oil and oil products market. In consequence of the subsiding global crisis and the increase in the rate of consumption taxes for motor fuels, there was a decrease in the deliveries of oil products in comparison with the year 2009 which also affected the economic results of business entities. Nevertheless, the deliveries of petroleum products to the market were not disturbed.

In 2010, oil imports to the CR were affected according to the needs of the refineries as well as sales opportunities for oil products. Total oil imports to the CR in 2010 reached 7,727.9 thousand tons, which is by 7.5% more than in 2009. Pipeline Družba delivered 58.7% of oil from the total imports to the CR, while the remaining quantity came to the CR through the IKL pipeline.

Oil processing in the refineries of the joint-stock companies ČESKÁ RAFINÉRSKÁ, a.s., and PARAMO, a.s., for the year 2010 totalled 7,901.7 thousand tons, which is by 7.1%

higher than in the year 2009. Total volume of processed petroleum also includes 155 thousand tons of local petroleum, i.e. 1.96% from total volume.

Expressed in the units of mass, in 2010 the petroleum products imports amounted to 2,321.3 thousand tons, which is a 21.3% decrease against the year 2009.

The mass imports of motor fuels, i.e. petrol and diesel, represented 51.5% of all refinery products imports.

In 2010, refineries products exports indicated in the units of mass reached 1,756.0 thousand tons and were higher by 42.8% as compared with 2009. Exports of motor fuels in the units of mass represented 60% of all refinery products exports. The exports compensated for the decrease in the imports and especially the slump in the market of motor fuels in consequence of the increase in the consumption taxes rates and the subsidence of global economic crisis. Considering the competition, exports to the surrounding markets must be seen as a success.

Total deliveries of selected petroleum products onto the market in the CR in 2010 are shown in Table 1. Data show stock movement.

**Table 1**

Product	Thousand tons	Index 2010/2009
Unleaded petrol <sup>1</sup>	1 856	90.9
Jet fuel	330	92.2
Diesel fuel <sup>1</sup>	3 881	94.8
Heating and other gas oils	315	86.1
Heating oils up to 1% sulphur m/m	199	88.8
Heating oils with more than 1% sulphur m/m	25	38.5
Total LPG	185	97.4
Lubricating oils and other oils in total	130	110.3
Bitumen and bitumen products	523	92.6
Bio-components for transport <sup>2</sup>	286	116.7

<sup>1</sup> incl. bio-components

<sup>2</sup> bio-ethanol, rape seed oil methyl ester

The octane structure of the range of sold petrol is shown in Table 2.

**Table 2**

Product	Share (%)
Petrol with octane number 91 (NORMAL and SPECIAL)	0.2
Petrol with octane number 95 (SUPER)	97.9
Petrol with octane number 98 (SUPER PLUS)	1.9

The share of selected domestic petroleum products in total gross deliveries for the Czech market is given in Table 3.

**Table 3**

Product	Share (%)
Unleaded petrol <sup>3</sup>	67.7
Jet fuel	43.6
Diesel fuel <sup>3</sup>	67.3
Heating oils in total	72.3
Total LPG	47.0
Lubricating oils in total	20.5
Bitumen and bitumen products	50.0

<sup>3</sup> incl. bio-components

The deliveries to the market were affected by the increase in the excise tax rates for motor fuels: the changes in rates lead to the decrease in motor fuels deliveries. In consequence of the tightening of the duty to use biofuels in transport, production of pure fossil component for motor fuels production decreased.

Based on the result of the statistical check of service stations carried out by the Ministry of Industry and Trade, the total of 6,591 service stations and outlets (delivery points) were registered at December 31, 2010 on the territory of the Czech Republic, including 3,672 public and the remaining number of service stations selling to specified entities and non-public facilities. The share of ČAPPO member companies in the total number of public service stations achieved 33.8%.

In the course of the whole year, the Czech Trade Inspection (ČOI) performed general checks of the quality of motor fuels sold at public service stations in compliance with the Decree of the Ministry of Industry and Trade No. 33/2010 Coll. The results of the checks are shown in Table 4.

**Table 4**

Product	Total of samples collected	Number of samples that did not comply with CSN standards	%	Number of samples collected from service stations of CAPPO member firms that did not comply with CSN standards (%) <sup>4</sup>
Petrol	747	42	5.6	2.6
Diesel fuel	877	84	9.6	0.2
Diesel blend and bio-diesel	19	4	21.1	0.0
LPG	186	1	0.5	0.0
Total	1833 <sup>5</sup>	131	7.1	1.4

<sup>4</sup> from all samples collected at service stations of member companies

<sup>5</sup> 7 CNG collections were not included

ČAPPO member companies achieve very good results in the area of quality of sold motor fuels thanks to the application of their own quality checks system, consistent care for quality and use value of motor fuels, certification of manufacturers, distributors and carriers, involvement in the *Pečeť jakosti Plus* (Seal of Quality Plus) Project as well as to the implementation of the company culture and ethics. Only 1.4% from the samples collected at the facilities of the member companies did not meet the requirements, while the same indicator achieved 7.1% in the total samples collected on the market. The deviations of fuels quality from standard values in the samples from the member companies did not influence the use value of motor fuels.

The following major changes were recorded in the area of petroleum industry and trade in the Czech Republic in the year 2010:

- In both refineries of the company ČESKÁ RAFINÉRSKÁ, a.s. (ČeR), as well as in the distribution company ČEPRO, a.s., the percentage of bioethanol in petrol was increased from 3.5% to 4.1% vol. in compliance with the Air Protection Act. The companies and the market did not record any problems. In the first half of the year, the average content of bioethanol in petrol was 3.51% vol., while the same indicator achieved 4.11% vol. in the second half of 2010.
- Blending of fatty acids methyl esters (FAME) with diesel oil continued. As at June 1, 2010, the percentage of bio-component increased from 4.5% vol. to 6% vol. The average contents of FAME/RME in diesel oil achieved 4.5% vol. in the first half of the year and 6.06% vol. in the second half of the year.
- Petrol "Speciál" was gradually taken from the market.
- Diesel blend SMN 30 was available from 93 service stations of ČAPPO members.
- Biodiesel was available from 37 service stations.
- LPG motor fuel was available from 812 service stations.
- The consumption of LPG for transport achieved 76 thousand tons.
- Fuel E85 produced by the company Cukrovary a lihovary TTD (Sugar Factory and Distillery), Dobruška continued to be delivered to the market. ČEPRO a.s., also launched this fuel. It was available from 37 service stations.
- Some of the premium petrols and arctic diesels have been delivered to the market without bio-components.
- The construction of new public service stations and non-public service stations and outlets continued.
- The brand distributor companies developed at their service stations the sale of motor fuels with improved usable qualities (premium motor fuels). Their sales achieved 8.8% from total sales of motor fuels.
- Unfortunately, new types of tax frauds in relation to motor fuels appeared on the market. Both organizational and legislative measures were proposed to prevent them.
- At January 1, 2010, the rates of consumption taxes for motor fuels increased by 1 CZK/litre; the increase resulted in a decrease in sales.
- In consequence of the regulating measures (increase in the consumption tax rates, increased obligation to use biofuels, prices of power from photovoltaic sources), the petroleum industry had to make efforts to mitigate the impact on economy.

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Data concerning oil deliveries and processing, refinery products and service stations market, and the quality of sold motor fuels at the service stations have been taken from the statistical compilations of the Czech Statistical Office, the Ministry of Industry and Trade, the Czech Trade Inspection, and of the Czech Association of Petroleum Industry and Trade at 31 March, 2011. The abovementioned data in Table 1 were processed by the methodology of the Czech Statistical Office, data in other tables by our own methodology.

