Energy Community Secretariat

Oil Market Report 2026

Market Developments and Security of Supply in the Energy Community



November 2026

Oil Market Report 2026

INTRODUCTION 6
OVERALL SUMMARY 9
COUNTRY REPORTS 10
1 ALBANIA 10
1. Executive Summary 10
2. Demand and Product Structure 11
2.1 Overall Oil-Products Demand 11
2.2 Product Structure 11
2.3 Domestic Crude Oil and the Product Market 12
3. Supply Structure, Infrastructure and Market 13
3.1 Seaborne Supply and Regional Position 13
3.2 Porto Romano and Storage 13
3.3 Market Structure and Regional Trade 14
4. Oil Security of Supply and Emergency Stocks 15
4.1 Existing System 15
4.2 Transition to the Oil Security Reserve System 15
4.3 Strategic Oil Reserve Feasibility Study 16
5. Conclusions 17
2 BOSNIA AND HERZEGOVINA 18
1. Executive Summary 18
2. Demand and Product Structure 19
2.1 Overall Oil-Products Demand 19
2.2 Product Structure 19
2.3 Petroleum-product market trends, 2021–2025 20
3. Domestic Supply and Import Dependence 21
4. Market Structure and Supply Sources 21
4.1 Federation of BiH – Import and Wholesale Structure 22
4.2 Republika Srpska – Supply Structure 22
4.3 Retail Market 22
5. Import Infrastructure and Logistics 23
6. Storage Infrastructure 23
6.1 Federation of BiH – Public Terminal Network 24
6.2 Commercial Storage Across Both Entities 24
7. Governance and Market Regulation 25
8. Emergency Stocks and Security of Supply 25
9. Conclusions 26
3 GEORGIA 28
1. Executive Summary 28
2. Demand and Product Structure 28
2.1 Market scale and import dependence 28
2.2 Gross inland deliveries and product structure 30

3. Supply Chains, Trade Flows and Refining 30
3.1 Petroleum-product imports and supply origins 30
3.2 Oil storage and supply infrastructure 32
3.3 Kulevi refinery and the changing supply structure 33
4. Domestic Market Structure and Pricing 34
4.1 Market structure and competition 34
4.2 Market and price developments in 2026 34
5. Emergency Preparedness, Market Monitoring and Security of Supply 35
5.1 Institutional framework and market monitoring 35
5.2 Emergency oil stocks and implementation 35
6. Conclusions 36
4 KOSOVO* 37
1. Executive Summary 37
2. Demand and Product Structure 38
2.1 Transport fuels 38
2.2 Petroleum coke and other products 39
2.3 Oil dependence within the wider energy system 40
3. Supply, Market Structure and Logistics 41
3.1 Downstream market and distribution 41
3.2 Regional supply chains 41
3.3 Road and rail transport 43
3.4 Domestic storage capacity 43
4. Security of Supply and Emergency Stocks 44
4.1 Market monitoring 44
4.2 Emergency stockholding 44
4.3 Other Emergency Stocks 45
5. Conclusions 46
5 MOLDOVA 47
1. Executive Summary 47
2. Demand and Product Structure 48
2.1 Overall Oil-Products Demand 48
2.2 Final Oil-Products Consumption by Sector 48
2.3 Petroleum-product market trends, 2021–2025 49
2.4 Fuel Oil and Energy-System Contingency Use 50
2.5 Jet Fuel 50
3. Supply Sources and Import Logistics 50
3.1 Import Dependence and Post-2022 Reorientation 50
3.2 Romania and Alternative Supply Origins 51
3.3 Giurgiulești International Free Port 51
3.4 Rail and Road Corridors 52
4. Domestic Market Structure, Commercial Stocks and Pricing 52
4.1 Market Structure and Imports 52

