

ANNUAL REPORT

2016



CZECH ASSOCIATION
OF PETROLEUM
INDUSTRY AND TRADE

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PRAGUE

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Rubeška 393/7
190 00 Praha 9
Phone: +420 274 817 404
E-mail: cappo@cappo.cz
<http://www.cappo.cz>

CHAIRMAN'S MESSAGE

In 2016, the Czech Association of Petroleum Industry and Trade (ČAPPO) focused its activities, as its priority, on the completion of its amended programme "ČAPPO Modernization". The regular General Meeting of its members on December 6, 2016 noted that the programme that covered three most important areas: activities in the area of legislation, fuels and alternative fuels for transport, and presentation of the activities of the Association in the media, was fulfilled.

The initiation and implementation of a package of legislation provisions to fight tax frauds in the area of trading motor fuels for transport resulting not only in the improvement of the taxes collection but also in the removal of the unreliable business entities from the market is considered one of the most important successes by the Association in 2016.

In 2016, the association intensively devoted itself to transformation amendment to the Act on Motor Fuels and Act on Air Protection. In the amendment to the Act on Air Protection (Act No. 369/2016 Coll.), it succeeded, with the contribution of a parliamentary initiative, to enforce the lowering of the obligation to reduce emissions from the combustion of fuels from 2017 to 2019 from 4% to 3.5%.

The Council, the Working Groups, and the Secretariat continued to address the current legislative and technical issues concerning blending of biofuels with motor fuels for transport, and specifically focused on the programme to reduce greenhouse gases emissions originating from the motor fuels combustion and the effects of amendments of Directives 2015/652/EC and 2015/1513/EC on the fuels market. The members of the Council and the Working Groups, with the contribution from the University of Chemistry and Technology presented the analysis of the impact of these programs on the Czech petroleum industry to the state authorities, expert public, and the media. At the same time, the Association proposed certain legislation measures to fight the frauds in connection with biofuels sales.

In spite of our objections (in particular, as they relate to the economic and technical matters) concerning the duty to substitute fossil fuel components in motor fuels by biofuels in accordance with Directive No. 2009/30/EC of the European Parliament and of the Council on the promotion of the use of biofuels or other renewable motor fuels for transport, and in accordance with the Act on Air Protection, in the period 2007 to 2016 ČAPPO members fulfilled the volumes of fossil component substitution by biofuels in motor fuels prescribed by the Directive as well as the requirements for the reduction of emissions from motor fuels combustion.

Over the course of 2016, 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 totalled only 0.16% from collected samples, while the whole market achieved a rate of defects of 1.1%. For the period of 9 months, the rate of defects of the members was zero. The detected deviations in fuel quality from standard values did not influence the usage value of motor fuels. ČAPPO developed pressure on the

state authorities to permit the Czech Trade Inspection to publish the significant deviations from quality standards observed at service stations, and finally succeeded, though not in the requested scope. The Association regards this publication of the deviations, in particular, as a tool to detect tax frauds based on blending motor fuels with the non-standard fuels, and to protect the motorists. However, when it comes to publishing, the major deviations should be distinguished from small ones, which cannot damage the engine, vehicle and the environment. To this end, it prepared the appropriate draft legislation to be included in the amendment of the Act on Motor Fuels, which is being prepared. Nevertheless, the draft was rejected by the proposer.

On the level of the Council, Working Groups, and Secretariat, the Association addressed technical issues connected with the range of motor fuels and alternative fuels and the development of their quality parameters, waste oils collection and management, tax policy related to the mineral oils, methodology of the electronic sales records, and amendments to technical standards and legislations. ČAPPO cooperated closely with the legislature, state administration bodies, the Office for Standards, Metrology, and Testing, Czech Metrology Institute (ČMI), foreign petroleum trade associations, the international association of petrochemical industry FuelsEurope, as well as with domestic organisations, institutions, and universities.

The Association has contributed to the development of new Czech technical standards in the areas of petroleum, lubricants and bitumen, analytical procedures and the operation of facilities for oil substances handling.

The Association significantly contributed to the implementation of some of the programmes of the EU. In particular, it focused on alternative fuels and their infrastructure.

Within the framework of medium-term activities of the Association, members of the Working Group Safety prepared four safety standards for fuels distribution, continued their monitoring of frequency and significance of emergency events that related to ČAPPO members, and conducted Safety Walks in the distribution facilities of the member companies.

In the course of the year 2016, there was further increase in exchange of information and cooperation between ČAPPO and state authorities, the legislature and the expert public. Interest from the expert public and business entities in the opinions and documents of ČAPPO grew considerably, too. At the same time, the educational activities of the Association increased in the areas of the media, the Internet and in members' publications. Members of the Association took an active part in a number of conferences, seminars and workshops in the area of fuels, alternative motor fuels, and safety. ČAPPO updated its website on an on-going basis. Members of the Council, some of the members, and the Executive Director took active part in the PETROLsummit 16 meeting of professionals and in other industry events.

Again, the Association encouraged the administration and in particular the inspection entities to require much more strictly the observance of legal standards and regulations from all competitors on the market. Here, it initiated, in particular, the development of a set of

legislative and organisational measures to reduce tax evasions in relation to motor fuels trading via the amendments of the Excise Tax Act and the Act on Motor Fuels. Its activity helped the state authorities to detect tax frauds.

In 2016, ČAPPO member companies contributed to the strengthening of business stability on the markets of fuels and lubricants, in particular by influencing sound and ethical economic competition and provision of services on a standard advanced European level.

As sustainable, the Association continued its activities within the Technological Platform Road Transport (TPSD) where it pursued the problems of motor fuels for road transport focusing on fossil fuels from petroleum and advanced biofuels.

ČAPPO members again achieved excellent results in the 10th year of the PETROLawards 2016.

In the course of the year, the Association succeeded in recruiting one new member and in significant developing of activities of the professional sections.

In 2017, priorities in the activity of ČAPPO will be, in particular, the preparation of propositions of the new Act on Motor Fuels (311/2006 Coll.), issues of reduction of emissions from motor fuels combustion in transport, maintaining the high quality and range of sold motor fuels and services provided to the customers, ensuring the high standard of security in the motor fuels distribution and preparation of safety standards related to motor fuels handling, implementation of the electronic sales recording at service stations and the maintenance of the transparent and fair competition on the market.

*Mgr. Jan Duspěva
Council Chairman*

Prague, June 2017

CHARACTERISTICS OF DEVELOPMENT OF PETROLEUM INDUSTRY IN THE CZECH REPUBLIC

The situation in the Czech refinery industry and trade developed effectively under given conditions on the world petroleum and petroleum products market; the distribution companies associated in ČAPPO, together with ČEPRO, a.s., successfully solved smooth deliveries of fuels to the market with imports from the neighbouring countries. The cause was long-term supply outages from the company UNIPETROL RPA, s.r.o. due to extraordinary events at the pyrolysis unit in Litvínov and at the fluid cracking unit in the new refinery at Kralupy (NRK). Despite this exceptional long-term supply situation, the fuel market has not been jeopardized.

In 2016, petroleum imports to the CR were effectuated according to the needs of the refineries as well as sales opportunities for oil products. Total oil imports to the CR in 2016 reached 5324.9 thousand tons, which is by 25.3% lower than in 2015. The reason for this was the reduction of oil processing due to extraordinary events on the technological equipment of the company UNIPETROL RPA. Pipeline Družba delivered 64.6% of oil from the total imports, while the remaining quantity came to the CR through the IKL pipeline.

Expressed in the units of mass, in 2016 the petroleum products imports amounted to 4,657.4 thousand tons. Motor fuels (petrol and diesel fuel) contributed with the highest part, i.e. 77.6%, to this result.