## ACTIVITIES OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE

### The General Meeting

The Council convoked the Annual General Meeting on April 29, 2010. At the Annual General Meeting, the member firms approved the activities and economic results of the Association in the year 2009 and the Annual Report for the year 2009. In the course of the General Meeting, ČAPPO Council held a presentation concerning the use of biofuels in transport in the CR. The representatives of the Administration of State Material Reserves (SSHR) presented a proposal to establish the State Fund of Mandatory Petroleum Reserves. ČAPPO members conveyed their reservations to this at site. The Regular General Meeting was held on November 25, 2010 and approved the Programme of Activities, the Budget and the height of the membership fees for the years 2011 and 2012. The General Meeting discussed in detail the effectiveness of the collective membership of ČAPPO in the Association of Chemical Industry of the CR (SCHP ČR) and approved with a tight majority of votes the conditional continuation of the collective membership till the end of 2011. In the course of this period of time, the Council will test, using actual issues, the effectiveness of the collective membership. The General Meeting approved, based on detailed justification, the request of the Council and its officers for the extension of their mandate in compliance with the Statutes by one year. The reason is the creation of the space for detailed assessment of current position of ČAPPO and the definition of further activities on a long-term basis.

### The Council

In the year 2010, the Council held 6 regular meetings. It discussed the ordinary ČAPPO agenda. It regularly discussed the activities of ČAPPO Working Groups and of the Secretariat of the Association, cooperation with governmental bodies and institutions – in particular with the Ministry of Industry and Trade (MPO), the Ministry of Finance (MF), the Ministry of Environment (MŽP), the Ministry of Agriculture (MZe) and related professional unions and associations, in particular the Association of Chemical Industry of the CR (SCHP ČR; within the framework of a collective membership) and the automobile professional associations. The Council regularly debated legislative issues concerning the petroleum industry and trade, paying particular attention to Acts on consumption taxes for mineral oils, air protection and environmental standards. Further, the Council discussed in detail the issues connected with the regulations and standards concerning the use of biofuels in transportation. In this connection, the Council submitted repeatedly its modifying proposals related to the Air Protection Act, part Biofuels, to the Excise Tax Act and to the Decree on technologically acceptable losses in the course of transportation of blends of biofuels and fossil fuels in the regime of contingent exemption from taxation. It drafted wordings that were acceptable for the member companies. Together with the Working Group for biofuels, the Council monitored in detail the application of biofuels by the member companies and supported it with technological solutions.

The Council debated the position of the Association to the document prepared by the Administration of State Material Reserves (SSHR) *Draft of the Concrete Intention of the Act on the State Fund of Mandatory Petroleum Reserves*. It expressed its critical opinion and recommended, in particular, the postponement of the deadline for the creation of the reserves from the sources of businesses taking into account the subsiding economic crisis and other regulatory measures determined by the government. Some of the proposals (the postponement of the establishment of the fund and its apportionment between several years) have been accepted by SSHR.

The Council debated in detail the issue of the transposition of two EU directives, namely Directive 2009/28/EC and Directive 2009/30/EC in Czech legislation. In this connection, it organized, together with the Working Group for biofuels and Working Group for petroleum industry development, an open meeting concerning the use of biofuels in

transport and the members of the Council and Working Groups, the technical spokesman of the Association, members of the Working Groups as well as the Secretary General attended industry seminars, including one international seminar, focused on this theme.

In addition, the Council organized a meeting of the ad hoc Working Group *Motor Fuels after 2010*. At the meeting, the attendants formulated the idea about further development of fossil and alternative fuels.

The Council again appealed to the appropriate ministries and governmental bodies to facilitate a quick resolution to the problem of service stations (in particular non-public / home service stations) that do not comply with law regulations and Czech technical standards. In this connection, it was possible to suggest a fair solution for all competitors – service stations operators – and, at the same time, to develop a standard based on the Czech technical Standard that significantly reduces the risks of service stations operation. Further, the Council initiated suggestions for the amendment of *Waste Management Implementation Programme* concerning waste oil in the CR to provide for the assessment of actual collection of waste oils according to the theoretical rate of return of lubricating oils and according to the method of use and the explanation of the issues related to the material reprocessing of waste oils to heating oils. Together with the member companies ČEPRO, BENZINA and UNIPETROL RPA, the Council asked the Ministry of Finance to develop a measure to reduce tax evasions in the area of trading in motor fuels. To this end, it prepared the analyses and added the examples of tax frauds. Based on this initiative, the Ministry of Finance established the Interministerial Biofuels Group consisting of the representatives of the governmental authorities and businesses to prepare legislation and organizational measures to reduce the tax and customs frauds.

With a regular frequency, the Council debated the membership of the Association and the observance of the budget.

The Chairman of the Council, other members of the Council, the technical spokesman of the Association and the Secretary General gave several interviews to the media concerning the use of biofuels in transport and other principal issues of the petroleum industry.

The Council did not handle any problem of violation of ethical relationships among the member companies.

### **The Working Groups**

In the year 2010, the permanent Working Groups had 8 regular meetings. They organized one workshop focused on biofuels and motor fuels range under the presence of the representatives of the member firms and guests from the state administration as well as from industry organizations and universities and one seminar related to the interpretation of the amendment of the Excise Tax Act.

The agenda of the Working Groups included a whole range of issues from the preparation and realisation of industry and presentation events, the development of the range and quality of motor fuels from the year 2010 till the year 2020, the transformation of EU countries' legislation into Czech law in the area of indirect taxes on mineral oils and the use of biofuels in transport, the application of the Rules of Ethics, the regular assessment of the situation of fuels and lubricants deliveries to the domestic market and of the situation on the service stations market, to the results of checks of motor fuels quality at service stations performed generally by the Czech Trade Inspection. The appropriate Working Groups discussed in detail technical and organizational arrangements for the conference *Application of New Motor Fuels in Transport* in the AUTOTEX PETROL 2010 section within the framework of the accompanying programme of the international fair AUTOTEC BRNO 2010, and industry conferences organized within PETROLsummit 10. Further, ČAPPO Working Groups obtained regularly information about the new EU legislation for chemical industry (REACH), current legislation of the EU and the CR connected with the use of biofuels in transport and about the amendment of the technical standards for motor fuels. The Working Group for the development of the petroleum industry, in cooperation with the companies

BENZINA and PETROTRANS prepared a presentation of actual activities of the service station staff in the course of the acceptance and delivery of motor fuels for the Ministry of Finance and the Czech Customs Administration. The Czech Metrology Institute also participated in this presentation.

ČAPPO Working Group for petroleum industry and trade safety held three meetings. With a half-year frequency, the Group continued the monitoring of emergency situations within the framework of the member companies. The results are used for exchange of experience and for prevention. The group focused its activities on the issues connected with criminal activities at service stations and committed in the course of motor fuels transportation. In relation to this theme, it also held a meeting with the management of the division of the Economic Criminality of the Police of the CR. It also listened to a presentation of new processes connected with the safety at work and emergency situations prevention, made itself acquainted with the new measuring technologies presented by the Czech Metrology Institute as well as with the amendment of the decrees on transportation of hazardous substances on roads and railroad.

