SQUARE COMMODITIES

FUELS STATS REPORT **(Official data)**

ISSUE 0 – JANUARY 24, 2013

Once a month, the Fuels Stats Report (Official Data) will display all new road fuels data made available by governmental agencies, associations and industry organisations. The geographical coverage will be all EU-27 countries plus important biofuels countries worldwide.

Gradually, the number of countries covered will increase and the data will be illustrated with graphics. Many EU countries publish biofuels data only on a annual, bi-annual or quaterly basis. These data will be displayed into this report as soon as they are made available.

The data in grey will be available in the next report, to be released on February 8, 2013.

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EU-27

GERMANY	Sources: BAFA (1), Eurostat (2,3) Unit: metric tons			
1 **Consumption (Road)**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel/HVO (blend)	161'135	-19.8%	1'809'903	-3.7%
B100	9'492	0.3%	103'918	86.1%
Diesel	2'949'541	3.4%	27'754'068	1.5%
Blending ratio (vol)	5.71%		6.81%	
Gasoline	1'590'309	-8.0%	15'508'515	-5.4%
Ethanol (blend)	102'095	8.4%	918'735	6.5%
Ethanol (E85+ETBE)	13'778	7.6%	135'114	4.0%
Blending ratio (vol)	7.04%		6.50%	
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	63'128	-27%	618'911	-20.4%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	85'711	-19.0%	878'180	-25.5%
Diesel				
Gasoline				
Ethanol				

The latest data from the BAFA confirmed the fall of Fame and HVO consumption in Q3 and Q4 2012. The 20% fall on year is explained by fuel distributors' switch to double-counted blends and implies a great expansion of UCOME use in Germany. However, the Jan-Oct 2012 figure of 1.8 million mt is still solid, just 3.7% under the same period in 2011. The progression of diesel sales (1.5%) during Jan-Oct 2012 was rather mitigated, standing fairly below growth numbers of previous years. The slowdown of the diesel market is another blow for the biodiesel market, which will rely exclusively on the blending sector in 2013.

The biodiesel trade balance worsened in Jan-Oct 2012, as the fall of imports (-20%) did not compensate the loss of export opportunities (-25%). Still, the German industry managed to place 878 KT of product abroad, a solid performance in current business conditions.

The data also highlight the stronger reliance on ethanol, mainly thanks to the late success of E10, introduced at the pump in 2011. Ethanol was in 2012 the fastest growing fuel in Germany, with a growth rate estimated above 7% for the whole year.

	SPAIN	*Sources: CORES (1), Eurostat (2,3) Unit: metric tons*			
1	**Consumption (Road)**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
	Biodiesel/HVO (blend)	146'325	10.6%	1'640'633	17.7%
	Biodiesel (High blends)	6'108	-3.7%	97'481	-17.9%
	Diesel	1687787.17	-6.6%	19'549'499	-5.8%
	Blending ratio (vol)	9.06%		8.77%	
	Gasoline	368'914	-7.3%	4'517'693	-7.0%
	Ethanol	22'591	-8.9%	300'489	-7.3%
	Blending ratio (vol)	6.72%		7.30%	
2	**Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	101'232	-29.0%	1'117'543	13.6%
	Diesel				
	Gasoline				
	Ethanol				
3	**Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	45'429	104.7%	296'904	52.4%
	Diesel				
	Gasoline				
	Ethanol				

A quick look at growth figure immediately tells a lot about the 2012 Spanish fuels market: biodiesel, and obviously HVO, have been the stars of it. During Jan-Oct 2012, consumption of diesel bio substitutes exploded by 17.7% on year, a performance not equalled anywhere else on the globe. In October, the blending ratio hit 9.6%, already close to the 2020 RED target. This is a impressive achievement considering the strong impact of the economic crisis on fuel consumption. Diesel (-5.8%) and gasoline (-7%) sales indeed dropped sharply.

Biodiesel imports sharply slowed down in October (-29%) but the overall 2012 figure will still easily overcome 2011. The export number close to 300 KT for Jan-Oct 2012 highlight the resilient dynamism of the Spanish trading hub, from where all the Med market was supplied.