In 2016, refineries products exports indicated in the units of mass reached 2,348.6 thousand tons. Motor fuels (petrol and diesel fuels) contributed with the highest part to this result, i.e. 53.4%.

Export of local petroleum amounted to 28.472 thousand tons, i.e. it was higher than in the previous year by 2.7%.

Total deliveries of selected petroleum products onto the market in the CR in 2016 are shown in Table 1. Data show stock movement.

Table 1

Product	Thousand tons	Index 2016/2015
Unleaded petrol ¹	1 605	101.8
Jet fuel	344	107.8
Diesel Fuel ¹	4 733	104.2
Mineral oil and other gas oils	45	160.7
Heating oils up to 1% sulphur m/m	47	106.8
Heating oils with more than 1% sulphur m/m	12	150.0
Total LPG	294	140.0
Lubricating oils and other oils in total	195	99.5
Bitumen and bitumen products	467	85.7
Biocomponents for transport ²	360	99.4

¹ incl. biocomponents

² bioethanol, fatty acids methyl esters

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)	0.0
Petrol with octane number 95 (SUPER)	97.8
Petrol with octane number min. 98 and more (SUPER PLUS)	2.2

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

Table 3

Product	Share (%)
Unleaded petrol ³	67.8
Jet fuel	21.3
Diesel Fuel ³	40.4
Heating oils in total	100.0
Total LPG	37.8
Lubricating oils in total	0.0
Bitumen and bitumen products	29.6

³ including biocomponents

The sales on the market were affected by the level of world prices of petroleum and petroleum products, conditions in the economy and purchasing power of people. In consequence of the tightening of the duty to use biofuels in transport, production of pure fossil component for motor fuels production decreased. In 2016, 360 thousand tons of fossil component were replaced by first generation biofuels, which represents a 5.7% share in total deliveries of motor fuels.

Based on the result of the statistical check carried out by the Ministry of Industry and Trade, the total of 6,992 service stations and delivery points were registered at December 31, 2016 on the market of the Czech Republic, including 3,906 public and the remaining number of service stations selling to specified entities and non-public facilities. Index of total service stations (2016/2015) makes 99.7% and of public service stations 101.6%. The share of ČAPPO member companies in the total number of public service stations achieved 31%.

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. 133/2010 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 ČSN standards	%	Number of samples collected from service stations of ČAPPO member firms that did not comply with ČSN standards (%) ⁴
Petrol	993	7	0.7	2
Diesel Fuel	1,195	17	1.4	2
Diesel blend, biodiesel, and E85 fuel	23	3	13.0	0
LPG and CNG	338	1	0.3	0
Total	2,549	28	1.1	4

⁴ from all samples collected at service stations

In 2016, ČAPPO member companies again achieved very good results in the area of quality of sold motor fuels in consequence of 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 *Seal of Quality Plus* Project as well as to the implementation of the company culture and ethics. Only 0.16% from the samples collected at the facilities of the member companies did not meet the requirements, while the same indicator achieved 0.94% in the samples collected from the remaining market. For the whole year, the member companies maintained zero rate of defects of LPG and CNG. The deviations of fuels quality from standard values in the samples of petrol and diesel oil from the member companies did not influence the use value and environmental characteristics of motor fuels. The highest rate of defects was recorded for diesel fuel.

Gross consumption of bioethanol for the drive achieved 74 thousand tons. The gross consumption of fatty acids methyl esters achieved 286 thousand tons.

The following major changes were recorded in the area of petroleum industry and trade in 2016:

- For the year 2016, the Act on Air Protection prescribed the reduction of greenhouse gases emissions from motor fuels combustion by 2% in comparison with the year 2010. The obliged entities achieved reduction by 2.5 to 3.2%.
- In consequence of the significant decrease in the prices of petroleum and petroleum products, as well as in consequence of the industrial production growth the motor fuels market revived.
- With some unimportant exceptions, petrol Speciál is not on the market. For older vehicles without hardened valve seats, the appropriate additive is available at the majority of service stations in small quantity packages to be added individually.
- The range of motor fuels stabilised – petrol at type E5 and diesel fuel at type B7.
- Fuel E85, diesel blend SMN30 and B100 (pure FAME/RME) disappeared from the market due to the significant removal of their tax support.
- The consumption of LPG motor fuel for transport achieved 98 thousand tons.
- Thanks to the tax support, CNG consumption significantly rose to 59.346 million m³, i.e. by 36.1% in comparison with the previous year.
- LPG motor fuel was available from 501 public service stations and from additional 7 stations in the segment of partially public and partially private service stations.
- CNG motor fuel was available from 143 public filling stations.
- Some of the premium petrols, diesel fuel and diesel fuel for “arctic” environment have been delivered to the market without biocomponents.

- The brand distributor companies developed at their service stations the sale of motor fuels with improved usable qualities (premium motor fuels). They have been offered under individual trade names. Their sales already achieved approximately 20% from total sales of motor fuels.
- The integration of the service stations market continued within the segment of both brand and non-brand companies.
- The motor fuels market has been negatively affected by the new types of tax frauds. Recently, these frauds included, in particular, the misuse of biofuels. ČAPPO contributed by its initiative to the amendment of the appropriate regulations to prevent the frauds with VAT evasions.
- In consequence of significant decrease in the prices of oil, petroleum industry is profitable.
- In the Czech Republic, the negative influences of the regulation measures focused on environment in the area of the petroleum products market are more and more significant; thus, the competitiveness of the market decreases.
- The use of the capacity of domestic refineries was negatively influenced by two extraordinary events in the operational units of the company UNIPETROL RPA. Missing fuel quantities were imported by the company ČEPRO and the members of ČAPPO who are distributors, and the market was saturated without problems.

ACTIVITIES OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE

The General Meeting

The Annual General Meeting was held on June 23, 2016. At the Annual General Meeting, the member firms approved the activities and economic results of the Association in the year 2015 and the Annual Report for the year 2015. In the course of the General Meeting, the interim report on implementation of the programme ČAPPO Modernization was debated. The General Meeting asked the Council to focus the activity of the Association to the analysis of legislation (amendment of the Motor Fuels Act) and other themes, such as the obligation to reduce greenhouse gases emissions from motor fuels combustions that are important for the members. The General Meeting admitted a new member, UNICODE SYSTEMS, s.r.o. Further, the General Meeting debated the interim report on meeting ČAPPO priorities and noted that partial tasks have been fulfilled. Subsequently, Prof. Ing. Milan Pospíšil, CSc. (from the University of Chemistry and Technology Prague) held a presentation with the theme "Technical-Economical Study of the use of biofuels and alternative fuels in the road, off-road and railway transport in the Czech Republic in the period from 2016 to 2020". The study was prepared based on order from ČAPPO and the Association paid for it. The General Meeting adopted the study as the starting point for its official position concerning the reduction of emissions from motor fuels combustion in the years 2017 to 2020.

The regular General Meeting was held on December 6, 2016 and took notice of the Report of the Council about the Activities of the Association, approved the report on implementation of the programme ČAPPO Modernization and noted that the amended programme was fulfilled. Further, it took notice of the report on fulfilment of the Programme of Priorities in ČAPPO Activities in 2016 and noted that they had been fulfilled or are fulfilled on an on-going basis. Together with the assessment of the year 2016, the General Meeting debated and adopted the programme of priorities for the year 2017. Further, it took notice of the maintenance of the budget in 2016 and adopted, based on the draft prepared by the Council, the budget of the Association and the amount of membership fees of the regular members and members of specialized sections for the year 2017. Based on proposal from the Council, the General Meeting adopted the membership of ETK s.r.o. in the specialized section Service Stations Operation (Provozování čerpacích stanic) and the membership of TECHNOEXPORT a.s. in the specialized section Alternative Fuels (Alternativní paliva). Within the framework of the agenda of the General Meeting, the members debated further focus of activities in the area of media politics of ČAPPO with the aim to strengthen its position in the sector of petroleum industry and trade. Topics from the discussion will be reviewed one by one by the Council.