ČAPPO Working Group for biofuels met at two meetings and debated the regulations that transpose the Directives 2009/28/EC and 2009/30/EC into Czech law. Further, it discussed the technical problems of production, transport, storage and use of biofuels and their blends. It debated the experience from blending rape seed oil methyl esters with diesel fuel and bio-ethanol with petrol. Representatives of the state administration (of the Ministries of Industry and Trade, Agriculture, Environment, Finance and Transport), universities and industry institutions (SGS Czech Republic, s.r.o., the Research Institute for Agricultural Machinery) took part in the activities of the Group. The Working Group, together with the Working Group for petroleum industry development, prepared its positions concerning selected documents discussed within the framework of activities of the Interdepartmental Group for Biofuels (BIOPALIVA) and of the biofuels control sectional working group. This group has been used as co-ordination point of the state administration for the issue of application of biofuels in the CR and its activity has been organized by the Ministry of Industry and Trade.

The Working Group for legislation held one meeting. It debated current issues of legislation and provided regular support in the area of legislation to other Working Groups.

The Working Group for finances and taxes prepared comments to the amendment of the Excise Tax Act (biofuels), to the Value Added Tax Act and to the decree on monitoring mineral oils imports and exports (INTRASTAT and EXTRASTAT). In cooperation with the Ministry of Finance, it organized a seminar related to the amendment of the Excise Tax Act and of the Value Added Tax Act.

The MAZIVA (Lubricants) Section debated the situation in the area of deliveries of the lubricants to the market, waste oil collection, current information concerning REACH, and the legislation for the area of wastes.

In the course of the year, ad hoc Working Groups were also convened to deal with various technical, economic and legislative issues. The Working Groups dealt with a whole range of professional issues. In particular, they discussed the problems related to the interpretation of Directives 2009/28/EC and 2009/30/EC and their transposition into Czech law, the legislation concerning the use of biofuels in the neighbouring countries, the drafts of amendment to the Act on Air Protection, the new Act on Air Protection and to the Excise Tax Act, diesel / FAME blends stability, review of the Act on Waters, range of motor fuels after the year 2010 and the preparation of industry events in the years 2010 and 2011. The Secretariat and the appropriate ad hoc Working Group suggested amendment of Czech technical standard 75 3415 *Premises For Petroleum Substances Storage and Distribution*. Further, ČAPPO ad hoc Working Groups debated the storage and transport of biofuels and their blends with fossil fuels, guarantee period for the use of blend fuels, the definition of the limit deviations in the quality of sold motor fuels in relation to potential engine damage, notification of foreign regulations concerning mineral oils, source documents for the exception from the standard for the pressure of petrol vapours in blend with bioethanol, the



composition of denaturation agents for bioethanol denaturation, and a number of other issues. Ad hoc Working Groups met at 22 meetings.

### **The Auditor**

The General Meeting selected PKF Audit, s. r. o. (a limited liability company), for the auditor of the Association in the period 2009–2010. The auditor performs an audit once a year. The audit opinion concerning ČAPPO economy for the year 2010 is without objections. The result for the year 2010 is annexed.

### **The Secretariat**

The Secretariat properly dealt with daily clerical work and organized all the Association's events. It enhanced data and information base on petroleum industry and trade, which is used by the member companies, governmental bodies and the specialists' public. The Secretariat supplied information and data to the member companies, state bodies, institutions and specialists' community and students. The computer system of the Association was updated and its web site was completely re-worked. The Secretariat participated in many negotiations with governmental bodies and other institutions and was active in the specialised working groups of the Ministry of Industry and Trade, the Ministry of Finance, the Ministry of Environment, the Ministry of Agriculture, the Ministry of Transport, the Administration of State Material Reserves, the Czech Customs Administration, and the Czech Statistical Office.

The Secretary General is Chairman of the Committee for Products Certification, a member of working group of the Ministry of Industry and Trade for the amendment of the Motor Fuels Act and biofuels control, and a member of the Board of the Minister of Environment for Waste Management of the CR representing the petroleum industry. In addition, he attended the meetings of the Exhibition Committee of the company Veletrhy Brno, a.s., for the AUTOSALON and AUTOTEC Fairs. The Secretary General is also a member of the Technical Standards Commission Petroleum and Petroleum Products, as well as of the National Emergency Sharing Organization (NESO) Committee. He represents ČAPPO in the Czech Technological Platform for the Use of Bio-components in the Chemical Industry and Transport and in the Technological Platform "Silniční doprava" (Road Transport). The Secretary General published his articles in the periodicals Dopravní noviny, Prosperita, Euronoviny, and a series of articles in the PETROLmagazín.

### **Membership**

In the year 2010, the companies MERO ČR and PARAMO withdrew from the membership of the Association at their own requests. At December 31, 2010, the membership was 12.

The MAZIVA (Lubricants) Section consists of the existing member firms active in lubricants production, imports and sale, and of the company NOCC, a.s. At December 31, 2010, the MAZIVA Section had 9 members, including one paying member.

The directories, including contact addresses, are annexed.

### **Programme of ČAPPO Activities**

At the regular General Meeting on November 27, 2008, the member companies approved the "Programme of ČAPPO Activities for the Years 2009 and 2010". It mainly focused on handling specific technical, economic and legislative issues common to the member companies; on the promotion of ČAPPO prestige with state bodies, institutions and the specialists' public; on active participation in resolving any issues connected with the Czech Republic's membership in the European Union; and on cooperation with the International Energy Agency (IEA) and the European Standards Commission. Part of the programme also concerned strengthening co-operation with governmental bodies and institutions, the Parliamentary House of Deputies, the Senate, and non-governmental bodies and institutions as well as further development of ČAPPO's international contacts.



Assurance of the technical service for the production and distribution of low-sulphur and sulphur-free fuels in compliance with Directive 2003/17/EC, use of biofuels in transport in compliance with Directive 2003/30/EC, waste oil management in the practice, improvement of the legislative initiatives of the Association, presentation of ČAPPO's position concerning the use of biofuels in transport, as well as participation in the accompanying programme of AUTOTEC BRNO 2010 Fair were among ČAPPO's priorities. A whole range of meetings was held in connection with these issues, and the priorities were defined in detail within the activities of ČAPPO Council, Working Groups, and Secretariat.

Priorities of the programme have been met as follows:

- Motor fuels quality is monitored according to the Decrees of the Ministry of Industry and Trade No. 229/2004 and 133/2010. Again, the results of the member firms for the year 2010 are very good; the frequency of defects is 1.4% of all collected samples. Thus, the result is several-fold better than the results of the rest of the market (10.3%).
- From January 1, 2009 petrol and diesel fuel are marketed containing at most 10 mg/kg of sulphur. Thus, they comply with the quality parameters of ČSN EN 228 and ČSN EN 590 standards with a reserve.
- Application of Directive 2003/30/EC on the use of biofuels in transport and the Air Protection Act, part Biofuels. Concentrated activities of the Working Group Biopaliva (Biofuels) that proposed a number of legislative amendments and addressed the technical problems of production, transport and warehousing of fuels containing bio-components continued. The Working Group and the Secretariat prepared the report on the fulfilment of the obligation of substituting fossil component of motor fuels by biofuels, their implementation in the period 2007 to 2010 in compliance with the Act on Air Protection and the position of the Association concerning the transposition of Directives 2009/28/EC and 2009/30/EC into Czech law. The persons obliged to substitute the fossil component in motor fuels by biofuels (ČESKÁ RAFINÉRSKÁ, ČEPRO and PARAMO) achieved the required volume for the year 2010. The Working Group and the Secretariat prepared a summary of the use of biofuels in transport in the neighbouring countries. No problems have been reported in relation to biofuels blending.
- Improvement of ČAPPO's activities in the area of legislation. The Association was included in the interdepartmental counselling procedures of the Ministries of Industry and Trade, of Finance, Agriculture and of Environment. The Working Group for legislation ensured deepening of co-operation at counselling of legislative regulations and provided for the complete review and amendment of ČAPPO internal regulations. Further, the Association co-operated closely with the Czech Confederation of Commerce and Tourism and with the Association of Chemical Industry of the CR. The Association ensures its own annotation of the legislative provisions and standards of the CR and the EU from the field of petroleum industry. The Working Group for legislation prepared new internal rules for ČAPPO's legal activities. In the year 2010, the Working Groups and the Secretariat submitted their comments to 16 legislative regulations, 8 technical standards and 15 notifications of the regulations from EU member countries. At the same time, the Association reviewed the regulations of EU countries within their notification.
- Waste oil handling. Debate concerning practical experience from the area of waste oil handling. The Association contributed to the execution of the Implementation Programme of Waste Management for the area of the waste oil management. It also submitted its comments to the theses of the new Act on Wastes.
- Adjustment to the conditions of doing business in the EU. The Working Group "Gestofí EU" (EU Controllers) organized presentations related to the new legislation for chemical industry REACH for the Working Groups and co-operated with the