4.2 Storage Infrastructure and Commercial Stocks 53
5. Oil Security of Supply and Emergency Stockholding 53
5.1 Legal framework and emergency stockholding development 53
5.2 Supply disruptions and crisis response in 2026 54
5.3 Regulated Retail Price-Setting Mechanism 56
6. Conclusions 56
6 MONTENEGRO 58
1. Executive Summary 58
2. Oil Demand and Product Structure, 2021–2025 59
2.1 Product mix and structural changes 59
3. Supply, Imports and Trade Patterns 60
4. Supply Routes and Infrastructure 61
4.1 Port of Bar and bulk storage 61
4.2 Road distribution and aviation infrastructure 62
4.3 State storage development 62
5. Market Structure and Competition 63
6. Emergency Stocks and Security of Supply 64
6.1 From legislation to physical stocks 64
6.2 Public stock build and procurement challenge 65
6.3 Crisis-management framework 65
7. Conclusions 65
7 NORTH MACEDONIA 67
1. Executive Summary 67
2. Demand and Product Structure 67
2.1 Overall Oil-Products Demand 67
2.2 Product structure 68
2.3 Petroleum-product market trends, 2021–2025 69
3. Supply, Trade and Infrastructure 70
3.1 Import structure, market size and regional trade 70
3.2 Supply routes 70
3.3 Lukoil/Burgas sanctions exposure 71
3.4 Storage and downstream logistics 71
4. Emergency Stocks and Cross-sector Security 72
4.1 Compulsory stock position 72
4.2 2026–2030 Action Plan 73
4.3 Oil-to-power: fuel-oil stocks and electricity security 73
5. Conclusions 73
8 SERBIA 75
1. Executive Summary 75
2. Demand and Product Structure 76
2.1 Market scale and import dependence 76
2.2 Oil-product demand structure 76

2.3 Consumption dynamics by product, 2021–2025 77
2.4 Motor-fuel demand 78
2.5 Aviation fuel, LPG, fuel oil and the 2022 energy crisis 79
2.6 Domestic crude production 80
3. Refining, Supply Chains and Trade Flows 80
3.1 Pančevo refinery 80
3.2 Crude import route and diversification 81
3.3 Product imports as refinery back-up 82
3.4 Regional role of Serbian product supply 82
4. Infrastructure and Logistics 83
4.1 Oil logistics 83
4.2 Danube exposure 84
4.3 Storage infrastructure and current development 84
5. Market Structure and Ownership 85
5.1 Retail market structure 85
5.2 NIS ownership and restructuring 86
6. Oil Security of Supply and Emergency Preparedness 86
6.1 Institutional and legal framework 86
6.2 Mandatory stocks and physical build-up 87
6.3 Operational reserves: a separate short-term layer 87
6.4 Practical use of reserve layers in 2026 87
7. Conclusions 88
9 UKRAINE 89
1. Executive Summary 89
2. Petroleum-product market and consumption trends 90
2.1 Market Development and Transformation of Supply Routes 90
2.2 Oil supply and statistical coverage 92
2.3 Petroleum Product Consumption and Market Trends 95
2.4 Retail Fuel Market: Structural Change and Wartime Resilience 100
3. Storage Infrastructure and Emergency Stockholding Capacity 101
3.1 Pre-war Storage Infrastructure and Capacity Requirements 101
3.2 Wartime Damage and Adaptation of Storage Infrastructure 102
3.3 Development of More Protected Storage Solutions 103
3.4 Cross-border Storage and Future Stockholding Arrangements 103
3.5 Ukraine's Druzhba Pipeline Branch 104
4. Oil Security of Supply: Minimum Stocks and Wartime Preparedness 104
4.1 Development of the Oil Stockholding Policy 104
4.2 Implementation Status in 2026 105
5. Conclusions 105

INTRODUCTION

The 2026 Oil Market Report is the Energy Community Secretariat's first comprehensive overview of oil markets in the nine Contracting Parties. Drawing on available official statistics, industry information and other publicly accessible sources, it provides a regional perspective on market developments, supply structures and security of supply. The availability, completeness and reliability of data vary across Contracting Parties, and these limitations should be taken into account when interpreting the findings and comparing national markets.

The year 2026 has been exceptionally challenging for international oil markets. Initial expectations of ample supply and relatively low prices gave way to major disruptions following the escalation of conflict in the Middle East and severe restrictions on oil shipments through the Strait of Hormuz. The resulting shock affected both crude oil and refined-product markets, exposing vulnerabilities in global supply chains, refining and transport logistics. Commercial adaptation, alternative sourcing and changing trade flows helped maintain supplies, often at higher costs and with reduced flexibility.

The crisis also marked a historic test of the international oil security system established in the aftermath of the 1973 oil crisis. More than five decades of emergency preparedness and international cooperation culminated in the largest collective stock release in IEA history, bringing together member countries from Europe, the Americas and Asia-Pacific. The unprecedented scale of the disruption and the coordinated response demonstrated the value of collective action built on national preparedness.