Within the agenda of the General Meeting, elections of the new Council for the period 2017 to 2018 were held. In a secret ballot, the member companies AGROFERT, a.s., ČEPRO, a.s., MOL Česká republika, s.r.o., Shell Czech Republic a.s., and UNIPETROL RPA, s.r.o. – BENZINA, odštěpný závod, were elected in the first round for the Council. Subsequently, the new Council elected in the first round in a secret ballot the company ČEPRO, a.s., represented by Mgr. Jan Duspěva, for its Chairman, and the company Shell Czech Republic, a.s., represented by Ing. Igor Kuruc, for its Vice-Chairman.

The Auditor

The economy of ČAPPO in 2016 was audited by Ing. Věra Skalská, KAČR authorization No. 1440. The result of economy was a surplus. The auditor's statement was without reservation.

The Council

In the year 2016, the Council held seven regular meetings. In particular, the Council discussed and organized the implementation of the programme of priorities in the activities of ČAPPO in the area of legislation, namely the amendments of the Act on Motor Fuels and of

the Air Protection Act. In both cases, priority was given to the transformation of EU legislation. The Council attempted for the addition of specification provisions concerning service stations operation and checks of the quality of fuels sold at the service stations in the amendment of the Motor Fuels Act. Nevertheless, the proposer of the amendment to the Act rejected these draft provisions. Therefore, the Council discussed with the appropriate section of the Ministry of Industry and Trade the preparation of a fully new Motor Fuels Act. As agreed, the proposal should be prepared in 2017.

The Council debated in detail the issue of the observance of the measures of two EU directives, namely Directive 2015/562/EC and Directive 2015/1513/EC in practice, in particular, the conditions for the achievement of the goal of substituting 10% of energy from fossil fuels in transportation by the energy from renewable sources by 2020, and the reduction of emissions from petrol and diesel oil combustion in road transport by 6%. To explain these issues in current environment of petroleum industry in the Czech Republic and in agreement with the Ministry of Industry and Trade, ČAPPO ordered at its own costs from the University of Chemistry and Technology the preparation of a study with the theme "Technical-Economical Study of the use of biofuels and alternative fuels in the road, off-road and railway transport in the Czech Republic in the period from 2016 to 2020". The study was debated by ČAPPO at its Annual General Meeting and delivered with comments to the Ministry of Industry and Trade (MPO). The Ministry submitted the study with its own comments for information to the government that debated it at its meeting on July 20, 2016. The Association declared its disagreement with the MPO comments and informed about its disagreement the appropriate division of the Ministry.

Taking into account various articles in press concerning the range of petrol in the period from 2017 to 2020, the Council organized the "Breakfast with Journalists" where it published its position concerning the impossibility to substitute 10% of energy from fossil sources by energy from renewable sources, as well as the unrealistic nature of the goal of emissions reduction by 4% from 2017 to 2019 and by 6% in 2020. It documented that only the costs of emissions reduction represent approx. CZK 1 to 2 billion. The conclusions of ČAPPO were widely published by the media.

In compliance with the abovementioned study prepared by the University of Chemistry and Technology and internal debate ČAPPO succeeded, with the contribution of a parliamentary initiative, to enforce the change in the obligation to reduce emissions starting from 2017 from 4% to 3.5%, namely through Act No. 369/2016 Coll., on Air Protection.

The Council regularly discussed the activities of ČAPPO Working Groups, specialized Sections, and of the Secretariat of the Association, cooperation with governmental bodies and institutions – in particular with the Czech Customs Administration (GŘC), the Ministry of Industry and Trade (MPO), the Ministry of Finance (MF), the Ministry of Environment (MŽP), the Ministry of Agriculture (MZe) and other governmental bodies, as well as with the related professional unions and associations, such as the Association of Chemical Industry of the CR (SCHP ČR) and the Association of Service Stations (SČS ČR) – the Union of Independent Petroleum Traders of the CR, as well as with the automobile professional associations (SAP and SDA), and the company SGS Czech Republic, s.r.o., the Fuels and Lubricants division.

The Council actively co-operated with the Finance Ministry, the General Finance Directorate and the Czech Customs Administration in connection with the amendment of the Excise Tax Act and other laws with the aim to restrict tax frauds in connection with fuels, including biofuels and the Act on Electronic Sales Records. Based on this initiative, several additional regulatory and organisational measures to reduce tax and customs frauds were successfully implemented.

Further, the Council discussed in detail the issues connected with the regulations and technical standards concerning the use of fuels, including alternative fuels, in transport.

Together with the Working Group for fuels and lubricants, the Council monitored in detail the application of biofuels by the member companies and supported it with technological solutions with the aim to achieve the reduction of emissions from motor fuels combustion.

The Council again discussed with the appropriate ministries and governmental bodies effective resolution of the situation of service stations (in particular non-public / home service stations) that do not comply with law regulations and Czech technical standards.

ČAPPO continued the review of CSN Standard 73 6060 Service Stations with the focus on the addition of the CNG, LNG and hydrogen filling stations, and charging points for electromobility.

With a regular frequency, the Council debated the membership of the Association and its specialized Sections, as well as the observance of the budget.

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

The Working Groups

In the year 2016, the permanent Working Groups had thirteen regular meetings. The agenda of the Working Groups meetings included a whole range of issues from the preparation of the drafts of amendments of the legislation to the counselling to the new law regulations from the area of the Motor Fuels Act, excise taxes, environment protection and general law regulations (Act on Payments, and, in particular, the new Act on Electronic Sales Records). The appropriate Working Groups and specialized Section Alternative Fuels debated in detail the study "Technical-Economical Study of the use of biofuels and alternative fuels in the road, off-road and railway transport in the Czech Republic in the period from 2016 to 2020" and proposed, in connection with it, the amendment of the programme "Measures to Reduce Greenhouse Gases Emissions from Motor Fuels Combustion by 6% by the Year 2020". Further, they provided source documents for industry events and presentations, regularly debated the development of the range and quality of motor fuels from 2016 through 2025, 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; they regularly assessed the situation of fuels and lubricants deliveries to the domestic market and the situation on the service stations market. They regularly presented their comments to the results of checks of motor fuels quality at service stations performed generally by the Czech Trade Inspection. The Working Groups debated the experience with fatty acids methyl esters blending with diesel fuel and bioethanol blending with petrol.

Representatives of the state administration (of the Ministries of Industry and Trade, Agriculture, Environment, Finance, Transport, and the Czech Customs Administration), the University of Chemistry and Technology Prague and professional institutions (SGS Czech Republic, the Czech Metrology Institute) took part in the activities of the Working Groups.

The permanent working groups prepared technical source documents and analyses concerning the drafts of legislative regulations and technical standards.

The appropriate Working Groups debated in detail organisational and technical arrangements for the industry conference organised within PETROLsummit 16.

ČAPPO Working Groups obtained regularly information about the amendments of EU legislation for chemical industry (REACH), current legislation of the EU and the CR, about the use of biofuels in transport and about the changes of the technical standards for motor fuels.

The Working Group Fuels and Lubricants (Paliva a maziva) met twice and focused, above all, on the analysis of the deliveries of fuels to the market, on the development of the range of motor fuels, the results of checks of motor fuels quality sold at service stations, the installation for the equipment for AdBlue liquid sales, the new regulatory measures and technical standards. It also debated in detail the assessment of the biofuels market and other alternative fuels market. It contributed to the preparation of the programme of the measures concerning the reduction of greenhouse gases emissions from motor fuels combustion within the meaning of the Act on Air Protection. In cooperation with the company ŠKODA AUTO a.s., the Association monitored the situation with the implementation of technologies for filling and sales of the AdBlue liquid at the service stations of ČAPPO members.