experts from the state administration and with the association of European petroleum firms - EUROPIA in the implementation of selected EU programmes.

- The Association intensified its educational activities. It organized three industry seminars and contributed to additional 6 conferences, workshops and seminars, one of them international.
- In co-operation with the Ministry of Industry and Trade, the Association organized the presentation of the Hybrid Model of Calculation of Greenhouse Gases Emissions from Crude Oil Processing. The presentation was held by a representative of EUROPIA, Mr. Harald Schnieder.
- The Association developed its co-operation with the Association of Chemical Industry of the Czech Republic within the framework of a collective membership, focused on exchange of information, co-operation in the area of legislation and programme Responsible Care.
- The Association co-operated intensively with the bodies of the state administration, in particular with the Ministries of Industry and Trade, Finance, Environment, Transport, with the Administration of State Material Reserves, the Czech Customs Administration, the Czech Trade Inspection, Czech Office for Standards, Metrology, and Testing, Czech Metrology Institute, and the Czech Statistical Office.
- The Association contributed in the role of a co-investigator to the implementation of the third phase of Project SPII4il/33/07 Analysis of the Life Cycle of Fossil Motor Fuels and Biofuels for the Preparation of Conceptual Documents Concerning the Introduction of the Carbon Dioxide Tax in the Area of Mobile Pollution Sources. Final Report was successfully examined and defended at the Ministry of Environment.
- The Association contributed to the activities of the Czech Technological Platform for the Use of Bio-components in Chemical Industry and Transport, and to the activity of the Technological Platform Road Transport and prepared the vision "Energy and Alternative Sources for Transport till the Year 2030".

## PRINCIPAL ISSUES DEBATED IN 2010

The Council, Working Groups and Secretariat handled a wide range of specialised issues.

### Provision of information

In the course of the whole year, the Secretariat prepared its own innovated quarterly information formats on the "Deliveries of Main Petroleum Products to the Market in the CR" (a public format) and the "Lubricants Deliveries to the Market in the CR". With a monthly frequency, simplified statements related to the deliveries of fuels, lubricants and bitumens to the market was prepared. The source of data for the reports are historical aggregated data about domestic deliveries obtained from the Czech Statistical Office, the aggregated information about imports and exports from the Ministry of Industry and Trade, and the aggregated data about the change in the stock level in warehouses of the state and business entities from the Czech Statistical Office.

Further, ČAPPO received and distributed with a monthly frequency among the member companies the statistical report *Petroleum and Petroleum Products* prepared by the Czech Statistical Office according to the methodology of the International Energy Agency (IEA).

In 2010, the Association continued its participation in the activities of the Working Groups of the Czech Statistical Office and the Ministry of Industry and Trade that deal with the statistical reports in the area of petroleum and petroleum products according to EU and IEA requirements, and the introduction of new customs codes for certain biofuels. In cooperation with the member companies (BENZINA, ČEPRO, ČeR and UNIPETROL)

ČAPPO initiated the verification of the data related to the imports of motor fuels from Austria. The check detected the shortcomings of the EXTRASTAT system.

Biannually since 1997, the Ministry of Industry and Trade has prepared – with technical support from ČAPPO – information entitled *Petroleum and Petroleum Products* (RAFIS), concerning the petroleum industry and trade. The information includes data from related areas (petrochemistry), new developments in legislation, etc. In co-operation with the Ministry, the Secretariat makes RAFIS available to the member companies.

Based on order, the Secretariat prepares additional information about the historical development of mass deliveries of fuels to the market, divided based on their range and quality.

In addition, the Secretariat collects and distributes to the members and the Working Groups various technical and legislative information as published by CONCAWE, EUROPIA, and EU working commissions. It works in the same way also with information obtained from the domestic sources, for example from the Association of Czech Chemical Industry of the CR.

### Legislation and Czech Technical Standards

The Association, through its Council, Working Groups and Secretariat, prepared and drafted several legislative initiatives and counselled the bills and Decrees submitted by governmental bodies, of which the most important are as follows:

- Regulations and Czech Technical Standards related to the use of biofuels in transport in compliance with the Directives 2009/28/EC and 2009/30/EC, in particular in relation to the Air Protection Act, Ethanol Fuel Act and implementation regulations concerning Decrees on ethanol management; the Association submitted the draft of amendment of the Air Protection Act (172/2010 Coll.) and of the new Air Protection Act (biofuels and emissions);
- Act No. 353/2003 Coll. on Excise Taxes, as amended;
- Act No. 235/2005 Coll. on Value Added Tax, as amended;
- Act No. 254/2001 Coll., on Waters in the part related to the inspections of the tanks for the hazardous substances warehousing;
- Act No. 311/2006 Coll., on Motor Fuels;
- Act No. 40/2009 Sb., Criminal Code, in the wording of Act No. 306/2009 Coll.;
- Decree No. 133/2010 Coll. on the requirements for motor fuels, the method of monitoring the composition and quality of motor fuels and their records (Decree on Motor Fuels Quality and Recording);
- Review of ČSN 73 6060 Standard Service stations;
- Review of ČSN 75 3415 Standard Premises for Oil Substances Storage and Handling;
- Review of ČSN 75 3418 Standard Protection of Surface and Groundwater Resources against Contamination Caused by Road Vehicles Transporting Oil Substances;
- Amendments of Czech technical standards for fossil fuels, biofuels and their blends.

In addition, ČAPPO contributed through its Secretariat and Working Groups to the debates concerning the amendment of the Accounting Act, amendment of the Act on Wastes, implementation rules related to this Act, draft state budget for the year 2011, and other general regulations. The members of expert Working Groups amended technical and methodological explanations to the Motor Fuels Act and the Air Protection Act, and the Secretariat distributed the explanation among the member companies. The Secretariat has regularly elaborated a quarterly survey on newly adopted Czech legislation, which relates to the activities in the petroleum industry and trade. Similarly, it elaborated semi-annual summaries of the regulations (Decisions, Regulations, and Directives) of the EU. The

summaries are distributed among the member companies and members of the Working Group for legislation and of other Working Groups of the Association.

Legislative activities ranked with the most important activities of the Association in the year 2010.

The Association co-operated with the company W.A.G. minerální paliva, a.s., and with the Association of Service Stations in the CR in the area of the issues connected with the reduction of the Excise Tax rate in the year 2010. The Secretariat contributed to the elaboration of a study on Excise Tax rates in the EU countries, prepared and presented by the Liberal Institute.

