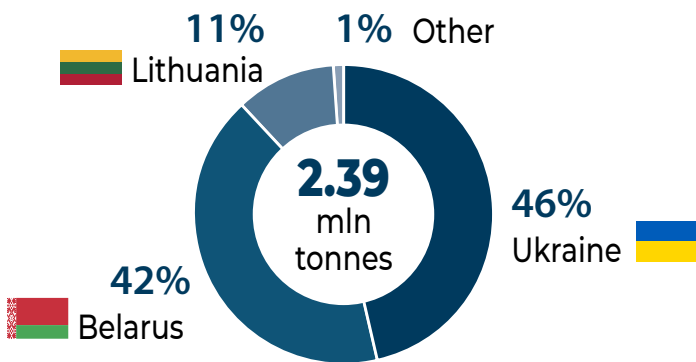


Ukraine needs **OTHER SOURCES** of fuel supply

1 mln tonnes

of gasoline were imported in Ukraine from Belarus in 2021

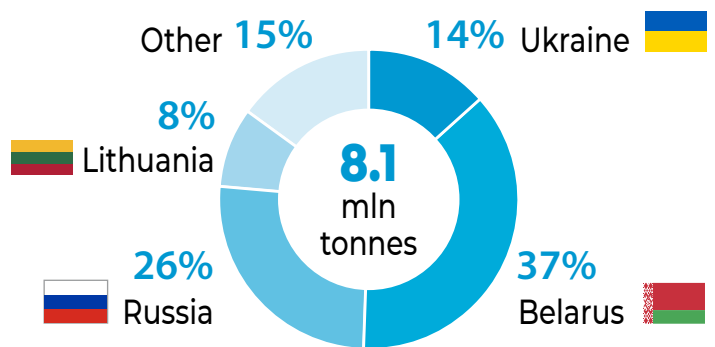
Structure of gasoline supplies in Ukraine by country of origin in 2021



5 mln tonnes

of diesel were imported in Ukraine from Russia and Belarus in 2021

Structure of diesel supplies in Ukraine by country of origin in 2021



Data source: Consulting Group A-95

Import from Russia and Belarus was the main source of fuel supply in Ukraine – 42% of gasoline and 63% of diesel. Ukrainian domestic oil refining plants satisfied only 46% domestic gasoline demand and 14% domestic diesel demand. About 20% of the consumption of light oil products in Ukraine is LPG, 45% of which was also supplied from Russia and Belarus. Russian invasion to Ukraine makes it impossible to continue these supplies. Ukraine needs alternative sources of fuel supplies from EU.

According to BP Statistical Review of World Energy, capacities of EU refining plants loaded at 72.9% in 2020. So, they can increase oil refining by 171 mln tonnes annually. To satisfy Ukrainian needs in gasoline European refiners should increase annual oil refining only by 1.8

mln tonnes (it could be made in Polish and Lithuanian refining plants). But these volumes of refining will be insufficient for satisfaction of Ukrainian demand in diesel. To satisfy Ukrainian needs in diesel European refiners should increase annual oil refining by almost 30 mln tonnes.

So, it will be necessary to find additional **30 mln tonnes** of oil annually to meet Ukrainian fuel demand. It must be oil from sources which are not associated from Russia. It is great challenge. We believe it is possible, in particular by increasing production in the Gulf countries (Saudi Arabia, Kuwait, United Arab Emirates). But orientation to other sources of oil supply will be inevitably reflected in price growth, which has already began at fuel market.