The Working Group Legislation and Ethics (Legislativa a etika) held four meetings. It debated current issues of legislation and prepared, among other, the general source

materials for the amendment of the Act on Motor Fuels. It prepared proposal for the improvement of the activities of the group focused on legislation that is interesting for the Association. It provided regular support in the area of legislation to other Working Groups and debated the contents and development of the law regulations that relate to ČAPPO.

The Working Group Taxes (Daně) met three times. It focused its attention on information concerning the amendments of the laws related to the excise taxes, Act on Electronic Sales Records, Motor Fuels Act, the situation in the area of taxes collection, and the number of registered motor fuels distributors. Members of the Group attended the workshops organized by the Czech Customs Administration in relation to the tax law regulations.

ČAPPO Working Group Safety (Bezpečnost) held four meetings. The group focused its activities on the issues connected with safe activities of the employees and customers at service stations. It prepared its own form for the reporting of emergency events in the year 2016. Using its own sources, it prepared four safety standards for the area of fuels distribution, namely: "Emergency Situations at the Service Stations – Cases of Robbery", "Procedure of Tank Trucks Filling at Service Stations", "Tank Trucks Filling from the Bottom. Instructions for the Carriers / Tank Trucks Drivers", and "Filling Locations with Gravity Filling at Service Stations". In addition, the Working Group conducted three Safety Walks at the service stations of ČAPPO members.

Ad hoc Working Groups

In the course of the year 2016, the existing ad hoc Working Groups were also convened in, to deal with various technical, economic and legislative issues. The ad hoc Working Groups dealt with a whole range of professional issues. In particular, they debated the effects of amendments of Directives 2015/562/EC and 2015/1513/EC in the petroleum industry, with the focus on reduction of emissions from motor fuels combustion, the amendment of the Excise Tax Act, regulations concerning the colouring and marking of certain mineral oils and technical conditions of the stability of diesel fuel with fatty acids methyl esters, conditions for the storage of fuels with biocomponents, characteristics of the diesel fuel for winter conditions, range of motor fuels after the year 2016 and the preparation of industry events in 2016. The Secretariat and the ad hoc Working Group Technical Standards, based on contract with the Czech Office for Standards, Metrology, and Testing (ÚNMZ), prepared two amendments of Czech technical standards. Further, ČAPPO ad hoc Working Groups debated the storage and transport of biofuels and their blends with fossil fuels, notification of foreign regulations concerning mineral oils, processing of the comments and positions concerning the amendments and reviews of the Czech technical standards from the field of motor fuels and bitumens, and a number of other issues. The ad hoc Working Group for the amendment of ČSN Standard 73 6060 Service Stations continued the preparation of the amendment of the above-mentioned technical standard in cooperation with outside experts with the focus on alternative fuels (LPG, LNG, CNG and hydrogen) and alternative drives infrastructure.

In total, ad hoc Working Groups held 12 meetings.

Specialized Sections

In 2016, members of ČAPPO specialized Sections met at ten meetings. They debated specific issues based on the object of activities of the given section. Specialized Section Alternative fuels cooperated closely with the Czech Gas Industry Union with the focus on the issues of the use of BNG in road transport. Further, it dealt with the issues concerning alternative fuels around the year 2020. The specialized Section Fuels Transportation deals with the problems of modernization and safety of fuels road transport. The specialized Section LPG debated the problems of finding an optimum method for the collecting of LPG samples at service stations with the aim to ensure fair conditions for the assessment of sold fuels.

The Secretariat

The Secretariat properly dealt with daily clerical work and organised 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 authorities, institutions, foreign petroleum industry associations, and specialists' community, as well as interns and students. The web site was updated on an on-going basis. The Executive Director participated in many negotiations with governmental bodies and other institutions and was active in the specialized 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 (MD), the Administration of State Material Reserves (SSHR), the Czech Customs Administration, and the Czech Statistical Office (ČSÚ).

The Executive Director attended industry conferences Čerpačka and PETROLsummit 16 and held presentations related to the fuels market during these events. The Executive Director is a member of the National Emergency Sharing Organisation (NESO).

The assistant of the Executive Director was Chairman of the Committee for Products Certification Production and a member of the Board for Waste Management of the CR representing the petroleum industry. At January 1, 2016, he resigned from these offices. He continues to represent ČAPPO in the Czech Technological Platform for the Use of Bio-components in the Chemical Industry and Transport and in the Technological Platform for the Road Transport, where he holds the position of a member of the administrative board.

Membership

At December 31, 2016, the Association had 10 regular members. At the Annual General Meeting, the company UNICODE SYSTEMS, s.r.o. was admitted. At December 31, 2016, five specialized Sections work within the Association:

- Alternative Fuels (Alternativní paliva)
- LPG
- Lubricants (Maziva)
- Operation of Service Stations and Motor Fuels Distribution (Provozování čerpacích stanic a distribuce PHM)
- Motor Fuels Transport (Přeprava pohonných hmot).

At December 31, 2016, specialised Sections had 17 members. The directories, including contact addresses, are annexed.

Programme of ČAPPO Modernization

The programme "ČAPPO Modernization was adopted by the members at the Annual General Meeting on June 25, 2015. The aim of the Programme was strengthening of the social and media position of ČAPPO as professional association of petroleum industry companies in the community and to shape its main activities, in particular in the area of petroleum industry legislation. The agenda included three basic areas:

- legislation and ethics
- PR and marketing
- fuels, including alternatives.

The agenda was debated on an on-going basis at all of the general meetings of ČAPPO members. The regular General Meeting held on December 6, 2016 noted that the programme was fulfilled. The individual parts of the programme were fulfilled as follows:

- In the area of legislation, the activity was focused on the legislation service for ČAPPO members. Annotation of the law regulations with the influence on the member firms was prepared, gestors for the individual regulations were determined and Compliance report of the programme was prepared with the focus on the

maintenance of the regulations in the area of competition law. In addition, drafts of amendments, in particular concerning amendment of the Motor Fuels Act and decree No. 133/2010 Coll. and amendment of the Act on Air Protection.

- In the area of public relations and marketing, the technical spokesman of the Association conducted the media-related activities as regularly. Professional one-time events were organized by the Association using its own sources.
- In the area of fuels, including alternatives, the Association developed its activity through its Working Group Fuels and Lubricants (Paliva a maziva) and specialized Section Alternative Fuels (Alternativní paliva). It cooperated closely with the University of Chemistry and Technology and prepared the study "Technical-Economical Study of the use of biofuels and alternative fuels in the road, off-road and railway transport in the Czech Republic in the period from 2016 to 2020". In connection with it, the Working Group proposed to amend the programme "Measures to Reduce Greenhouse Gases Emissions from Motor Fuels Combustion by 6% by the Year 2020".

Programme of priority activities of ČAPPO in 2016 and in a medium-term planning horizon

- To be permanently, both currently and in the future, the responsible entity (a guarantee) and referential point for motor fuels quality, including alternative fuels.
The quality of motor fuels sold in the distribution network of ČAPPO members is permanently high and better than European average. Only 0.16% from the collected samples were defective.

- To achieve and maintain, in cooperation with the state and non-governmental institutions, the transparent and fair competition on the motor fuels and alternative fuels market.

ČAPPO fulfils this task through its activities in the area of legislation, cooperation with the governmental authorities and professionally related unions and associations. It permanently informs the governmental bodies about the shortcomings and frauds connected with the business activities in the area of petroleum industry.