Within its organizational activities in the area of legislation, the Council and ČAPPO members succeeded, among other, in pushing the following changes with economic effect through the appropriate authorities:

- lowering the obligation of fossil component substitution by biofuels in motor fuels by 3% V/V in comparison with the governmental plans (Act on Air Protection);
- possibility to transfer the excessive substitution of fossil component by biofuels to the fulfilment of the duty in the next calendar year by 0.2% (Act on Air Protection);
- inclusion of the specific regimen for the checks of large-capacity tanks for petroleum and petroleum products into the Act on Waters;
- inclusion of the specific regimen for the registration of businesses dealing in petroleum products into the draft amendment of the Act on Motor Fuels (the Motor Fuels Act);
- establishment of the interministerial working group for the problem of tax evasions in relation to the dealing in petroleum products.

### State Authorities

Through its Council, Secretariat, and Working Groups, the Association extended its professional contacts with the Ministry of Industry and Trade (division of gas industry and liquid fuels and department of power industry statistics). With the Deputy Minister of Industry and Trade and the Director of the Gas Industry and Liquid Fuels Division, it debated the deepening of communication and more intensive support to ČAPPO's proposals. In particular, fuel quality monitoring in compliance with EU Directives No. 2003/17/EC and No. 2003/30/EC, the development of an alternative fuel range after the year 2010, the improvement of quality of statistical surveys, adjustment to the conditions of doing business in the EU, the substitution of oil fuels by their alternatives by the year 2020, as well as the programme for further use of biofuels in transport in compliance with Directives 2009/28/EC and 2009/30/EC, denaturation of bioethanol intended for transportation, and the exclusion from the pressure of ethanol/petrol blends were discussed. Several members of the Association (UNIPETROL, ČeR, BENZINA, ČEPRO and PARAMO) regularly attended the meetings of the Interministerial Working Group BIOPALIVA (BIOFUELS) as guests. The Secretariat regularly attended the meetings of working groups and commissions of experts of the Ministry of Industry and Trade related to the area of fuels, checks of biofuels, second generation biofuels, the amendment of the Act on Motor Fuels, and information surveys concerning the deliveries of fuels. The Association contributed to the counselling process and the preparation of the documents The Best Available Technology in Petroleum Industry and the National Action Plan for the application of power from renewable sources.

With the Ministry of Finance, the Association and its Working Group for finances and taxes mainly co-operated in addressing current technical and legislative issues of the Excise Tax Act and the Value Added Tax Act in practice. Further, it contributed to the preparation of further measures to limit tax evasions using the substitution of petroleum and petrochemical products. It initiated the activity of the working group focused on the implementation of legislative and organizational measures to reduce tax evasions in connection with the trading in motor fuels in tax warehouses. ČAPPO Working Groups and Secretariat provided the Czech Customs Administration (GŘC) with technical advice. The cooperation complied with

the *Memorandum on Co-operation* as agreed with the Czech Customs Administration. At the meetings held in the course of the year, problems of recording and reporting of the use of biofuels and the methodology for the records of their use in motor fuels, checks of imports of motor fuels from some neighbouring countries as well as the measures aimed at the limiting of tax evasions in connection with trading in motor fuels were debated.

The Association co-operated with the Ministry of Environment regarding dangerous substance and greenhouse gases emissions into the air and dealing with wastes and packagings, and the amendments of related binding regulations. Some of the member companies and the Secretariat participate in the activities of the Working Group for the implementation of the conditions of Act No. 76/2002 Coll. on Integrated Protection and Pollution Reduction and on Integrated Pollution Registry and Amendment of Some Acts in the Area of Oil and Natural Gas Processing, and attend regular seminars. Nevertheless, the main activity was co-operation in the field of the use of biofuels in transport in compliance with the new legislation of the European Union. Members of the MAZIVA (Lubricants) Section and the Secretariat attended the meetings of the working group focused on the use of the *Implementation Programme for Wastes Management – Waste Oil* and the draft amendment of the part of the Act on Wastes related to waste oil and the implementation regulation to this Act. The Association submitted to the Ministry the actual draft amendment of part Biofuels of the Air Protection Act.

With the Ministry of Agriculture, ČAPPO co-operated in the area of the use of bio-ethanol and rape seed oil methyl ester (RME) as fuel components in compliance with Directive 2003/30/EC, and of bioethanol denaturation.

The representatives of some of the member companies and the Secretariat participated in the activities of the working subgroups of the Interministerial Group for Biofuels (BIOPALIVA). The Association took part in the preparation of the legislation concerning the use of biofuels in transport.

The Association regularly exchanged information with the Administration of State Material Reserves on activities of the International Energy Agency and EU expert commissions and committees. The Association regularly provided the Administration with statistical data and received in return basic information concerning the situation in the area of world and European oil and oil products markets, and information from the Energy Sector of the European Commission. In 2010, the representatives of the Administration regularly attended the meetings of ČAPPO Working Groups. The Secretariat and some of the member companies are members of the committee of the National Emergency Sharing Organization (NESO) for dealing with the crisis caused by oil shortages. The Association engaged itself in the review of a draft Directive of the Council that requires maintenance of minimum reserves of oil and/or oil products from the member countries, and prepared critical position concerning the material *Draft Concrete Intention for the State Fund of Mandatory Oil Reserves*.

The Czech Statistical Office obtained from ČAPPO basic methodological explanations to statistical data on oil and oil products. At the same time, the Association participated in the preparation of the yearly report *Oil and Oil Products* in compliance with IEA methodology, conversion codes for motor fuels, and classification of biofuels in the TARIC system. The Association discussed with the Czech Statistical Office the new format for reporting imports and exports of mineral oils within EU countries.

In cooperation with the related member companies, the Association contributed to the preparation of the amendment of Czech technical standard *Premises for Oil Substances Storage and Handling*. The Secretariat, as well as the representatives of some of the member companies, took part in the meetings of technical standard commission named *Oil and Oil Products*.

In agreement with the Czech Office for Standards, Metrology and Testing, the Association took over the elaboration of the draft for Czech Standard *Motor Fuel - Storage and Useful Life*.

Further, the Association co-operated with the Czech Trade Inspection on the methodology of checks of quality parameters of motor fuels, and accepted summary results

on the quality of motor fuels sold at service stations. With the General Director of ČOI, the Association repeatedly discussed the publishing of significant deviations of the quality of sold motor fuels, as detected by the checks carried out by ČOI, from the quality requirements.

With the Czech Metrology Institute, the Association co-operated on elaboration of a methodological instruction concerning the performance of metrological activities at service stations from the point of view of safety. It also made itself acquainted with the new measuring devices for metrology.

### **Committees of the Czech Parliament's Chamber of Deputies**

The Association provided the Economic and Budget Committee of the Parliament's Chamber of Deputies with basic data and information from the petroleum industry and trade and, on demand, with consultation. Through the Deputies of the Parliament of the CR, it informed about the suggestions for amendments of some acts (the Excise Tax Act, the Air Protection Act and the Act on Waters). The representatives of the Association attended a seminar focused on the fuels quality checks and publishing of the deviations of motor fuels quality within the preparation of the amendment of the Motor Fuels Act.

### **Media and Presentations**

The Chairman and the members of the Council, technical spokesman and the Secretariat presented ČAPPO activities in several articles and information in the dailies and economic periodicals, in specialist motoring and petroleum industry magazines. The Chairman, the technical spokesman and other members of the Council gave significant interviews to the daily *Hospodářské noviny* and other media about the use of first generation biofuels in transport and other issues connected with the petroleum industry. The Secretariat and experts from the Working Groups prepared several technical articles on new fuels and biofuels. The Secretary General and the members of ČAPPO Working Groups prepared a series of articles for magazines, bulletins and the media of the member companies. These were mainly information on ČAPPO activities. The Secretariat prepared six articles for professionals to be published by *PETROLmagazín*.

