

ANNUAL REPORT

2017



CZECH ASSOCIATION
OF PETROLEUM
INDUSTRY AND TRADE

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PRAGUE

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CHAIRMAN'S MESSAGE

Motto: "We have been here for you for twenty-five years and we will be here for you for the next twenty-five years, too."

The year 2017 was the twenty-fifth year of successful activities of the members of our Association in the field of petroleum industry and trade. The Association remembered this important anniversary at the celebratory meeting of its members and guests on November 16, 2017. In the course of this meeting, the members assessed the important actions from the previous years. In his presentation, the Executive Director indicated priority activities in the next period focused on current legislation for fuels, the use of fuels based on renewable energy sources, the fight against tax frauds in the area of oil products trading and safety in the distribution of fuels.

On occasion of the celebratory meeting of the members, ten persons were awarded for their active professional work in the Association.

To mark 25 years of activities, the Council organized in the first half of 2017 two industry workshops with the theme fuels distribution safety and new fuels for compression ignition engines. Both events had a high professional quality and professionals from ČAPPO members, government authorities, industry institutions, universities and companies from the area of petroleum industry and trade participated in the venues.

To commemorate 25 years of its activities, ČAPPO published a collection of works and distributed it among the participants in the celebratory meeting and other persons connected with ČAPPO.

In 2017, ČAPPO's activities focused, as its priority, on the implementation of the programme ČAPPO Modernization 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.

The 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, and activities in the area of legislation aimed at the preparation of an audit in depth of the Act on Motor Fuels are considered the most important successes by the Association in 2017.

In 2017, the Association intensively devoted itself to transformation amendment of the Act on Air Protection. 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.

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 2017 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 greenhouse gases emissions from motor fuels combustion in the period from 2014 to 2017.

Over the course of 2017, 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 0.2% from collected samples in the cases of the member companies, while the whole market achieved a rate of defects of 1.4%. For the period of 10 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 proposer rejected the draft. Further, the Association prepared evidentiary source materials for the discussions with the Czech Trade Inspection about more impartial localization of the checks of fuels quality at service stations.

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, including advanced motor 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, the 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 two additional safety standards for fuels distribution and safety marking at service stations for the employees of the service station and its customers, 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 2017, there was further increase in intensity of 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 new website of ČAPPO 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, the Executive Director, and the technical spokesman took active part in the PETROLsummit 17 meeting of professionals, PRO-ENERGY CON 2017 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 2017, 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. Late in the year, the period of the "sustainability of the results" from previous phases was completed with success.

ČAPPO members again achieved excellent results in the 11th year of the PETROLawards 2017 and the Executive Director was awarded the title "Person of the Year".

In the course of the year, the Association succeeded in recruiting two new members of professional sections and in significant developing of their activities.

In 2018, priorities in the activity of ČAPPO will be, in particular, the preparation of a draft of amendment of the 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, and the maintenance of the transparent and fair competition on the market.

*Mgr. Jan Duspěva
Council Chairman*

Prague, June 2018

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.

In 2017, 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 2017 reached 7,813.6 thousand tons, which is by 46.7% higher than in 2016. Pipeline Družba delivered 51.3% 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 2017 the petroleum products imports amounted to 3,653 thousand tons. Motor fuels (petrol and diesel fuel) contributed with the highest part, i.e. 72.4%, to this result.

In 2017, refineries products exports indicated in the units of mass reached 2,393.3 thousand tons. Motor fuels (petrol and diesel fuels) contributed with the highest part to this result, i.e. 60.4%. Export of local petroleum amounted to 23.9 thousand tons, i.e. it was lower than in the previous year by 15.8%.

Total deliveries of selected petroleum products onto the market in the CR in 2017 are shown in Table 1. Data show stock movement.