- To achieve and maintain high safety standards for the employees and customers in relation to the motor fuels distribution and service stations operations.

In 2016, ČAPPO Working Group Safety (Bezpečnost) prepared four minimum safety standards for motor fuels distribution with the focus on service stations. Further, it organizes the system of Safety Walks as a means of sharing information about extraordinary events in the member companies without competition.

Actual priorities for the year 2016

- To pay attention to the observance of the plan to reduce greenhouse gases emissions from the combustion of motor fuels in transport.

The obliged entities who are ČAPPO members observed the plan to reduce greenhouse gases emissions by at least 2% in 2016 according to the Act on Air Protection. At the same time, the members created, by decreasing the goal from 4% to 3.5%, a legislative prerequisite for the fulfilment of the emissions reduction in the years 2017 to 2019.

- To pursue the adequate and relevant amendment of the Motor Fuels Act (Act No. 311/2006 Coll.). To pay attention to the introduction of the electronic sales recording at service stations.

The members proposed changes in the amendment of the Motor Fuels Act that were rejected by the Ministry of industry and Trade because the amendment transforms Directive No. 2014/94/EC into Czech law. Therefore, it was agreed on the level of the

Vice-Minister of Industry and Trade and of the Council to set up a working group that should prepare a new act on motor fuels to include the proposals from ČAPPO.

- To pay permanent attention to the motor fuels distribution. To introduce a system of sharing information about major emergency situations at the ČAPPO member companies.

Sharing of information about extraordinary events (emergency situations) at the member companies was introduced in 2007 and is subject to regular debates at the meetings of ČAPPO Working Group Safety (Bezpečnost).

The priorities were adopted by the regular General Meeting on December 3, 2015.

The regular General Meeting on 6 December 6, 2016 noted that the tasks of 2016 were fulfilled and the long-term tasks were being met on a continuous basis. Details concerning the fulfilment of the individual tasks are given in other parts of the Annual Report.

PRINCIPAL ISSUES DEBATED IN 2016

The Council, Working Groups, dedicated Sections, and Secretariat handled a wide range of professional issues.

Provision of information

In the course of the whole year, the Secretariat prepared with a monthly frequency and cumulatively its own information about the sales (throughput) of motor fuels expressed in the units of volume (for petrol and diesel fuel), revenues at service stations and the number of washing cycles in washers at service stations. The statement was confronted with the report on deliveries of the main petroleum products.

In the course of the whole year, the Secretariat prepared its own innovated quarterly information formats Deliveries of Main Petroleum Products to the Market in the CR 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 were 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.

In 2016, 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 the requirements of the European Union and the International Energy Agency.

Based on source materials obtained from the Czech Trade Inspection, the results of the checks of quality of motor fuels sold at service stations were processed with a monthly frequency.

Based on individual order, the Secretariat and the technical spokesperson prepared additional information about the historical development of mass deliveries of fuels to the market, or their prognosis, classified 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 the international petroleum industry organisation FuelsEurope and EU working commissions. It works in the same way also with information obtained from the domestic sources, for example from the Association of Industry and Transport of the CR, the Association of Czech Chemical Industry of the CR, from the Ministry of Industry and Trade, and from the Technological Platform for Road Transport.

Legislation, Czech technical standards and non-legislation acts

The Association, through its Council, Executive Director, Working Groups, specialized Sections, members, and Secretariat, prepared and drafted several legislative initiatives and counselled the bills, implementation regulations and technical standards. The most important from them were:

a) Adopted legislation of the CR

- Act No. 91/2016 Coll., amending Act No. 22/1997 Coll., on Technical Requirements for Products and on Amendments to Certain Acts, as amended, and some other Acts
- Act No. 112/2016 Coll., on Electrical Sales Recording
- Act No. 163/2016 Coll., the Criminal Code
- Act No. 255/2016 Coll., amending Act No. 25/2008 Coll., on the Integrated Environmental Pollution Register and the Integrated System for the Fulfillment of Environmental Reporting Obligations and the Amendment of Some Other Acts, as amended
- Act No. 256/2016 Coll., amending Act No. 100/2012 Coll., on Environmental Impact Assessment and on the Amendment of Certain Related Acts (Environmental Impact Assessment Act), as amended
- Act No. 369/2016 Coll., amending Act No. 201/2012 Coll., on Air Protection, as amended, Act No. 634/2004 Coll., on Administration Fees, as amended
- Decree No. 83/2016 Coll., amending Decree No. 383/2001 Coll., on the Details of Waste Management, as amended
- Decree No. 93/2016 Coll., on Wastes Catalogue
- Decree No. 94/2016 Coll., on the Assessment of Hazardous Properties of Wastes
- Decree No. 171/2016 Coll., amending Decree No. 415/2012 Coll., on the Permissible Level of Pollution and on Implementation of Some Other Provisions of the Act on Air Protection, in the wording effective at May 31, 2016
- Decree No. 289/2016 Coll., amending Decree No. 141/1997 Coll., on Technical Requirements for the Production, Storage and Processing of Alcohol, as amended
- Decree No. 355/2016 Coll., on the Programme of Statistical Surveys for 2017
- Governmental Decree No. 32/2016 Coll., amending Governmental Decree No. 361/2007 Sb., determining the conditions for the health protection at work, as amended
- Governmental Decree No. 57/2016 Coll., on Indicators and Values of Permissible Pollution of Surface Water and Waste Water and on the Requirements for Permitting the Discharge of Waste Water into Groundwater
- Communication of the CSO 247/2016 Coll., on the Determination of the List of Selected Goods and Additional Statistical Characters

b) Debated legislation

- Transformation amendment of the Act that amends Act No. 311/2006 Coll., on Motor Fuels and Service Stations and on amendment of certain related acts (Act on Motor Fuels), as amended
- Transformation amendment of the Act that amends Act No. 201/2012 Coll., on Air Protection, as amended
- Transformation amendment of Decree No. 133/2010 Coll. on the Requirements for Motor Fuels, on the Way of Checking and Monitoring of Composition and Quality of Motor Fuels and on their Recording (Decree on Motor Fuels Quality and Recording)
- New Governmental Decree No. 351/2012 Coll. on Sustainability Criteria of Biofuels
- New Act on Payments

- Amendment of the Act on Wastes
- Amendment of the Act on Cyber Safety

c) Technical standards

- ČSN EN 15940 Automotive fuels – Paraffinic diesel fuel from synthesis or hydrotreatment - Requirements and test methods
- ČSN EN 16734 Automotive fuels - Automotive B10 diesel fuel - Requirements and test methods
- ČSN 65 6691/Correction 1 Testing Oil products - Fuel oils derived from waste oils - Requirements and test methods
- ČSN 65 6508/Amendment 1 Automotive fuels - Diesel fuel blends containing Fatty acid methyl esters (FAME) - Requirements and test methods
- ČSN P ISO/TS 19880-1 Gaseous hydrogen - Fueling stations - Part 1: General requirements
- ČSN EN 16942 Fuels - Identification of vehicle compatibility - Graphical expression for consumer information
- ČSN ISO 22241 1 to 5 Diesel engines - NOx reduction agent AUS 32 - Part 1: Quality requirements Part 2: Test methods Part 3: Handling, transportation and storage Part 4: Refilling interface Part 5: Refilling interface for passenger cars
- ČSN 73 6060 Filling Station /review/
- ČSN EN 228 /Amendment Z2 Automotive fuels – Unleaded petrol – Technical requirements and test methods
- ČSN EN 16709 Automotive fuels - High FAME diesel fuel (B20 and B30) - Requirements and test methods

d) Adopted or debated non-legislative government acts

- Analysis of the reduction of dependence on fossil fuels till 2050
- National action plan Clean Mobility
- National programme Reduction of Emissions in the Czech Republic
- National action plan for renewable energy sources

e) Adopted legislative acts of the European Parliament and Council

- Implementing Regulation of the Commission (EU) 2016/1867, on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty.

f) Other acts of the state administration

- Analysis of the possibility to introduce carbon tax in the CR
- Analysis of the possibilities and effects of considering environmental elements in the rates of the excise tax and taxes in the area of energy.