The experience of 2026 offers an important lesson for the Energy Community, where stronger regional coordination can complement national oil security arrangements. Effective cooperation requires a shared understanding of oil markets, supply chains and vulnerabilities. Under the Energy Community Treaty and the Oil Stocks Directive incorporated into its acquis, the Secretariat supports Contracting Parties in developing these capabilities and improving oil security..

The nine country chapters examine oil demand and product consumption, import dependence, supply routes and infrastructure, domestic production and refining where applicable, market participants and retail developments. They also address oil stockholding arrangements, emergency preparedness and the principal security-of-supply challenges facing each Contracting Party. Together, these assessments provide an analytical basis for understanding market vulnerabilities, monitoring developments and supporting more effective security-of-supply arrangements.

KEY MARKET DEVELOPMENTS

Global oil market disruptions in 2026 tested supply resilience across the Energy Community. Governments faced the dual challenge of safeguarding fuel availability and mitigating the impact of high prices. Commercial adaptation, alternative sourcing and flexible logistics largely maintained supply, preventing widespread and prolonged shortages, although price pressures persisted.

Ukraine accounts for approximately 45% of total petroleum-product demand across the nine Contracting Parties. Despite Russia's full-scale invasion, repeated attacks on energy infrastructure and the loss of established supply chains, its petroleum-product market has continued to function through diversified European sourcing and adapted logistics.

Oil demand has grown across much of the Energy Community in recent years, contrasting with mature European markets. Growth has been particularly strong in Georgia, Kosovo* and Montenegro, while Albania and Serbia have also recorded increases in petroleum-product demand. Jet fuel has been among the fastest-growing products in several markets, reflecting the expansion of air traffic and tourism, although volumes remain relatively small in absolute terms.

Diesel dominates petroleum-product demand in most Contracting Parties. Road transport, freight and agriculture underpin demand, making diesel availability particularly important for economic activity and security of supply. Georgia stands out for its comparatively strong gasoline demand.

The role of LPG and heavy fuel oil is evolving. LPG retains an important but diverse role, particularly in Albania's household and commercial sectors and Georgia's transport market, while consumption has declined in several Western Balkan markets. Heavy fuel oil has generally lost ground as an energy source, although temporary crisis-related use and remaining industrial applications continue to influence demand.

Import dependence remains a defining feature of regional oil markets. Most Contracting Parties rely predominantly or entirely on imported petroleum products. Serbia's Pančevo refinery remains the region's principal refining asset, while Georgia's new Kulevi refinery is primarily export-

** This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.*

oriented. Refining also relies largely on imported crude oil, while Albania exports most of its domestic crude production.

Diversification of supply sources remains essential for oil security. Ukraine and Moldova's historical dependence demonstrated the risks of concentrated sourcing and politically vulnerable supply chains. Georgia's continued reliance on Russian imports highlights the relevance of these lessons and the importance of diversifying both suppliers and delivery routes.

Refining and transport vulnerabilities were exposed by sanctions and logistical disruptions. Both Serbia's Pančevo and Georgia's Kulevi refineries faced sanctions-related pressures in 2026, prompting efforts to reduce reliance on Russian crude oil. Exceptionally low Danube water levels in July constrained petroleum-product transport, while Moldova experienced temporary filling-station shortages, with commercial diesel inventories falling to roughly one week of consumption.

Regional market integration supports supply flexibility. Bosnia and Herzegovina and Kosovo* illustrate how import-dependent markets can maintain fuel availability through commercial supply chains and access to neighbouring markets. The reopening of the Thessaloniki–Skopje pipeline in 2026 strengthened an important petroleum-product transport corridor, while Adriatic ports, Danube transport and cross-border road and rail networks remain essential to regional fuel distribution.

Emergency oil-stock preparedness remains uneven. Three distinct situations emerge across the Energy Community: countries with operational compulsory stocks, although still below the 90-day requirement; countries with legal or institutional progress but no effective stockholding arrangements; and countries where little substantive progress has been made. The disruptions of 2026 demonstrated the practical value of emergency stocks and the importance of effective oil security-of-supply arrangements.

OVERALL SUMMARY

Despite significant external pressures in 2026, Contracting Parties maintained petroleum-product supplies through flexible supply arrangements and market adaptation. The disruptions nevertheless exposed the risks of relying on existing arrangements without investing in resilience. Developments across the region highlighted the significance of cross-border dependencies, underscoring the need for diversified supply chains and adaptable infrastructure.