Table 1

Product	Thousand tons	Index 2017/2016
Unleaded petrol ¹	1,601	99.6
Jet fuel	396	115.1
Diesel Fuel ¹	4,897	103.5
Mineral oil and other gas oils	5	11.1
Heating oils up to 1% sulphur m/m	45	95.7
Heating oils with more than 1% sulphur m/m	11	91.7
Total LPG	439	149.3
Lubricating oils and other oils in total	201	103.1
Bitumen and bitumen products	386	82.6
Biocomponents for transport ²	380	105.6

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)	97.9
Petrol with octane number min. 98 and more (SUPER PLUS)	2.1

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	63.5
Jet fuel	47.8
Diesel Fuel ³	57.8
Heating oils in total	100.0
Total LPG	41.3
Lubricating oils in total	0.0
Bitumen and bitumen products	26.1

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 2017, 360 thousand tons of fossil component were replaced by first generation biofuels, which represents a 6.5% 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 7,020 service stations and delivery points were registered at December 31, 2017 on the market of the Czech Republic, including 3,940 public and the remaining number of service stations selling to specified entities and non-public facilities. Index of total service stations (2017/2016) makes 100.4% and of public service stations 100.9%. The share of ČAPPO member companies in the total number of public service stations achieved 30.8%.

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. 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	1,032	12	1.2	0/0
Diesel Fuel	1,274	12	0.9	2/0.2
Diesel blend, biodiesel, and E85 fuel	10	2	20.0	0/0
LPG and CNG	334	0	0.0	0/0
Total	2,650	26	1.0	2/0.2

⁴ from all samples collected at service stations

In 2017, ČAPPO member companies again achieved excellent 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 of some of the members in the *Seal of Quality Plus* Project as well as to the implementation of the company culture and ethics. Only 0.2% from the samples collected at the facilities of the member companies did not meet the requirements, while the same indicator achieved 1% in the samples collected from the

remaining market. For the whole year, the member companies maintained zero rate of defects of petrol, blend fuels, LPG and CNG. The deviations of fuels quality from standard values in the samples of diesel oil from the member companies did not influence the use value and environmental characteristics of motor fuels. The rate of defects of other market participants was recorded for petrol, diesel fuel and blend fuels, which was the highest. This is the best result from the year 2002, when the Czech Trade Inspection started the monitoring of the fuels market.

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 2017:

- For the year 2017, the Act on Air Protection prescribed the reduction of greenhouse gases emissions from motor fuels combustion by 3.5% in comparison with the year 2010. The obliged entities fulfilled this task.
- In consequence of the continuing growth of industrial production, the motor fuels market revived, in particular in the case of diesel fuel.
- With some unimportant exceptions, petrol Speciál is not offered 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) have not been sold on the market due to the significant removal of their tax support.
- The consumption of LPG motor fuel for transport achieved 95.7 thousand tons.
- Thanks to the tax support, CNG consumption significantly rose to 67.6 million m³, i.e. by 13.9% in comparison with the previous year.
- LPG motor fuel was available from 507 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 164 public filling stations.
- Some of the premium petrols, diesel fuel and diesel fuel for arctic conditions 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 24% 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 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.

ACTIVITIES OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE

The General Meeting

The Annual General Meeting was held on June 27, 2017. At the Annual General Meeting, the member firms approved the activities and economic results of the Association in the year 2016 and the Annual Report for the year 2016. The General Meeting asked the Council to focus the activity of the Association to the analysis of legislative regulations (amendment of the Motor Fuels Act and the Act on Air Protection), 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 new members of the specialized sections, i.e. the companies SGS Czech Republic s.r.o. and CCS Česká společnost pro platební karty s.r.o. in the specialized section Service Stations Operation (Provozování čerpacích stanic), and the company PETROTRANS, s.r.o., in the specialized section Motor Fuels Transport (Přeprava pohonných hmot). Further, the General Meeting noted the reports from the members of the Councils from the individual areas of activities of ČAPPO under their powers. The General Meeting debated the presented information with the focus on legislative and media initiatives for the extension of communication activities (website innovation) and the assessment of 25 years of activity. Within the debate, the members asked to consider a decrease in the membership fees.

The regular General Meeting was held on December 7, 2017 and took notice of the Report of the Council about the Activities of the Association in the period after the Annual General Meeting in June. Further, it took notice of the report on fulfilment of the Programme of Priorities in ČAPPO Activities in 2017 and noted that they had been fulfilled or are fulfilled on an on-going basis. Together with the assessment of the year 2017, the General Meeting debated and adopted the programme of priorities for the year 2018. Further, it took notice of the maintenance of the budget in 2017 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 2018. Within the framework of the agenda of the General Meeting, the members debated further focus of activities in the area of the legislation and 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. The General Meeting appreciated the organization of the events connected with the 25 years of ČAPPO activities.

