

D.K.S.

ENERGY GERMANY NEWS

Edition 01 - weekly

INSIGHTS KEY

Prezzo ø per Super E10
166,6 ct/l

Price ø for Super
E10 166.6 ct/l

Energy tax on diesel
47 ct/l

MORE ELECTRIC CARS, LESS REQUEST GAS

Considering the global demand for gasoline, it is likely that there will be a slowing effect due to the growing number of electric cars in the vehicle fleet, the Commerzbank analyst points out. The share of electric cars in new cars in China is expected to reach 40 percent this year.

In the short term, today's announcement of far-reaching economic stimulus



FUEL TAXES AND TAXES

For petrol the energy tax rate is 65.45 cents per litre, for diesel 47.04 cents for Furthermore, VAT of 19 percent is payable on all Energy carriers.

It is charged on the value of the goods, including energy tax. 9 Feb 2024
07.19.2024 - Energy products are among the most goods.

Drivers contribute more to energy tax revenue.

Gasoline was taxed 15.0 billion euros in 2023, the tax amount increase by 18.7% compared to 2022.

In September 2024, with a price of around 1.68 euros per liter of Super E10, about 55 percent of taxes and duties. In absolute terms, VAT,

energy tax and oil supply association contribution (EBV) amount to a total of more than 92.5 cents per liter of petrol.



THE INSTABILITY OF THE FUEL MARKET

The perceived instability of fuel prices represents a daily challenge for most of the more than 51 million drivers in Germany, which has a far-reaching influence on budgeting and mobility. Because it is not always clear what the price is made up of and what factors are responsible for the fact that the price seems to rise once again. In 2024, the price of super gasoline was made up of more than 52.5 percent of taxes, especially the energy tax. The actual price of the product, which is composed of the value of crude oil, its refining, storage and transportation costs, and the profit margin of service station operators, represented less than half of the total price of about 41.5 per cent. hundred. The remaining six percent was spent by consumers on the CO2 tax. In addition to gasoline, diesel is also an important fuel, especially for commercial vehicles such as trucks, buses and commercial cars. Both fuels are obtained from petroleum refining and, through their combustion reaction, lead to the release of energy to drive the respective vehicle, as well as emissions in the form of carbon dioxide and nitrogen oxides.

Composition of the price of petrol (Super E10) in Germany per liter (as of September 2024)

| Price component | Amount | Share of the total price |
|------------------------|-------------|--------------------------|
| Taxes and duties | 92,5 Cent/l | 55% |
| Purchase price | 61,4 cent/l | 37% |
| Costs including profit | 13,9 Cent/l | 8% |

Composition of the price of petrol in Germany in September 2024

Published by Statista Research Department, 23.10.2024

The price of gasoline is at the center of consumers' attention like almost no other product price. In September 2024, with a price of around 1.68 euros per liter of Super E10, around 55 percent was represented by taxes and duties. In absolute terms, VAT, energy tax and oil supply association contribution (EBV) amount to a total of more than 92.5 cents per liter of petrol.





ANALYSIS OF THE FUEL MARKET

Why fuel prices are so low and what experts expect

Angela Göpfert

Low prices at petrol stations Is fuel getting even cheaper now?

Petrol and diesel are cheaper than they have been in the last three years. What are the reasons? And what could happen to fuel prices in the coming months?

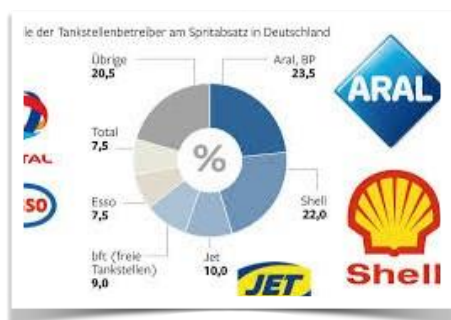
Prices at petrol stations are falling more and more. Last week, petrol and diesel were cheaper than they have been since the end of 2021. The Super E10 costs on average 1,636 euros, a liter of diesel 1,530 euros. Even if the price drop comes a few weeks late for many summer holidaymakers, car commuters in particular benefit greatly.

THE ROLE OF REFINERIES IN GERMANY

Refineries play an important role in Germany's energy supply. They supply fuel almost entirely to the transportation sector (cars/trucks, aviation and shipping) and to a significant part of the fuel oil heat market. These petroleum products for energy use represent approximately 80% of refined products today. The remaining 20 percent is represented by petroleum products for the chemical-pharmaceutical industry and important materials for the production of consumer goods and products of daily life.

The last significant amount of imports was almost

21,300 tonnes in May 2024. Compared to 2022, imports decreased accordingly considerably. In 2021, Russia's share of Germany's national oil imports was about 29 percent, similar to that of the Czech Republic or Romania. Sep 17, 2024



The strong euro drives fuel prices down

Motorists also benefit from the rebirth of the euro. The European common currency has recently been well above the \$1.11 mark. For comparison: in April it was still at \$1.06.