ČAPPO contributed through its Secretariat and Working Groups to the debates concerning fifteen additional general regulations and technical standards. 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. With a monthly frequency, it prepared an overview of the Czech technical standard determined for a review. 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 focused on the amendment of the Act on Motor Fuels and on the amendment of the Act on Air Protection ranked with the most important activities of the Association In the year 2016.

State Authorities

Through its Council, Secretariat, and Working Groups, the Association maintained its professional contacts with the Ministry of Industry and Trade (division of gas industry and liquid fuels and department of power industry statistics). On an on-going basis, it debated actual and viable suggestions of ČAPPO members concerning the amendment of the Act on Motor Fuels. 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 2016, the improvement of quality of information surveys, the substitution of oil fuels by their alternatives by the year 2020 till 2030, and the programme for further use of biofuels in transport in compliance with Directives 2015/562/EC and 2015/1513/EC were discussed. The Executive Director and 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, the amendment of the Act on Motor Fuels, and information surveys concerning the deliveries of fuels. The Association contributed to the counselling process related to the documents of the Ministry of Industry and Trade Amendment of the National Action Plan for Energy from Renewable Sources and the Energy Security of the CR. In cooperation with some of the members, the Secretariat prepared source materials for the review of legislative regulations related to the environment (EKOAUDIT 2016). Through the Ministry, the members of the Association applied their opinions concerning legislation focused on environment, in particular on the management of used lubricating oils and their processing.

With the Ministry of Finance, the Association and its Working Group Taxes (Daně) mainly cooperated in addressing current technical and legislative issues of the Excise Tax Act. Further, it contributed to the preparation of additional measures to reduce tax evasions using the substitution of petroleum and petrochemical products and value added tax evasions in connection with fuels trading. It initiated a debate concerning the Reverse Charge for motor fuels. ČAPPO Working Groups and Secretariat provided the Finance Ministry (Indirect Taxes Division) and the Czech Customs Administration (GŘC) with technical advice. At the meetings held in the course of the year, problems of the measures aimed at the abatement of tax evasions using the substitution of petroleum and petrochemical products in connection with trading in motor fuels and biofuels, as well as the use of common European denaturant for ethanol were debated. The Association consulted on the methodology of the implementation of the Act on Electronic Sales Recording, in particular in the segment of service stations. ČAPPO members attended seminars (workshops) focused on excise taxes, organised by the Czech Customs Administration.

The Association cooperated with the Ministry of Environment regarding dangerous substances and greenhouse gases emissions into the air and dealing with wastes and packaging, and the amendments of related binding regulations. The main attention was focused on the legislation related to the use and reporting of biofuels that comply with the sustainability criteria and the methodology of proving evidence about the reduction of greenhouse gases emissions from motor fuels combustion within the meaning of the Act on Air Protection and Governmental Decree No. 351/2012 Coll., on the criteria of sustainability for biofuels. After the negotiations with the air protection division, the Association succeeded in the setting of acceptable condition for the observance of the obligation to reduce emissions from motor fuels combustion in road transport.

With the Ministry of Agriculture, ČAPPO cooperated in the area of the use of bio-ethanol and rapeseed oil methyl ester (RME) as fuel components in compliance with Directive 2003/30/EC, and the list of biofuels producers. Further, it consulted the development of compensation of unlawful aid for high-concentration blends of fuels and biofuels.

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 Executive Director regularly attended meetings focused on the provision of motor fuels deliveries in the period of outages or limitation of their production in the domestic refineries. The Executive Director and some of the member companies are members of the committee of the National Emergency Sharing Organisation (NESO) for dealing with the crisis caused by oil shortages.

The Czech Statistical Office obtained from ČAPPO basic methodological explanations to statistical data on petroleum and petroleum products and on standardized quality of motor fuels. At the same time, the Association participated in the preparation of the yearly report Petroleum and Petroleum Products in compliance with the methodology of the International Energy Agency, conversion codes for motor fuels, and classification of biofuels in the TARIC system. The Association debated 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 prepared amendments and reviews of Czech technical standards and the Secretariat, as well as the representatives of some of the member companies, took part in the meetings of technical standard commission named Petroleum and Petroleum Products (TNK 118).

Using its own capacities and based on contract agreed with the Czech Office for Standards, Metrology and Testing, the Association prepared a review of two Czech technical standards.

Further, the Association cooperated 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 Czech Metrology Institute, the Association cooperated on elaboration and review of the binding regulations in the area of metrology and safety and reliability of the measuring devices.

With the Czech Environment Inspection, ČAPPO debated the methodology of the checks of observance of the measures provided in the Act on Chemical Substances and Chemical Mixtures (Act No. 350/2011 Coll.). At the same time, it again asked for the strengthening of the checks of safety standards at the “non-public/home service stations”.

Committees of the Czech Parliament's Chamber of Deputies and the Senate

The Association provided the Economic and Budget Committee of the Parliament's Chamber of Deputies (PSP ČR) 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 Act on Air Protection and the Act on Motor Fuels).

Media and Presentations

The Chairman and the members of the Council, the Executive Director, the 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. They gave significant interviews to the dailies Hospodářské noviny, MF Dnes, Právo, E 15, as well as to the EURO weekly, the Prosperita Magazine and other media (PETROLmagazín, PRO ENERGY magazine) about the use of first generation biofuels and advanced biofuels in transport and other issues connected with the petroleum industry, such as the development of the market, range of products and quality of motor fuels. Members of the Working Group Safety (Bezpečnost) and the Secretariat prepared a series of articles concerning safety at service stations, presented the preparation of the minimum safety standards in relation to motor fuels distribution, and informed about the preparation of a historical survey of production of elastomers, plastics and crude oil processing for a publication of the University of Chemistry and Technology. The articles were published as PR material of ČAPPO in PETROLmagazín. The Secretariat 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 activities within petroleum industry and the activities of ČAPPO.

The representatives of some member companies, the Executive Director and the technical spokesperson repeatedly explained the problems of tax evasions, the effectiveness of the Act on Motor Fuels, the use of biofuels in transport, fuels quality and range, 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 fuels and lubricants and the Executive Director presented ČAPPO's position concerning the use of alternative fuels in transport at a number of industry events, among other at the industry conference PETROLsummit 16 and REOTRIB 2016.

The Secretariat updated regularly the Association's web pages.

ČAPPO MAIN EVENTS

Conferences and Seminars (Workshops)

The Council of the Association and the Secretariat organised the following industry workshops:

- Round Table Biofuels in Transport focused on emissions reduction I.
- Round Table Biofuels in Transport focused on emissions reduction II.

All the events had a very high quality and were attended by large number of professionals.

Other events

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

- "Čerpačka 2016" congress
- Industry conference within PETROLsummit 16
- The 22nd year of the conference REOTRIB 2016. Fuels and Lubricants Quality. Alternative fuels.

INTERNATIONAL COOPERATION OF ČAPPO

In 2016, the Association continued specialist cooperation with the FuelsEurope organisation regarding petroleum industry and environment protection. Working Groups, member companies, ČAPPO external collaborators, and other professional organisations and state authorities use the materials. In professional relationships, contacts concerning the use of fuels and biofuels, and taxes prevailed. ČAPPO supported in the media the position of FuelsEurope concerning excessive regulation of petroleum industry business by legislation.