The Auditor

The economy of ČAPPO in 2017 was audited by Ing Věra Skalská, KAČR authorization No. 1440. The result of economy was a surplus of CZK 513,599.51. The auditor's statement was without reservation.

The Council

In the year 2017, 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. Later, the Council discussed with the appropriate section of the Ministry of Industry and Trade the preparation of a new legislation on motor fuels.

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, the Executive Director and specialized section Alternative fuels

(Alternativní paliva) prepared analytical materials and proposals for the processes of including of gaseous fuels and electricity into the pool of emissions reduction.

Taking into account various articles in press concerning the range of motor fuels in the period from 2017 to 2020, the Council presented in public and repeatedly 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 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.

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 (the Act on Public Budgets) with the aim to restrict tax frauds in connection with fuels, including biofuels and the implementation of the measures of 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, 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.

The Council and the Secretariat ensured organization of the celebratory meeting of the members and guests to commemorate 25 years of activities of the Association.

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 2017, the permanent Working Groups had nine 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, the Act on Public Budgets, Act on Payments, environment protection and general law regulations. The appropriate Working Groups and specialized Section Alternative Fuels amended the “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 2018 through 2025, the transformation of EU 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 debated the results of checks of motor fuels quality at service stations performed generally by the Czech Trade Inspection.

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 17 and PRO ENERGY CON 2017.

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 Legislation and Ethics (Legislativa a etika) held three meetings. It debated current issues of legislation and prepared, among other, the general source materials for the amendment of the Act on Motor Fuels, Act on payments and other. 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 twice. It focused its attention on information concerning the planned amendment of the laws related to the excise taxes, Act on Public Budgets, Motor Fuels Act and the launch of a new eurodenaturant for bioethanol. 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 two meetings and focused its activities on the issues connected with safe activities of the employees and customers at service stations and during motor fuels transport. It prepared international workshop with the theme safety of motor fuels distribution. The workshop was assessed as very good by the members of the Association and guests. The Working Group prepared its own form for the reporting of emergency events in the year 2017. Using its own sources, it prepared two safety standards for the area of motor fuels distribution, namely: ČAPPO standards No. 5/2017 Safety Markings at Service Stations from the Point of View of a Customer, and No. 6/2017 Filling Sites for Tank Trucks. Technical Requirements for the Filling Site. In addition, the Working Group conducted two Safety Walks, one at a service station of a ČAPPO member, and at the centre of distribution of bitumen and bitumen products.

Ad hoc Working Groups

In the course of the year 2017, 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, amendment of the Motor Fuels 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 2018 and the preparation of industry events in 2017. The Secretariat and the ad hoc Working Group Technical Standards, based on agreement with the Czech Office for Standards, Metrology, and Testing (ÚNMZ), prepared three changes 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 bitumen, 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.

Further, the ad hoc Working Group prepared celebratory meeting of ČAPPO members and guest to commemorate the 25th anniversary of ČAPPO's activities and ensured its realization. For the anniversary, it prepared a collection of works focused on 25 years of ČAPPO activities.

In total, ad hoc Working Groups held nine meetings.

Specialized Sections

In 2017, members of ČAPPO specialized sections met at seven meetings. They debated specific issues based on the object of activities of the given section.

Specialized section Alternative Fuels (Alternativní paliva) cooperated closely with the Czech Gas Industry Union with the focus on the issues of the use of BNG in road transport. In cooperation with ČPS and ČEZ it debated the methodology of the inclusion of alternative fuels into the pool of emissions reduction. Further, it dealt with the issues concerning alternative fuels around the year 2020.

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 specialized section Service Stations Operation (Provozování čerpacích stanic) contributed to the amendment of the Act on Motor Fuels and the selection of actual issues that need to be debated (trucks parking at the highway type service stations and the like).

The specialized section Motor Fuels Transportation (Přeprava pohonných hmot) deals with the problems of modernization and safety of motor fuels road transport.

The specialized section Oil Processing, Fuels and Lubricants Production (Zpracování ropy, výroba paliv a maziv) met once and debated the formulation of key themes for the activity of the section.

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 PETROLsummit 17 and PRO ENERGY CON 2017.

The Executive Director is a member of the National Emergency Sharing Organisation (NESO).

The Executive Director together with the Secretariat ensured organization of the members meeting to commemorate the 25th anniversary of ČAPPO activities.