Since oil prices are expressed in dollars, a weaker dollar makes oil cheaper for buyers who don't buy dollars. This is also reflected in petrol stations, as oil prices determine the pace of fuel prices.

Oil prices accelerate downward trend

Both US oil WTI Crude and North Sea Brent had already reached their annual highs in April. After a lower high in July, prices came under severe pressure; Since the beginning of September the downward trend has accelerated again. Last week, the price of Brent fell below \$70 a barrel for the first time since late 2021.

Experts attribute the massive drop in prices since the summer to the fact that the demand outlook on the global market has darkened. This is also reflected in the forecasts of the International Energy Agency: at the beginning of the year, the IEA predicted that

global oil demand this year

would have increased by 1.2 million barrels per day. For now, only an increase of as much as 900,000 barrels per day is expected.

IL MERCATO DEL CARBURANTE IN GERMANIA

The distribution of diesel, petrol and other fuels such as autogas (LPG) and natural gas takes place through more than 14,000 roadside filling stations and around 350 motorway stations. In addition to the large oil companies, numerous companies independent of the group are active in the fuel market: The Federal Association of Medium-Sized Oil Companies e.V. Organized companies (UNITI) operate 5,700 stations, companies of the Federal Association of Free Service Stations e.V. (bft) approx.

2,450 roadside service stations.

Given the market position of the large branded companies, which are mostly present throughout Germany, the Federal Cartel Office (BKartA) assumes a market-dominating oligopoly consisting of five suppliers for the fuel market. BKartA exposed this in the final report of its "Fuel" sector investigation (PDF: 3.1 MB) presented in May 2011.

The Federal Ministry for Economic Affairs and Energy has initiated several legislative measures that should serve competition in the fuel markets: For data collection and market observation in the fuel sector, an office for market transparency for fuels.

In August 2013, petrol station operators and oil companies are required to report real-time price changes of common fuel types Super E5, Super E10 and diesel to the Office for Fuel Market Transparency. This transmits incoming price data to authorized consumer information services for consumer information purposes. This allows consumers to inform themselves via the Internet, on their smartphone or on their navigation devices about current fuel prices and the cheapest petrol station nearby or along their driving route.

This strengthens competition. Furthermore, BKartA's possibilities for intervention have improved, in particular in cases of impermissible repression strategies and other forms of abuse of market power. One on the 10th. The report published in August 2018 confirms the positive effect of the Office for Market Transparency: in addition to increased transparency on fuel prices, MTS Kraftstoffe no longer records significant increases in price levels during holidays.

With the 8. Amendment of the Law Against Restrictions of Competition, which came into force on 30. It came into force in June 2013, the ban on so-called price-cost scissors, which was originally limited until the end of 2012, has been extended. Price range sales occur on the fuel market when an oil company charges motorist a lower price for fuel at its service stations compared to the supply of its competitors (e.g. independent service stations). Such a market shift would have medium and long-term unfavorable consequences for competition and prices.



China: from engine to brake in the oil market

When looking for the reasons for the significant drop in demand, experts point the finger at China: the deterioration of the economic prospects for the People's Republic has direct consequences on the demand for oil; after all, China is heavily dependent on oil. If the Chinese economy weakens, the demand for "black gold" will also weaken.

The IEA recently cut its demand forecast for the People's Republic from 700,000 to 180,000 barrels per day. China's share in global demand growth is shrinking to 20%. For comparison: last year the percentage was just over 75%.

"China has therefore gone from being a driver to becoming a drag on global oil demand," concludes Carsten Fritsch, commodities expert at Commerzbank. "The situation is unlikely to change much next year."

In Germany, only fuels that comply with the requirements of the 10th Implementation Ordinance of the Federal Immission Control Act (10. BImSchV, PDF: 208 KB) and comply with the German or European standard may be placed on the market. Since the end of 2010, according to a requirement of the European Fuel Quality Directive, this also includes E10 fuel. This is gasoline with an ethanol content of up to ten percent by volume. Since E10 fuel is not suitable for few passenger cars and most motorists want to continue using the established E5 fuel with an ethanol content of no more than five percent by volume, E5 must continue to be offered nationwide. Up to seven percent biodiesel by volume can currently be added to diesel fuel.

Around six million heaters are powered by fuel oil in Germany. As with fuels, the quality properties for EL fuel oil (EL stands for "extra light") are standardized by the German Institute for Standardization and V. (DIN). Common are standard fuel oil with a maximum sulfur content of 1,000 mg/kg, low-sulfur fuel oil with a maximum content of 50 mg/kg sulfur, and biofuel oil, to which at least three percent by volume of liquid fuel from renewable raw materials. Compared to the fuel market, the fuel oil market in Germany is more characterized both regionally and by medium-sized suppliers.

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