Foreign associations provided ČAPPO with important information concerning service stations market, standards related to natural gas for drive, legislation concerning the reduction of emissions and the use of biofuels in transport and their economic support, and the implementation of the tax laws and regulations. Exchange of information was reciprocal.

On request, the Secretariat provided information and consultations to the domestic 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 Economic Chamber of the CR, the Association of Chemical Industry of the CR, z.s., the Confederation of Industry and Transport of the CR, the Service Stations Association - the Union of Independent Traders in Petroleum Industry 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 Bio-Diesel Producers Association, and ŠKODA AUTO a.s.

The Association maintains regular contacts with the abovementioned related professional unions and associations based on exchange of information, statistical data, and mutual attendance at specialized events. In 2016, ČAPPO continued in particular its cooperation in the area of counselling legislative regulations with the Association of Chemical Industry of the CR, and the Confederation of Industry and Transport of the CR. The cooperation with the Service Stations Association – the Union of Independent Traders in Petroleum Industry of the CR continued, in particular in the area of legislation and measures to limit tax evasions in relation to trading in motor fuels and in the area of the review of some of the technical standards from the area of service stations. The Automotive Industry Association and the Car Importers Union provided ČAPPO with the materials concerning motor vehicles market and composition in the Czech Republic. 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, as well as the issue of the characteristics of diesel fuel for winter conditions and the technology of AdBlue additive distribution with the support of the company ŠKODA AUTO. The Union of Car Importers provided ČAPPO with its analysis of the cars fleet in the CR classified according to the age of the cars, the type of drive and greenhouse gases emissions. A representative of the Car Importers Union took part, as necessary, at the meetings of the Working Group Fuels and Lubricants (Paliva a maziva). With the Association of Bio-diesel Producers, ČAPPO debated the experience with the blending of biofuels with diesel fuel, the use of biodiesel mix and pure FAME on the market, as well as RME quality parameters. 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 Institute of Petroleum Technology and Alternative Fuels of the University of Chemistry and Technology Prague

The Association cooperated with experts from the Institute on the technology for the use of biofuels in transport, improvement of quality parameters of fuels and lubricants, and handling operation problems. The Executive Director and some of the members participated in the project FUELPAGE (the system of fossil motor fuels quality monitoring in Serbia) with the contribution from the Central European Initiative funds.

SGS Czech Republic, s.r.o.

The Association cooperates with the company SGS on material issues concerning quality parameters checks of motor fuels at service stations, the definition of the significant deviations of petrol and diesel fuel 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 organised 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 of fuels and lubricants and comparison of quality parameters of alternative fuels. In particular, cooperation related to the use of biofuels in transport and the system of motor fuels quality checks were important.

Technological Platform Road Transport

ČAPPO continues the activity of the Technological Platform Road Transport. Within the framework of the project sustainability two round tables with the themes biofuels in transport and greenhouse gases emissions were prepared.

PETROLmedia

In compliance with the agreement with the company PETROLmedia, the Association prepared six articles for PETROLmagazin. The articles focused on the issues connected with the safety at service stations, regulation of doing business in the petroleum industry, and the history of petroleum and petrochemical industry in Kralupy nad Vltavou. The Association and some of the member companies took active part in the industry conference within the event PETROLsummit 16 and in the PETROLawards 16 contest. Again, members of the Association succeeded significantly in the contest.

Other contacts

The Association cooperates, through its Working Groups and the Secretariat, with specialists from the division of technical research and aggregates management at ŠKODA Auto, a.s., the Research Institute for Agricultural Machinery, the Central Customs Laboratories of the Czech Customs Administration. The range of debated issues includes technical, legislation, and economic themes from the area of liquid and alternative fuels, the development of motor fuels range and quality, and AdBlue liquid distribution.

Data and Information Base

In 2016, in cooperation with ČAPPO member companies, the Secretariat maintained its own data and information base. It is available to the member companies, governmental bodies and the specialists' public. In 2016, the Association updated its web site. ČAPPO web pages include ČAPPO Annual Reports, the lectures from the industry seminars and other events, assessment of the use of biofuels in transport in the Czech Republic, professional articles and information from the members of ČAPPO Working Groups.

LIST OF ANNEXES

Council of the Association at December 31, 2016

List of member companies at December 31, 2016

Specialized Sections, Working Groups, and the Secretariat at December 31, 2016

COUNCIL OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2016

From January 1, 2016 till December 6, 2016, ČAPPO Council worked in the following composition:

Chairman:

Shell Czech Republic a.s.

Ing. Petr Pražský, CSc.⁵

Ing. Igor Kuruc⁶

Vice-Chairman:

ČEPRO, a.s.

Mgr. Jan Duspěva

Members:

MOL Česká republika, s.r.o.

Ing. Kristína Félová⁷

Ing. Richard Austen, MBA⁸

OMV Česká republika, s.r.o.

Dimitrij Zadel

UNIPETROL RPA, s.r.o. – BENZINA, odštěpný závod

Ing. Marek Zouvala⁹

Robert Dominik Maňek¹⁰

⁵ till 12. 5. 2016

⁶ from 12. 5. 2016

⁷ till 1. 10. 2016

⁸ from 1. 10. 2016

⁹ till 11. 8. 2016

¹⁰ from 11. 8. 2016

From December 6, 2016, i.e. the date of election of the Council for the term 2017–2018 and, at the same time, the election of its officers, ČAPPO Council works in the following composition:

Chairman:

ČEPRO, a.s.

Mgr. Jan Duspěva

Vice-Chairman:

Shell Czech Republic a.s.

Ing. Igor Kuruc

Members:

AGROFERT, a.s.

Ing. Martin Kubů

MOL Česká republika, s.r.o.

Ing. Richard Austen, MBA

UNIPETROL RPA, s.r.o. – BENZINA, odštěpný závod

Robert Dominik Maňek

MEMBERS OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2016

AGROFERT, a.s.¹¹

Pyšelská 2327/2
149 00 Praha 4
Phone: +420 272 192 111
E-mail: agrofert@agrofert.cz
Web: www.agrofert.cz

MERO ČR, a.s.

Veltruská 748
278 01 Kralupy nad Vltavou
Phone: +420 315 701 100
E-mail: info@mero.cz
Web: www.mero.cz

OMV Česká republika, s.r.o.¹³

Štětkova 1638/18
140 00 Praha 4
Phone: +420 261 392 111
E-mail: info.czech-republic@omv.com
Web: www.omv.cz

TOTAL ČESKÁ REPUBLIKA s.r.o.¹³

IBC, budova C, Pobřežní 3
186 00 Praha 8
Phone: +420 224 890 511
E-mail: total@total.cz
Web: www.total.cz

UNIPETROL RPA, s.r.o. –

BENZINA, odštěpný závod^{11, 12, 13, 14}

Na Pankráci 127
140 00 Praha 4
Phone: +420 284 012 111
E-mail: benzina@benzina.cz
Web: www.benzina.cz

ČEPRO, a.s.^{11, 13, 15}

Dělnická 12, čp. 213
170 04 Praha 7
Phone: +420 221 968 111
E-mail: ceproas@ceproas.cz
Web: www.ceproas.cz

MOL Česká republika, s.r.o.^{11, 12, 13, 14, 15}

Purkyňova 2121/3
110 00 Praha 1
Phone: +420 241 080 811
E-mail: info@molcesko.cz
Web: www.molcesko.cz

Shell Czech Republic a.s.^{11, 12, 14, 15}

Antala Staška 2027/77
140 00 Praha 4
Phone: +420 244 025 111
E-mail: petr.kriz@shell.com
Web: <http://www.shell.cz>

UNICODE SYSTEMS, s.r.o.