The assistant of the Executive Director represents 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.

Technical Spokesman

The technical spokesman regularly provided information and interviews to the technical printed media, as well as TV and radio stations from the area of the market, quality and motor fuels range, biofuels and alternative fuels, service stations network and the situation with current legislation. He prepared technical and PR articles concerning the issues of premium fuels, useful characteristics of fuels, future market of advanced fuels for road transport. He took active part in professional events, like PETROLsummit 2017, PRO-ENERGY 2017 and moderated industry workshop New Fuels for Compression Ignition Engines. Further, he regularly updated information for motorists on ČAPPO website.

Membership

At December 31, 2017, the Association had 10 regular members.

At December 31, 2017, five specialized sections worked within the Association:

- Alternative Fuels (Alternativní paliva)
- LPG
- Service Stations Operation (Provozování čerpacích stanic)
- Motor Fuels Transportation (Přeprava pohonných hmot)
- Oil Processing, Production of Fuels and Lubricants (Zpracování ropy, výroba paliv a maziv).

At December 31, 2017, specialised sections had 20 members. The lists of the regular members and members of specialised sections are annexed.

Programme of priority activities of ČAPPO in 2017 and in a medium-term planning horizon

- To be permanently 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 0.2% from the collected samples were defective.
- To strive permanently for the transparent and fair legislation and competition on the motor fuels market (in cooperation with both governmental and non-governmental institutions). To use legislative and educational tools in the fulfilment of this task.
ČAPPO fulfils this task through its activities in the area of legislation, cooperation with the governmental authorities, engagement of its representatives in the working groups of various ministries, 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 maintain permanently high safety standards in relation to the motor fuels distribution and service stations operations for the employees and customers.
This priority has been ensured by ČAPPO Working Group Safety (Bezpečnost). In 2017, it prepared two safety standards for motor fuels distribution with the focus on service stations and safety markings in them. Further, it organizes the system of Safety Walks as a means of sharing information about extraordinary events in the member companies without competition. This Working Group also organized international workshop with the theme safety of motor fuels distribution.
- To ensure the fulfilment of the plan to reduce greenhouse gases emissions by 3.5% in the period from 2017 to 2019. To analyse the legislative technical-organizational measures focused on emissions reduction in 2020 and to propose, based on the analysis, feasible legislatively-technical measures.
The ČAPPO members who are obliged entities according to the Act on Air Protection fulfilled the plan to reduce greenhouse gases emissions. The specialized section Alternative Fuels prepared and debated within its activities the analytical materials to

demonstrate the impossibility to fulfil the plan for the emissions reduction in the year 2020 by 6% from the economic and technical point of view.

- To maintain and enduringly improve positive image of ČAPPO in the media as professional institution in the area of petroleum industry and trade. To this end, topical professional presentations, information on own website, organization of the “open door days” at some of the technological facilities (service stations, customs warehouses terminals of motor fuels distribution of ČAPPO members) as well as presentations by the members of the Council, the Executive Director and Technical Spokesman should be used.

In the area of the improvement of ČAPPO image in the media, ČAPPO website was fully modernized both from the point of view of the contents and from the point of view of their form. The content has been regularly updated. Some of the members of the Council and the Executive Director took active part in the industry conferences PETROLsummit 17 and PRO-ENERGY CON 2017. Within the agreement with the company PETROLMEDIA, ČAPPO published six PR articles from the area of advanced biofuels, motor fuels distribution safety and ČAPPO history.

Updated Tasks for 2017

- To push through and prepare complete amendment of the Motor Fuels Act taking into account the comments from ČAPPO.

The ad hoc Working Group for the Motor Fuels Act amendment prepared a draft that is being debated with the partners from the state administration. The division of gas industry and liquid fuels of the Ministry of Industry and Trade plans the delivery of the draft amendment of the Act in June 2018.

- To pursue and influence the development of the regulatory measures related to the availability and use of alternative fuels taking into account the obligation to reduce emissions from the motor fuels combustion in the period 2017 to 2020.

Through its specialized section Alternative Fuels, ČAPPO fulfils this task in the debates with alternative fuels and electricity suppliers about the source materials concerning inclusion of these fuels into the pool considered within greenhouse gases emissions reduction.

- To monitor and influence the legislative process of the Act on Air Protection (Act No. 201/2012 Coll.) with the aim to determine feasible targets for the greenhouse gases emissions reduction.