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UK	*Sources: H&M Customs (1), Eurostat (2,3) Unit: metric tons*			
1 **Consumption (Road)**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	29'049	-64.1%	487'633	-26.6%
Diesel	1'857'988	-2.0%	18'296'703	1.0%
Blending ratio (vol)	1.5%		2.78%	
Gasoline	1'105'036	-6.8%	11'258'273	-4.0%
Ethanol	49'128	1.6%	501'585	20.6%
Blending ratio (vol)	4.0%		4.89%	
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	12'915	-0.8%	125'259	-23.2%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	2'476	2081.4%	12'975	-58.7%
Diesel				
Gasoline				
Ethanol				

The official data for October highlighted once again the dramatic reduction of the biodiesel market in UK. Over the last few months, oil companies have used less than 50% of the volumes blended one year ago. Both the end of the UCOME tax credit of GBP 20 cts /lt and the introduction of the double-counting scheme in December 2011 have dramatically weigh on incentives for blending. At the opposite, while biodiesel use crashed by 26% in Jan-Oct 2012, ethanol use by the blending sector jumped by 20% to 500 KT. The UK fuel market has now met the group of the few EU countries where ethanol use is greater than biodiesel. Others include Sweden and the Netherlands.

The fall of biodiesel consumption had a significant impact on imports, that fell by 23% during the Jan-Oct 2012 period. The export activity of the UK biodiesel industry proved to be anemic.

France	*Sources: UFIP (1), Eurostat (2,3) Unit: metric tons*			
1 **Consumption (Road)**	**December 2012**	**Y%**	**Jan-Dec 2012**	**Y%**
Diesel	2'694'136	-5.2%	34'178'609	0.03%
Gasoline	517'202	-11.4%	6'946'348	-6.5%
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	23'744	-24.2%	349'267	-16.3%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	12'662	45.3%	34'797	149.6%
Diesel				
Gasoline				
Ethanol				

No monthly consumption data are available for biofuels. UFIP data for 2012 show a worrying stagnation of diesel sales. Coupled with the blending wall of B7, the flat growth rate of the diesel market gives little hope to see the biodiesel market increase in 2013. A sign of the weak economic environment the country is currently facing, the total fuels market decreased in Jan-Oct by more than 1%. Biodiesel imports, including large quantities of PME, decreased by 16% on year at 350 KT. However, France remains an important outlet for the biggest ARA traders.

ITALY	*Sources: Ministry Eco. Devt. (1), Eurostat (2,3) Unit: metric tons*				
1 **Consumption (Road)**	**December 2012**	**Y%**	**Jan-Dec 2012**	**Y%**
Diesel	1'825'000	-14.1%	22'939'000	-10.4%
Gasoline	681'000	-12.1%	8'384'000	-10.8%
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	128'895	-0.5%	891'793	-12.1%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	3'661	-25.7%	48'294	-58.4%
Diesel				
Gasoline				
Ethanol				

No monthly consumption data are available for biofuels. Numbers issued by the Ministry of Economic Development confirmed the 2012 black hole in terms of fuel demand. The overall fuel market decreased by 10.5% compared with 2011, which already experienced a negative growth compared to 2010. The size reduction of the diesel market impacted significantly the biodiesel market, which also faced the introduction of the double-counting scheme (see on this subject our Fuel Stats Report (Forecasts), to be released next week). Despite a fall of 12% on year, biodiesel imports stayed steady in Jan-Oct 2012 to almost 900 KT. Coupled with the crash of exports (-58%), the local industry experienced a very difficult 2012.

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Portugal	Sources: APETRO (1), Eurostat (2,3) Unit: metric tons			
1 **Consumption (Road)**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
Biodiesel (B7)	25'288	0.04%	265'640	-15.6%
Biodiesel (B100)	386	5.5%	3'261	-20.5%
Diesel	331'990	-7.9%	3'854'007	-8.9%
Blending ratio (vol)	7.96%		7.20%	
Gasoline	86'088	-9.6%	1'034'591	-8.9%
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	4	-100%	27	-99.7%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	0	-	0	-
Diesel				
Gasoline				
Ethanol				

Latest data published by the Portuguese Association of Oil Companies highlight a significant reduction of the fuel market for the second consecutive year. Biodiesel suffered the most, with a drop of 15% during Jan-Nov 2012. The Fame market stayed hermetic to any trade flow, despite the warnings of the EU Commission. Paradoxically, numbers still highlight blending ratio higher than the B7 blending wall despite no HVO was used in Portugal last year.