The representatives of some member companies repeatedly explained the problems with the use of biofuels in transport and the situation of the petroleum industry on ČT1, ČT24, TV Nova and TV Prima stations.

Some of the members of the Council, members of ČAPPO Working Group for biofuels and the Secretary General presented ČAPPO's position concerning the use of alternative fuels in transport at a number of industry events, among other at the seminar *Use of New Motor Fuels in Transport* organized within the accompanying programme of the AUTOTEC BRNO 2010 Fair, at PETROLsummit 2010 and at the CONFERENCE *Motor Fuels, APROCHEM 2010 and REOTRIB*.

The Secretariat, with the support of external professionals, reworked the Association's web pages.

## **ČAPPO MAIN EVENTS**

### **Institute for Public Discussion**

ČAPPO and its members ČEPRO and UNIPETROL attended the sixth debate of the Institute for Public Discussion focused on the theme *Czech Oil Industry – Will State Take the Initiative?* organized by the EKONOM Weekly within the cycle Energy Security of the CR.

### **AUTOTEC BRNO 2010**

Within the framework of the international fair AUTOTEC BRNO 2010, ČAPPO organized industry seminar *Use of New Motor Fuels in Transport*. ČAPPO members held three presentations.



## Press Conference

ČAPPO Secretary General took part in the opening Press Conference of international exhibition AUTOTEC BRNO 2010.

## Other conferences and Seminars (Workshops)

The Council of the Association organized industry workshops and meetings concentrated on:

- Explanation of current legislation related to the use of biofuels in transport and practical experience from their use, as well as to the transposition of Directives No. 2009/28/EC and 2009/30/EC into Czech law (the Air Protection Act, Act on Motor Fuels and the applicable regulation related to their implementation in practice);
- Explanation of the amendment of the Excise Tax Act and the Value Added Tax Act;
- criminal activities at service stations – preventative measures supported by the Police of the CR;
- motor fuels vision till 2020.

All of the events were assessed as very successful and attended by many professionals.

## Educational event *Drive Environment-Friendly and Economically*

The Association and some of the member companies supported the campaign organized by the EUROPIA organization *Drive Environment-Friendly and Economically* in the form of media and professional activities.

## Other Events

Representatives of the member companies and the Secretariat took part in industry events organized by the state authorities, legislature, scientific and educational institutions and business entities. Among other, these were the following conferences, seminars and workshops:

- Seminar of the Technological Platform Road Transport with the theme *Road Transport Vision till 2020*;
- Public debates focused on the results of the third phase of Project SPII4il/33/07 Analysis of the life cycle of fossil motor fuels and biofuels for the preparation of conceptual documents concerning the introduction of the carbon dioxide tax in the area of mobile pollution sources,
- International industry conference Motor Fuels;
- Industry conference within PETROLsummit 10;
- Industry workshop REOTRIB;
- APROCHEM 2010 industry conference.

## ČAPPO INTERNATIONAL CONTACTS

In 2010, the Association continued specialist co-operation with the organizations CONCAWE and EUROPIA regarding petroleum industry and environment protection. Working Groups, member companies, ČAPPO external collaborators, and other professional organizations and state bodies use the materials.

In co-operation with UNIPETROL, ČAPPO organised the presentation of Mr. Harald Schnieder (EUROPIA) focused on the Hybrid Model of Calculation of Greenhouse Gases Emissions from Crude Oil Processing. Senior managers from the Ministry of Industry and Trade, from the Ministry of Environment, the representatives of UNIPETROL, ČESKÁ RAFINÉRSKÁ, PARAMO and ČAPPO attended the seminar.

The Secretary General discussed further extending of co-operation with the Slovak Association of Petroleum Industry and Trade in the areas of legislation, mineral oils statistics, coordinating important events and implementation of EU regulations in national laws. Regular exchange of information concerning the use of biofuels in transport continues. The Slovak association provided ČAPPO with the legislation related to the financing of the creation and protection of emergency oil reserves.

The Secretariat continued working contacts with the division for energy statistics of the International Energy Agency in Paris.

Members of ČAPPO Working Group for international relationships and strategic technical issues regularly attended, according to the programme content, the meetings organized by the EUROPIA Association. Foreign associations provided ČAPPO with important information concerning service stations market, standards related to natural gas for drive and the use of biofuels in transport and their economic support, and the implementation of the tax laws and regulations.

OMV Czech Republic provided ČAPPO with the data related to the imports of petrol and diesel oil in the years 2008 through 2010. The data were used to remove the shortcomings from the EXTRASTAT System.

On request, the Secretariat provided information and consultations to foreign scholars with the member companies, to foreign associations and other persons from among international expert public, in particular students of the universities with specialisations in the technical fields and economics.

## ČAPPO DOMESTIC CONTACTS

**The Association of Chemical Industry of the CR, the Association of Service Stations of Motor Fuels of the CR, the Union of Car Importers, the Association of Automotive Industry, the Association of Importers and Producers of Automotive Parts and Service Equipment, the Czech Association LPG, the Bio-Diesel Producers Association, the Czech Confederation of Commerce and Tourism**

The Association maintains regular contacts with the above mentioned related professional unions and associations based on exchange of information, statistical data, and mutual attendance at specialised events. Co-operation with the Czech Confederation of Commerce and Tourism continued according to the *Memorandum on Co-operation*. In 2010, ČAPPO continued in particular its co-operation in the area of counselling legislative regulations with the Czech Confederation of Commerce and Tourism and the Association of Chemical Industry of the CR. It developed its co-operation with the Association of Service Stations of Motor Fuels of the CR, in particular in the area of legislation and measures to limit tax evasions in relation to trading in motor fuels. The Automotive Industry Association provided ČAPPO with the materials concerning motor vehicles market in Europe. With the Union of Car Importers, ČAPPO has discussed the issue of current and future development of the cars market in the CR, the types of drive and the use of biofuels in transport. With the Association of Bio-diesel Producers, ČAPPO discussed quality parameters for rape seed oil



methyl esters for drive. A representative of the Car Importers Union took part in the meetings of the Working Groups related to the use of biofuels. The Association of Importers and Producers of Automotive Parts and Service Technology provided ČAPPO with its information about lubricants, use of biofuels in transport and REACH.

### **The Association of Chemical Industry of the CR**

A representative of ČAPPO regularly attended the meetings of the board of the Association of Chemical Industry of the CR (SCHP) and contributed to the activities of SCHP, while pushing through the interests of ČAPPO in the area of legislation (REACH, NAP, legislation for the environment, etc.), in the area of co-operation with the state bodies (co-operation with the working group of the Ministry of Industry and Trade focused on the mitigation of the impact of economic crisis), and other. Based on the collective membership of ČAPPO in the Association of Chemical Industry of the CR, ČAPPO Secretariat obtained, in particular, the materials from the European Commission and the European Parliament and distributed them among ČAPPO members.

### **The Institute of Petroleum Technology and Petrochemistry of the Institute of Chemical Technology Prague**

The Association co-operated with experts from the Institute on harmonizing Czech regulations with the ISO standards on petroleum industry nomenclature, improvement of quality parameters of fuels and lubricants, and handling operation problems. The staff of the Institute participated in ČAPPO's professional events.