In the previous period, the Chamber of Deputies of the Parliament of the Czech Republic did not debate the governmental draft of the amendment of the Act on Air Protection for the lack of time – it had to handle other important tasks. The Ministry of Environment submitted the draft again to the government and the government presented it after the debate and approval to the new Chamber of Deputies. It will consider the draft as ST 13.

- To monitor and influence the amendment of the Decree of the Government No. 351/2012 Coll. on the criteria of biofuels sustainability.

With the division of air protection of the Ministry of Environment, ČAPPO discussed the proposal for the necessary changes in the amendment to the decree. The wording is relevant to the needs of ČAPPO members.

- To follow continuously, through the permanent Working Group Fuels (Paliva) current situation on the motor fuels market with the aim of the timely detection of tax frauds related to the circumvention of emission permits. To propose possible measures.

With a monthly frequency, ČAPPO monitors the movement of motor fuels and other products on the market, including their imports and exports. Special attention has been paid to the products that can be misused. The results have been discussed with the General Customs Directorate.

- To continue the preparation of the minimum safety standards for motor fuels distribution.
In 2017, the Working Group for safety prepared two safety standards:
 - No. 5/2017 *Safety Markings at Service Stations from the Point of View of a Customer*
 - No. 6/2017 *Filling Sites for Tank Trucks. Technical Requirements for the Site.*
- To pay permanent attention to the regulation of the mineral oils market with the aim to detect duplicate obligations (in particular recording) and to propose their unification, respect and simplification.
The task is being fulfilled through the monitoring by ČAPPO Working Groups Legislation and Ethics (Legislativa a etika) and Taxes (Daně).
- To prepare common position of ČAPPO members to the tax support for alternative fuels and electricity from the renewable electricity sources for road transport.
The task is being fulfilled through the specialized section Alternative Fuels (Alternativní paliva) with the involvement of the representatives of the companies ČPS and ČEZ.
- To cooperate with the state administration in the preparation, assessment and review of non-legislative governmental documents with the impact on business activities of ČAPPO members (in particular the concepts and national action plans).
Through the monitoring by the Executive Director and Secretariat, ČAPPO follows and analyses the documents prepared by ČPS (CNG), the Automotive Industry Association and by the working group of the ministries (the Ministry of Industry and Trade and the Ministry of Transport).

The regular General Meeting on December 7, 2017 noted that the tasks of 2017 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 2017

The Council, Working Groups, Specialized 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 prepared by the Czech Statistical Office and used for operational activities.

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 bitumen 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 2017, 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 spokesman 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:

Adopted legislation of the CR

- Decree No. 83/2017 Coll., amending Decree No. 330/2012 Coll., on the Method for Review and Assessment of the Level of Pollution, Extent of Informing the Public about the Level of Pollution and in the Cases of Smog Situations;
- Governmental Decree No. 96/2017 Coll., amending Governmental Decree No.120/2016 Coll. on the Assessment of the Measuring Devices when Delivered to the Market;
- Act No. 152/2017 Coll., amending Act No. 311/2006 Coll. on Motor Fuels and Service Stations and about the amendment of certain related acts (Act on Motor Fuels), as amended, and other related acts;
- Decree No. 153/2017 Coll., amending Decree No. 133/2010 Coll. on the Requirements for Motor Fuels, the Method of Motor Fuels Quality Following and Monitoring and their Documentation (Decree on Motor Fuels Quality and Documentations, as amended);
- Act No. 225/2017 Coll., amending Act No. 183/2006 Coll., on Area Planning and Building Order (Building Act), as amended, and other related acts;
- Act No. 370/2017 Coll. on Payments;
- Act No. 371/2017 Coll., amending several acts in connection with the adoption of the Act on Payments;
- Decree No. 323/2017 Coll., amending the Decree on Technical Requirements for Buildings, in the wording of Decree No. 20/2012 Coll.;
- Act No. 326/2017 Coll., amending Act No. 100/2001 Coll. on Environmental Impact Assessment and on the Amendment of Certain Related Acts (Environmental Impact Assessment Act), as amended;
- Decree No. 452/2017 Coll., amending Decree No. 415/2012 Coll., on the Permissible Level of Pollution and its survey, and on Implementation of Some Other Provisions of the Act on Air Protection, as amended.