Průmyslová zóna 161
374 01 Třebíč
Phone: +420 568 840 678
E-mail: miroslav.stibrsky@unicodesys.cz
Web: www.unicodesys.cz

W.A.G. payment solutions, a.s.^{11, 13, 15}

Vyšehrad Victoria
Na Vítězné pláni 1719/4
140 00 Praha 4
Phone: +420 233 555 111
E-mail: wag@eurowag.com
Web: www.eurowag.com

¹¹ Simultaneously, a member of the Alternative Fuels (Alternativní paliva) Section

¹² Simultaneously, a member of the LPG Section

¹³ Simultaneously, a member of the Lubricants (Maziva) Section

¹⁴ Simultaneously, a member of the Service Stations Operation and Motor Fuels Distribution (Provozování čerpacích stanic a distribuce pohonných hmot) Section

¹⁵ Simultaneously, a member of the Motor Fuels Transport (Přeprava pohonných hmot) Section

PERMANENT WORKING GROUPS OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2016

Fuels and Lubricants (Paliva a maziva)

Head: Ing. Václav Loula (UNIPETROL RPA, s.r.o. – odštěpný závod BENZINA)

E-mail: vaclav.loula@unipetrol.cz

Legislation and Ethics (Legislativa a etika)

Head: Mgr. Pavel Císař (ČEPRO, a.s.)

E-mail: pavel.cisar@ceproas.cz

Taxes (Daně)

Head: not elected

Safety (Bezpečnost)

Head: Petr Kríž (Shell Czech Republic a.s.)

E-mail: petr.kriz@shell.com

SPECIALIZED SECTIONS AT DECEMBER 31, 2016

SECTION ALTERNATIVE FUELS (ALTERNATIVNÍ PALIVA)

ČSOB Leasing, a.s.

Na Pankráci 310/60

140 00 Praha 4

Phone: +420 222 012 111

E-mail: info@csobleasing.cz

Web: www.csobleasing.cz

TECHNOEXPORT, a.s.

Třebohostická 14

100 31 Praha 10

Phone: +420 261 305 111

E-mail: info@technoexport.cz

Web: www.technoexport.cz/

SECTION LPG

HUNSGAS s.r.o.

Franzova 125

614 00 Brno

Phone: +420 545 235 086

E-mail: hunsgas@hungas.cz

Web: www.hunsgas.cz

Linde Gas a.s.

U Technoplynu 1324

198 00 Praha 9

Phone: +420 272 100 415

E-mail: info.cz@linde.com

Web: www.linde-gas.cz

KRALUPOL a.s.

Jandova 10/3

190 00 Praha 9

Phone: +420 272 192 111

E-mail: info@kralupol.cz

Web: www.kralupol.cz

OPTIMA GAZ s.r.o.

Dubějovická 361

257 63 Trhový Štěpánov

Phone: +420 317 729 783

E-mail: czarek@optimagaz.cz

Web: www.optimagaz.cz

Tomegas s.r.o.

Táborská 260

399 01 Milevsko

Phone: +420 382 523 274

E-mail: tomegas@tomegas.cz

Web: www.tomegas.cz

SECTION LUBRICANTS (MAZIVA)

AutoMax Group s.r.o.

K Hájem 1233/2

155 00 Praha 5

Phone: +420 272 700 530

E-mail: info.cz@automax-group.com

Web: www.automax-group.com

Eni Austria GmbH, odštěpný závod Praha

Klimentská 1216/46

110 00 Praha 1

Phone: +420 234 099 705

E-mail: oleje@cz.eniaustria.at

**LUKOIL Lubricants Europe GmbH,
odštěpný závod**

Kutvirtova 339/5

150 00 Praha 5

Phone: +420 731 130 518

+421 903 716 214

E-mail: kamila.sobeslavova@lukoil.com

jana.kovacova@lukoil.com

Web: www.lukoil-lubricants.eu

Valar Czech Oil, a.s.

Dopraváků 3

184 00 Praha 8

Phone: +420 220 990 721

E-mail: nocc@nocc.cz

Web: www.valar.cz

PARAMO, a.s.

Přerovská 560

530 06 Pardubice

Phone: +420 466 810 111

E-mail: paramo@paramo.cz

Web: www.paramo.cz

**SECTION SERVICE STATIONS OPERATION AND MOTOR FUELS DISTRIBUTION
(PROVOZOVÁNÍ ČERPAČÍCH STANIC A DISTRIBUCE PHM)**

ETK s.r.o.

Skřivánčí 2344/9a

466 01 Jablonec nad Nisou

Phone: +420 483 360 071

E-mail: etk@etk.cz

Web: <http://www.etk.cz>

HDB, s.r.o.

Dvořákova ul. 48

517 54 Vamberk

Phone: +420 494 371 788

E-mail: hdb@hdb.cz

KM-PRONA, a.s.

463 55 Rynoltice 21

Phone: +420 485 246 707

E-mail: km-prona@km-prona.cz

Web: www.km-prona.cz

SECTION MOTOR FUELS TRANSPORT (PŘEPRAVA POHONNÝCH HMOT)

ABS Bonifer Czech, s.r.o.

K Hájům 946/10

155 00 Praha 5

Phone: +420 251 613 820

E-mail: bonifer@bonifer.cz

Web: www.bonifer.de

Klacska s.r.o.

Kozomín 503

277 45 Úžice

Phone: +420 281 866 206

E-mail: klacska@klacska.cz

Web: www.klacska.cz

SECRETARIAT OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO)

Executive Director

Phone:

E-mail:

Ing. Jan Mikulec, CSc.

+420 274 817 404

mikulec@cappo.cz

Executive Director Assistant

Phone:

E-mail:

Ing. Miloš Podrazil

+420 602 656 683

podrazil@cappo.cz

Technical Spokesman

Phone:

E-mail:

Ing. Václav Loula

+420 736 506 460

cappo@cappo.cz

Assistant

Phone:

E-mail:

Ing. Milada Šmahová

+420 274 817 404

smahova@cappo.cz

cappo@cappo.cz

Internet:

www.cappo.cz

Address:

Rubeška 393/7, 190 00 Praha 9 - Vysočany

ABBREVIATIONS

CNG	Compressed natural gas
ČAPPO	Česká asociace petrolejářského průmyslu a obchodu (Czech Association of Petroleum Industry and Trade)
ČMI	Český metrologický institut (Czech Metrology Institute)
ČOI	Česká obchodní inspekce (Czech Trade Inspection)
ČSN	Česká technická norma (Czech Technical Standard)
ČSÚ.....	Český statistický úřad (Czech Statistical Office)
VAT	Value Added Tax
EU	European Union
FAME.....	Fatty acids methyl esters
GŘC.....	Generální ředitelství cel (Czech Customs Administration)
LNG	Liquefied Natural Gas
LPG.....	Liquefied Petroleum Gas
MD	Ministerstvo dopravy (Ministry of Transport)
MEŘO (RME) ..	Rapeseed Oil Methyl Esters
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)
NESO.....	Národní organizace pro společný postup ve stavu ropné nouze (National Emergency Sharing Organisation)
NRK	New refinery at Kralupy nad Vltavou
PSP ČR	Poslanecká sněmovna Parlamentu ČR (Parliament's Chamber of Deputies)
PHM.....	Motor fuels
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SCHP ČR	Svaz chemického průmyslu ČR (Association of Chemical Industry of the Czech Republic)
SSHR.....	Správa státních hmotných rezerv (Administration of State Material Reserves)
TPSD	Technologická platforma silniční doprava (Technological Platform for Road Transport)
ÚNMZ	Úřad pro technickou normalizaci, metrologii a státní zkušebnictví (Czech Office for Standards, Metrology, and Testing)