### **SGS Czech Republic, s.r.o.**

The Association co-operates with the Institute on material issues concerning quality parameters checks of motor fuels at service stations, the selection of denaturation blends for bioethanol, definition of the significant deviations of petrol and diesel oil from the applicable technical standards and certifications, criteria of biofuels sustainability. ČAPPO has its representative in the *Committee for Certification of Fuels and Lubricants*. The employees of the company attended the events organized by ČAPPO and held a presentation focused on analyses of quality of motor fuels in the CR and annotations of standards from the field of quality characteristics of petroleum industry products and testing and certification of fuels and lubricants. In particular, co-operation related to the use of biofuels in transport and the implementation of own systems of checks of the "Seal of Quality PLUS" (Pečeť jakosti PLUS) type were important.

### **The Transport Research Centre, Brno**

In the year 2010, the ad hoc Working Group and the Secretariat of the Association prepared the source materials for the third phase of Project SP114il/33/07 *Analysis of the life cycle of fossil motor fuels and biofuels for the preparation of conceptual documents concerning the introduction of the carbon dioxide tax in the area of mobile pollution sources*. The final report from the third phase and for the whole project was subject to a discussion with opponents with success. The results were presented to the specialists' community.

### **Technological Platform Road Transport**

ČAPPO and ČESKÁ RAFINÉRSKÁ contributed to the activity of the Technological Platform Road Transport. So far, the first phase was successfully concluded by the discussion of the *Road Transport Vision till 2030 (Energy and Alternative Sources)* with opponents and the source materials for the second phase *Strategic Research Agenda* have been prepared.

## **PETROLmedia**

In compliance with the agreement with the company PETROLmedia, the Association prepared six PR articles for PETROLmagazin. The articles focused on the issues connected with motor fuels, lubricants, testing and certification, tax policy of the government, impact of regulation measures on petroleum industry, co-operation with the state administration, and alternative energies. The Association and some of the member companies took active part in the industry conference within the event PETROLsummit 2010 (presentation by ČAPPO focused on motor fuels) and in the PETROLawards 10 contest.

## **Other Contacts**

The Association co-operates, through its Working Groups and the Secretariat, with specialists from the division of technical research at ŠKODA AUTO, a.s., Mladá Boleslav, the Research Institute for Agricultural Machinery, Prague, the Central Customs Laboratories of the Czech Customs Administration and relevant customs administration offices. The range of issues discussed includes technical, legislation, and economic area.

## **Data and Information Base**

In 2010, in co-operation with ČAPPO member companies, the Secretariat enhanced its data and information base. The documents are available to the member companies, governmental bodies and the specialists' public. In 2010, the Association reworked its web site. ČAPPO web pages include ČAPPO Annual Reports, some of the lectures from the industry seminars held within the fairs AUTOTEC Brno, AUTOSALON Brno and other events, information concerning the deliveries of fuels to the market, professional articles and information from the members of ČAPPO Working Groups.

In 2010, the Association continued, together with the company ČESKÁ RAFINÉRSKÁ, a.s., and the Institute of Chemical Technology, the administration of internet site focused on petroleum and petroleum industry at [www.petroleum.cz](http://www.petroleum.cz). ČAPPO is a partner of the projects and prepares answers to some of the questions.

## **MAIN ACTIVITIES OF THE ASSOCIATION IN THE YEAR 2011**

The Association considers the following activities its priorities:

- Implementation of selected EU projects in the Czech petroleum industry with the focus on crude oil based fuels, alternative motor fuels, in particular biofuels, in compliance with Directives No. 2009/28/EC and 2009/30/EC, and new, advanced motor fuels;
- Implementation of the alternative regulations for the calculation of greenhouse gases emissions resulting from petroleum processing and the calculation of the criteria for biofuels sustainability;
- Analysis of the possibility to meet the obligation to reduce greenhouse gases emissions till the year 2020 in compliance with Directive 2009/28/EC;
- Elaboration of the vision of energy consumption for transport till 2030 with the focus on fossil fuels and the definition of the position of Czech refineries;
- Analysis of energy security of the CR in the oil products supply for transport in the CR;
- Enhancement of co-operation with working groups of the European Parliament and Council, industry association EUROPIA, permanent mission of the CR in the EU, Europarliamentarians, and experts from the state administration concerning selected projects from the area of petroleum industry;
- Improvement of co-operation with petroleum industry and trade associations abroad with the focus on Slovakia, Poland and Austria;

- Co-operation with the state administration bodies and legislature concerning legislative rules in the area of petroleum industry, alternative motor fuels, tax policy and environment;
- Use of biofuels with concentration on second generation biofuels in transport in compliance with the rules, regulations and standards of the EU;
- Appeal to the state administration to take measures to provide for better enforceability of the effective laws and regulations, in particular on the service stations market and taxes collection; the Association will continue its support to the activity of the interdepartmental group for fuels trading;
- Appeal to the state administration and legislature to amend the legislation in compliance with EU regulations and time-tested standards with the aim of achieving equal conditions on the market;
- Advocacy of equitable claims of the member firms in the area of doing business and of legislation;
- Permanent presentation of the Association as an interest association whose members do ethical and fair business in the spirit of regulations and standards, and that acts as an expert guarantor in the petroleum industry sector.

On behalf of the ČAPPO Council  
Ing. Ivan Ottis

Prague, April 2011

## **ANNEXES:**

Auditor's Statement for the members of the Czech Association of Petroleum Industry and Trade from March 9, 2011.

Council of the Association at December 31, 2010.

Directory of the ČAPPO member companies at December 31, 2010.

Working Groups, the MAZIVA (Lubricants) Section, and the Secretariat of the Association at December 31, 2010.

Abbreviations.

## **AUDITOR'S REPORT**

### ***for the members of the Czech Association of Petroleum Industry and Trade***

We have audited annexed financial statement of the Czech Association of Petroleum Industry and Trade, i.e. balance sheet at December 31, 2010, profit and loss statement for the period from January 1, 2010 to December 31, 2010, and the annex to the financial statement, including the description of the main accounting methods used for the preparation of these documents. The data about the Czech Association of Petroleum Industry and Trade are stated in the Annex to this financial statement.

#### **Responsibility of the statutory body of the accounting unit for the financial statement**

The statutory body of the Czech Association of Petroleum Industry and Trade is responsible for the preparation and true representation of the financial statement in compliance with Czech accounting regulations. This responsibility also includes the suggestion, implementation and execution of internal checks of the preparation and true representation of the financial statement so that it does not contain significant shortcomings caused by frauds or errors, select and apply the appropriate accounting methods and perform accounting estimations adequate to the situation.

#### **Responsibility of the auditor**

Our task is to issue, based on audit, our statement concerning the financial statement. The audit was executed in compliance with the Act on Auditors and the International Auditors' Standards as well as the related application provisions of the Chamber of Auditors of the Czech Republic. According to these standards, we are obliged to observe the ethical standards and to plan and execute the audit so that the auditor gains reasonable security that the financial statement does not include significant shortcomings.

The audit includes selective checks of completeness and conclusiveness of the amounts and information in the financial statement. The selection of the procedures of the auditors depends on the judgement of the auditor and also includes the assessment of the risks that the financial statement contains significant shortcomings caused by fraud or error. In the assessment of these risks, the auditor takes into account internal controls that are relevant for the preparation and true representation of the financial statement. The aim of the assessment of the internal controls is to propose appropriate auditor's procedures, not to express our opinion concerning the effectiveness of internal controls. The audit also includes the assessment of the appropriateness of used accounting methods, adequacy of accounting estimations supplied by the management, as well as the assessment of the general presentation of the financial statement. We are persuaded that the audit provides adequate and reasonable basis for the issue of our opinion related to the financial statement of the Association.