Debated legislation, still open acts

- 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 (ST 13);
- New Governmental Decree No. 351/2012 Coll. on Sustainability Criteria of Biofuels.

Technical standards

- ČSN 65 6508 Automotive fuels - Diesel fuel blends containing Fatty acid methyl esters (FAME) - Requirements and test methods;

- ČSN 65 6691 Oil products - Fuel oils derived from waste oils - Requirements and test methods;
- ČSN P ISO/TS 19880-1 (65 6525) Gaseous hydrogen - Fuelling stations - Part 1: General requirements;
- ČSN EN 16942 Fuels - Identification of vehicle compatibility - Graphical expression for consumer information;
- ČSN EN ISO 65 6521 (EN ISO 17268) Gaseous hydrogen - land vehicle refuelling connection devices;
- ČSN 73 6060 Filling Station /review/;
- ČSN EN 16723-1 (38 5585) Natural gas and biomethane for the use in transport and biomethane for injection in the natural gas network — Part 1: Specifications of biomethane for injection in the natural gas network;
- ČSN EN 1590 (65 6584) Diesel fuel – Paraffinic diesel fuel from synthesis or hydrotreatment - Requirements and test methods;
- ČSN EN 228 / Amendment Z2 Automotive fuels – Unleaded petrol – Technical requirements and test methods;
- ČSN EN 590 / Amendment Z2 Automotive fuels – Diesel oil – Technical requirements and test methods;
- prEN 15294 Automotive fuels – Automotive ethanol (E85) – Requirements and test methods (public debate).

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;
- Memorandum on Automobile Industry.

Adopted legislation acts of the European Parliament and Council

- Implementing Regulation of the Commission (EU) 2017/2236, from December 5, 2017, amending Regulation (EC) No. 3199/93 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty.

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 eight 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 2017.

State Authorities

Through its Council, the 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 division of the strategy and international cooperation in power industry). 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 2017, 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 2017). Through the Ministry, the members of the Association applied their opinions concerning legislation focused on environment, in particular on the management of wastes of petroleum origin.

With the Ministry of Finance, the Association and its Working Group Taxes (Daně) mainly cooperated in addressing current technical and legislative issues of the amendment of Excise Tax Act and the amendment of the Act on Public Budgets. 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. They attended the debates concerning 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 bioethanol. 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 bioethanol 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 fuels blends and pure 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 agreement 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. It held consultations related to the capacity of the check of flowmeters for measuring motor fuels volume.

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, E15, as well as to the EURO weekly, the Svět motorů and Prosperita Magazines 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, the situation in the area of advanced biofuels development after 2020, 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 spokesman 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 channels.

Some of the members of the Council, members of ČAPPO Working Group Fuels (Paliva) 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 17 and PRO-ENERGY CON 2017.

Through a professional contractor, the Association's website was modernised.

ČAPPO MAIN EVENTS

Conferences, meetings and Seminars (Workshops)

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

- International industry workshop Safety of Motor Fuels Distribution;
- International industry workshop New Fuels for Compression Ignition Engines;
- ČAPPO's celebratory meeting to commemorate 25 years of its activities.

All the events had a very high quality and were attended by large number of professionals. To commemorate 25 years of ČAPPO's activities, the Secretariat published collection of works "SBORNÍK ČAPPO 25 LET". Its gift version was distributed among the participants at the celebratory meeting. It is available to public on ČAPPO's website.

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:

- Industry conference PETROLsummit 2017;
- Industry conference within PRO-ENERGY CON 2017;
- Breakfast with journalists with the update on current legislation regulations from the field of fuels;
- Industry meeting Smart Prague (clean mobility) related to the project Charging Stations – building of new charging points for electromobiles.

INTERNATIONAL COOPERATION OF ČAPPO

In 2017, 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 the setting of excise 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 international 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 2017, 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 legislative 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 (Paliva) and specialized section Alternative Fuels (Alternativní paliva). 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 completion of 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 certification 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 continued the activity of the Technological Platform Road Transport. Within the framework of the project sustainability one industry workshop with the theme New Fuels for Combustion Ignition Engines was 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, biofuels, and advanced fuels for road transport. The Association and some of the member companies took active part in the industry conference within the event PETROLsummit 17 and in the PETROLawards 17 contest. Again, members of the Association succeeded significantly in the contest and the Executive Director was awarded the title of the "Person of the Year".

