

The 7th Refining Forum concludes that EU refining is a strategic asset for the EU economy. Innovation and fair regulations are key enablers for international competitiveness

Brussels, 3 February 2017: The 7th EU Refining Forum attracted more than 150 participants representing Member States, Commission, European Parliament, Industry and others. Whilst recognising the strategic role for security of supply, innovation, social and economic value of refining in Europe, the Forum debated on the short-term challenges impairing sector's competitiveness as well as the long-term role of refining and petroleum liquid fuel in the EU fuel mix.

The 7th EU Refining Forum under the auspices of the Commission, DG Energy, gathered once again more than 150 participants from Member States, Commission services, European Parliament, Industry and other stakeholders.

Dominique Ristori, Director General in DG Energy, opened the Forum by underlining the need of a fair balance between emission reduction and international competitiveness of the EU refineries.

In his keynote speech, Commissioner Arias Cañete stressed the strategic role of refining industry for innovation, employment and security of supply in Europe. This industry needs to use its strong innovation capability to contribute to the energy transition.

CEPSA CEO, Pedro Miro, underlined that *"oil will continue to play a dominant role in the coming decades, accounting for almost 80% of total energy supplies in 2035."* He however stressed that EU refineries need massive investments as a result of current and forthcoming legislation which only allow refiners to stay in business without generating any returns.

John Cooper reflected on the recurrent support and active attendance of Member States at the Forum. He commented: *"We welcome the intervention of eight Member States who expressed their concerns over the international competitiveness of EU refining sector, calling for an update of the Fitness Check and*

using the results to assess the cumulative impact of new legislation."

Member of the Parliament Ian Duncan, Rapporteur in the ENVI Committee on the Revision of the EU ETS, gave his views on the unfolding policy debate and stressed that ETS is an integral part of EU's solution to climate change.

John Cooper commented *"EU refineries need to compete on an international level playing field. Until other significant regions of the world take up binding commitments in GHG reductions, translating into a carbon cost for their industries, the best performing EU refineries must have effective and complete protection from carbon leakage."*

For the longer term, John Cooper said that *"post-2030 we will need global carbon price convergence through innovation in policy to ultimately achieve an effective economy wide carbon price."*

Jaime Martin Juez, Director of Technology and Sustainability at Repsol commented: *"Climate challenges require us to be ambitious in emissions reduction targets, however we can't ignore competitiveness. The two challenges must be addressed together and try to be mutually reinforcing. This will only be achieved through a serious, rigorous and reality-based debate, away from ideological debates that do not have solid support."* He also stressed that *"innovation and technological development are essential for ensuring reliable and sustainable energy supply in the long term."*

Finally, John Cooper underlined that *“one of the biggest challenges for our industry is the evolution of our transport system. Tomorrows’ vehicle fleet is chosen by today’s regulations, these should consider carbon life cycle”*. Furthermore, he said that *“Europe’s longer term strategy seems to be an ambitious technology approach, but with limited options and a tendency for picking winners. We strongly believe in the capability of the market to deliver the most effective solutions to achieve environmental targets in an economically sustainable way”*.

John Cooper welcomed the continued interest from Member States, Commission and other stakeholders in the next Refining Forum and thanked the Commission, DG Energy, for organising this constructive discussion platform.

Mechthild Wörsdörfer, Director in DG Energy, closed the Forum taking stock of the high level of interest for this multi-stakeholders platform for debate and mentioning the plan for the next edition.

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FuelsEurope, the voice of the European petroleum refining industry.

FuelsEurope represents with the EU institutions the interest of 40 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

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- Promote an understanding amongst the EU institutions and citizens of the contribution of European Petroleum Refining and Distribution and its value chain to European economic, technological and social progress

Contact : Lukasz Pasterski T +32 2 566 91 04 lukasz.pasterski@fuelseurope.eu www.fuelseurope.eu