## **Auditor's opinion**

**In our opinion, the financial statement gives a true and fair picture of assets, liabilities and financial situation of the Czech Association of Petroleum Industry and Trade at December 31, 2010 and of the costs, revenues and economic result of the year 2010 in compliance with Czech accounting regulations.**

Prague, March 9, 2011

PKF Audit s.r.o.  
Karlova 455/48, 110 00, Praha 1  
KA ČR Certificate No. 502

on behalf of the company,  
the Report was prepared by  
Ing. Hana Filipcová, Auditor  
KAČR Certificate No. 0649

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E-mail: info@pkf-cz.com www.pkf-cz.com  
PKF Audit s.r.o. Karlova 48 110 00 Praha 1  
Registered with the Municipal Court in Prague, Section C, Insert 153437, Company Id. No. 28924011

**COUNCIL OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE  
AT DECEMBER 31, 2010**

**Chairman:**

**Ing. Ivan Ottis**

Chief Refinery Officer  
UNIPETROL, a.s.  
Na Pankráci 127  
140 00 Praha 4

phone: +420 225 001 671  
fax: +420 225 001 447

**Vice-Chairmen:**

**Ing. Pavel Šenych**

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fax: +420 244 025 898

**Ing. Martin Durčák**

General Director  
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fax: +420 220 874 056

**Members:**

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**Ing. Ivan Souček, Ph.D.**

General Director  
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**Dr. Massimo Bechi**

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**Ing. Stanislav Bruna**

Director of Business Unit BU I - Refinery  
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436 70 Litvínov

phone: +420 476 161 111  
fax: +420 476 709 553

## DIRECTORY OF THE ČAPPO MEMBER COMPANIES AT DECEMBER 31, 2010

Company	Address	Phone (+420)	Fax (+420)
1. <b>BENZINA, s.r.o.</b>	Na Pankráci 127 140 00 Praha 4	284 012 111	220 874 056
2. <b>ČEPRO, a.s.</b>	Dělnická 213/12 170 04 Praha 7	221 968 111	221 968 300
3. <b>ČESKÁ RAFINÉRSKÁ, a.s.</b>	a) Záluží 2 436 70 Litvínov	476 165 782	476 165 086
	b) Wichterleho 809 278 52 Kralupy n. Vlt.	315 718 521	315 718 645
4. <b>Eni Česká republika, s.r.o.</b>	Sokolovská 394/17 186 00 Praha 8	224 495 111	224 495 226
5. <b>LUKOIL Czech Republic s.r.o.</b>	Kutvirtova 339/5 150 00 Praha 5 - Radlice	257 414 444 257 414 445	257 414 953
6. <b>MERO ČR, a.s.</b> <sup>6</sup>	Veltruská 748 278 01 Kralupy n. Vlt.	315 701 111	315 720 111
7. <b>MND a.s.</b>	Úprkova 807/6 695 01 Hodonín	518 315 111	518 315 250
8. <b>OMV Česká republika, s.r.o.</b>	Na Vítězné pláni 1719/4 140 00 Praha 4	261 392 120	261 212 107
9. <b>PARAMO, a.s.</b> <sup>7</sup>	Přerovská 560 530 06 Pardubice	466 810 339	466 335 019
10. <b>Shell Czech Republic a.s.</b>	Antala Staška 2027/79 140 00 Praha 4	244 025 900	244 025 898
11. <b>Slovnaft Česká republika, spol. s r.o.</b>	Olbrachtova 9 140 21 Praha 4	241 080 811	241 080 877
12. <b>Tesco Stores ČR a.s.</b>	Vršovická 1527/68b 100 00 Praha 10	272 087 548	272 087 334
13. <b>TOTAL ČESKÁ REPUBLIKA s.r.o.</b>	IBC, budova C Pobřežní 3 186 00 Praha 8	224 890 511	224 890 560
14. <b>UNIPETROL RPA, s.r.o.</b>	Záluží 1 436 70 Litvínov	476 163 178	476 164 716

<sup>6</sup> determination of the membership as per February 2, 2010

<sup>7</sup> determination of the membership as per December 29, 2010



## ČAPPO WORKING GROUPS AT DECEMBER 31, 2010

	Address	Phone (+420)	Fax (+420)
<b>No. 1 for Development of Petroleum Industry</b> Head: Ing. Václav Loula	BENZINA, s.r.o. Na Pankráci 127 140 00 Praha 4	284 012 555	284 012 204
<b>No. 2 for Legislation</b> Head: JUDr. Martin Vlášek	Shell Czech Republic a.s. Antala Staška 2027/79 140 00 Praha 4	244 025 878	244 025 896
<b>No. 3 for Finance and Taxes</b> Head: Ing. Zdeňka Novická	Shell Czech Republic a.s. Antala Staška 2027/79 140 00 Praha 4	244 025 859	244 025 851
<b>No. 4 for Ethical Rules</b> Head: Ing. Miloš Podrazil	ČAPPO U trati 1226/42 100 00 Praha 10	274 817 509	274 815 709
<b>No. 5 for International Relations and Strategic Technical Issues</b> Head: Ing. Milan Vitvar	ČESKÁ RAFINÉRSKÁ, a.s. Záluží 2 436 70 Litvínov	476 164 477	476 164 858
<b>No. 6 for Safety of Petroleum Industry and Trade</b> Head: Ing. Zdeněk Stejskal	ČEPRO, a.s. Dělnická 213/12 170 04 Praha 7	221 968 111	221 968 300
<b>No. 7 for Biofuels</b> Head: Ing. Ivan Ottis	UNIPETROL, a.s. Na Pankráci 127 140 00 Praha 4	225 001 671	225 001 447
<b>No. 8 for Selected EU projects</b> Head: Ing. Ivan Ottis	UNIPETROL, a.s. Na Pankráci 127 140 00 Praha 4	225 001 671	225 001 447



ČAPPO .....	Česká asociace petrolejářského průmyslu a obchodu (Czech Association of Petroleum Industry and Trade)
ČeR.....	ČESKÁ RAFINÉRSKÁ, a.s.
ČMI .....	Český metrologický institut (Czech Metrological Institute)
ČOI .....	Česká obchodní inspekce (Czech Trade Inspection)
ČSN .....	Česká technická norma (Czech Technical Standard)
ČSÚ .....	Český statistický úřad (Czech Statistical Office)
FCC .....	fluidní katalytický krak (Fluid Catalytic Cracking)
GŘC.....	Generální ředitelství cel (General Customs Directorate)
LPG.....	zkapalněné ropné plyny (Liquified Petroleum Gas)
MD .....	Ministerstvo dopravy (Ministry of Transport)
MF.....	Ministerstvo financí (Ministry of Finance)
MPO.....	Ministerstvo průmyslu a obchodu (Ministry of Industry and Trade)
MZe.....	Ministerstvo zemědělství (Ministry of Agriculture)
MŽP .....	Ministerstvo životního prostředí (Ministry of Environment)
NAP .....	Národní akční plán (National Action Plan)
PHM.....	pohonné hmoty (Motor Fuels)
REACH .....	Registration, Evaluation, Authorisation and Restriction of Chemicals
SCHP ČR.....	Svaz chemického průmyslu ČR (Association of Chemical Industry of the Czech Republic)
SOČR .....	Svaz obchodu a cestovního ruchu ČR (Czech Confederation of Commerce and Tourism)
SSHR.....	Správa státních hmotných rezerv (Administration of State Material Reserves)
ÚNMZ .....	Úřad pro technickou normalizaci, metrologii a státní zkušebnictví (Czech Office for Standards, Metrology, and Testing)