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, and 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 2017, 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 2017, the Association modernized its website. 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, 2017

List of member companies at December 31, 2017

Working Groups, Specialized Sections, and the Secretariat at December 31, 2017

COUNCIL OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2017

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 Maňtek

MEMBERS OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2017

AGROFERT, a.s.⁵

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.^{5, 7, 8, 9}

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TOTAL ČESKÁ REPUBLIKA s.r.o.^{7, 9}

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Web: www.total.cz

UNIPETROL RPA, s.r.o. –

BENZINA, odštěpný závod^{5, 6, 7, 9}

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MOL Česká republika, s.r.o.^{5, 6, 7, 8, 9}

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110 00 Praha 1

Phone: +420 241 080 811

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Web: www.molcesko.cz

Shell Czech Republic a.s.^{5, 6, 7, 8}

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E-mail: petr.kriz@shell.com

Web: www.shell.cz

UNICODE SYSTEMS, s.r.o.

Průmyslová zóna 161

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Web: www.unicodesys.cz

W.A.G. payment solutions, a.s.^{5, 8}

Vyšehrad Victoria

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E-mail: wag@eurowag.com

Web: www.eurowag.com

⁵ Simultaneously, a member of the Alternative Fuels (Alternativní paliva) Section

⁶ Simultaneously, a member of the LPG Section

⁷ Simultaneously, a member of the Service Stations Operation (Provozování čerpacích stanic) Section

⁸ Simultaneously, a member of the Motor Fuels Transport (Přeprava pohonných hmot) Section

⁹ Simultaneously, a member of the Oil Processing, Motor Fuels and Lubricants Production (Zpracování ropy, výroba paliv a maziv) Section

PERMANENT WORKING GROUPS OF THE CZECH ASSOCIATION OF PETROLEUM INDUSTRY AND TRADE (ČAPPO) AT DECEMBER 31, 2017

Taxes (Daně)

Head: Ing. Jitka Danielová (MOL Česká republika, s.r.o.)
E-mail: jitka.danielova@molcesko.cz

Legislation and Ethics (Legislativa a etika)

Head: Mgr. Pavel Císař (ČEPRO, a.s.)
E-mail: pavel.cisar@ceproas.cz

Motor Fuels (Paliva)

Head: Ing. Jan Mikulec, CSc. / Ing. Václav Loula (ČAPPO)
E-mail: cappo@cappo.cz

Safety (Bezpečnost)

Head: Petr Kříž (Shell Czech Republic a.s.)
E-mail: petr.kriz@shell.com

SPECIALIZED SECTIONS AT DECEMBER 31, 2017

ALTERNATIVE FUELS (ALTERNATIVNÍ PALIVA)

ČSOB Leasing, a.s.

Na Pankráci 310/60
140 00 Praha 4
Phone: +420 222 012 111
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Web: www.csobleasing.cz

TECHNOEXPORT, a.s.

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Web: www.technoexport.cz/

LPG

HUNSGAS s.r.o.

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ABBREVIATIONS

BNG	BioMethan
CNG	Compressed Natural Gas
ČAPPO	Česká asociace petrolejářského průmyslu a obchodu (Czech Association of Petroleum Industry and Trade)
ČOI	.....	Česká obchodní inspekce (Czech Trade Inspection)
ČPS	.....	Český plynárenský svaz (Czech Gas Association)
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 (General Directorate of Customs)
LNG	.....	Liquefied Natural Gas
LPG	.....	Liquefied Petroleum Gas
MD	.....	Ministerstvo dopravy (Ministry of Transport)
MEŘO (RME)	..	Rapeseed Oil Methyl Esters
MF	.....	Ministerstvo finance (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	.....	National Emergency Sharing Organisation
PSP ČR	.....	Poslanecká sněmovna Parlamentu ČR (Czech Parliament's Chamber of Deputies)
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)
TNK	.....	technická normalizační komise (Technical Standardization Committee)
TPSD	.....	Technologická platforma silniční doprava (Technology Platform for Road Transport)
ÚNMZ	.....	Úřad pro technickou normalizaci, metrologii a státní zkušebnictví (Czech Office for Standards, Metrology, and Testing)
VŠCHT	.....	Vysoká škola chemicko-technologická (University of Chemistry and Technology, Prague)