NETHERLANDS	*Sources: CBS (1), Eurostat (2,3) Unit: metric tons*			
1 **Consumption (Road)**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Diesel	567'000	1%	5'271'000	-2.7%
Gasoline	358'000	-4.5%	3'437'000	-2.5%
2 **Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	41'783	-40.8%	1'166'178	41.9%
Diesel				
Gasoline				
Ethanol				
3 **Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
Biodiesel	44'566	-59.3%	623'918	-40.7%
Diesel				
Gasoline				
Ethanol				

No monthly consumption data are available for biofuels. Like in many other EU countries, the fuel market experienced a difficult 2012. The market size reduction hit 2.6% in Jan-Oct 2012. Eurostat trade data highlight a massive increase of net imports. While the incoming flux was sharply up on year (40% in Jan-Oct 2012), exports to other European countries crashed by 40%. The question is to know where the difference (500 KT) went. Obviously not in the local market, which absorbed only a small fraction of it – between 50 and 100 KT according to us. The more logical explanation would be a net increase of biodiesel stocks in ARA, although storage sources said inventories stood at a rather low level at the end of 2012.

	CZECH REPUBLIC	*Sources: Min. Industry (1), Eurostat (2,3) Unit: metric tons*			
1	**Consumption (Road)**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	18'387	-14.9%	192'256	-5.7%
	Diesel				
	Gasoline				
	Ethanol				
2	**Production**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	13'477	-19.2%	138'062	-22.1%
3	**Imports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	9'049	158.4%	76'800	39.6%
	Diesel				
	Gasoline				
	Ethanol				
4	**Exports**	**October 2012**	**Y%**	**Jan-Oct 2012**	**Y%**
	Biodiesel	5'781	-2.7%	19'798	-25.3%
	Diesel				
	Gasoline				
	Ethanol				

The Czech Ministry of Industry releases complete data on Fame consumption and production. The latest available for Q1-Q3 2012 highlight a small drop of Fame use (-5%), despite the absence of a double-counting scheme. Both Ministry and Eurostat trade data highlight a stronger reliance on imports. Biodiesel production dropped by 22% to 138 KT (or approximately 75% of the local consumption) while biodiesel imports jumped by 40% to 76 KT. Export activity continued to be anecdotic.

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Americas

BRAZIL	*Sources: ANP (1) Unit: metric tons*			
Consumption (Road)	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
Diesel	4'994'400	10%	51'391'201	7.1%
Gasoline	3'317'453	8.2%	35'924'366	12.5%
Ethanol (hydrated)	897'976	9.7%	8'957'555	-10.8%
Production	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
Biodiesel	246'250	4%	2'474'548	0.8%

Biodiesel production rebounded in November, pursuing the recovery of Fame output since this summer. The move was helped by an increase in margins and a continuous boost of diesel demand. On year, diesel consumption jumped by a solid 7.1%, although below gasoline growth (12.5%), helped by the setback of ethanol use. In November however, the use of pure ethanol jumped on year (+9.7%) as the economics have improved since the correction of sugar prices.

	ARGENTINA	*Sources: INDEC (1,2) Blue Star (3) unit: metric tons*			
1	**Consumption (Road)**	**December 2012**	**Y%**	**Jan-Dec 2012**	**Y%**
	Biodiesel				
	Ethanol				
2	**Production**	**December 2012**	**Y%**	**Jan-Dec 2012**	**Y%**
	Biodiesel				
	Ethanol				
3	**Exports**	**December 2012**	**Y%**	**Jan-Dec 2012**	**Y%**
	Biodiesel	80'600	-59%	1'559'355	-9.7%

Headwinds faced by SME exporters started in the summer with the launch of EU anti-dumping investigations. As a result, exports in the first eight months of the year (1.253 million mt) accounted for 80% of the total. In parallel, the new price system on the local market is very disadvantageous for exporters so the total size of their traditional outlets decreased significantly over Q3 and Q4 2012.

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US *Sources: EIA (1,2,3,4) Unit: metric tons*

Note: the EIA website was down this week.

1	**Consumption (Road)**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
	Biodiesel				
	Diesel				
	Gasoline				
	Ethanol				
2	**Production**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
	Biodiesel				
	Diesel				
	Gasoline				
	Ethanol				
3	**Imports**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
	Biodiesel				
	Diesel				
	Gasoline				
	Ethanol				
4	**Exports**	**November 2012**	**Y%**	**Jan-Nov 2012**	**Y%**
	Biodiesel				
	Diesel				
	Gasoline				
	Ethanol				