Oil security remains a national responsibility, but preparedness has regional and international consequences. Effective decisions depend on understanding markets and cross-border dependencies.

Commercial resilience cannot replace emergency preparedness. Market adaptation can mitigate disruptions but cannot guarantee supply during prolonged crises. Effective contingency plans and emergency response mechanisms remain essential.

Diversification must cover the entire supply chain. Alternative suppliers are insufficient without reliable import, transport and storage infrastructure. Investments should preserve flexibility between domestic refining, crude oil imports and finished-product imports, while considering overall system costs.

Emergency oil stocks must become operational security instruments. Contracting Parties are progressing at different speeds in implementing the Oil Stocks Directive. Financing, actual stock acquisition, accessible storage and clear release procedures must turn legal obligations into usable reserves.

From national preparedness towards international solidarity. As recognised by the 18th Energy Community Oil Forum, Contracting Parties should establish national emergency buffers and progressively develop the capacity to contribute to collective action.

The Secretariat intends to update the Oil Market Report annually with Contracting Parties to monitor markets, preparedness and emergency risks.

COUNTRY REPORTS

1 ALBANIA

1. Executive Summary

Albania's energy system differs from those of most other Energy Community Contracting Parties. Its electricity sector is predominantly renewable, while oil products remain essential for transport and other non-electric uses. Albania combines two distinct oil-market realities: it remains a material producer of crude oil, while its petroleum-products market is supplied predominantly by imported finished products. Crude production is on a clear downward trend and a large share of marketed crude is exported. The existence of an upstream oil sector should therefore not be interpreted as equivalent to domestic motor-fuel supply capacity,

The petroleum-products market is centred on seaborne imports through the Adriatic terminals, above all the Durrës/Porto Romano area, with Vlora providing an additional coastal entry point. Porto Romano combines marine unloading, substantial commercial storage and direct road distribution and also serves regional flows, particularly to Kosovo*. Albania's coastal infrastructure therefore has a role beyond the size of the domestic market.

Diesel is the dominant petroleum product. LPG also has a comparatively important role, particularly outside transport, while petroleum coke and smaller volumes of fuel oil serve industrial demand. This product structure reflects an economy in which oil products remain essential for road transport and several non-electric uses despite the predominantly renewable electricity sector.

The 2026 Middle East disruption tested this import-based system. International product prices rose sharply, while supply continued. The Government strengthened market monitoring and stock verification and introduced temporary price-related measures. The Ministry described the existing reserve obligation as 30 days of physical stocks in Albania, with the remaining part of the 90-day requirement covered through contracted arrangements.

The main structural development in 2026 is the planned transition from this industry-based model to a state-led emergency-stockholding system. At the time of this report, the revised draft Law on minimum oil security reserves had progressed from the Government to Parliament for consideration. The draft establishes an Oil Security Reserve Authority responsible for the

creation, holding and use of security stocks, with a gradual physical build-up under an Action Plan.

In parallel with the legislative reform, the Government and Eni S.p.A. launched a feasibility study on the establishment and management of a national strategic hydrocarbons reserve and an energy hub. The Government linked the cooperation directly to the development of the new stockholding mechanism. The study should provide an assessment of Albania's options for developing the physical capacity required for the new security-stock system.

2. Demand and Product Structure

2.1 Overall Oil-Products Demand

Albania's petroleum-products market is dominated by transport fuels but also contains sizeable LPG and industrial oil-product segments. The available harmonised balance shows total oil-product deliveries remaining broadly around 1.1–1.2 Mt in 2021–2023, with diesel accounting for the largest single share. Product-level data for 2024 show continued diesel dominance alongside significant LPG, jet fuel, petroleum coke and bitumen demand.

The market should be viewed separately from Albania's predominantly renewable electricity sector: oil products remain essential for road transport, while LPG retains an important role in households and commercial activities and heavier oil products are used in industry.

2.2 Product Structure

The following table summarises the available petroleum-product deliveries by product and year. It provides the basis for the discussion of Albania's fuel mix below.

Gross inland deliveries (kt)	2021	2022	2023	2024
Gas oil & diesel oil	679	684	651	663
Motor gasoline	82	85	84	89
Jet fuel	16	37	60	–
LPG	182	183	179	168
Petroleum coke	44	94	49	69
Fuel oil	5	3	4	14
Bitumen	34	30	52	57

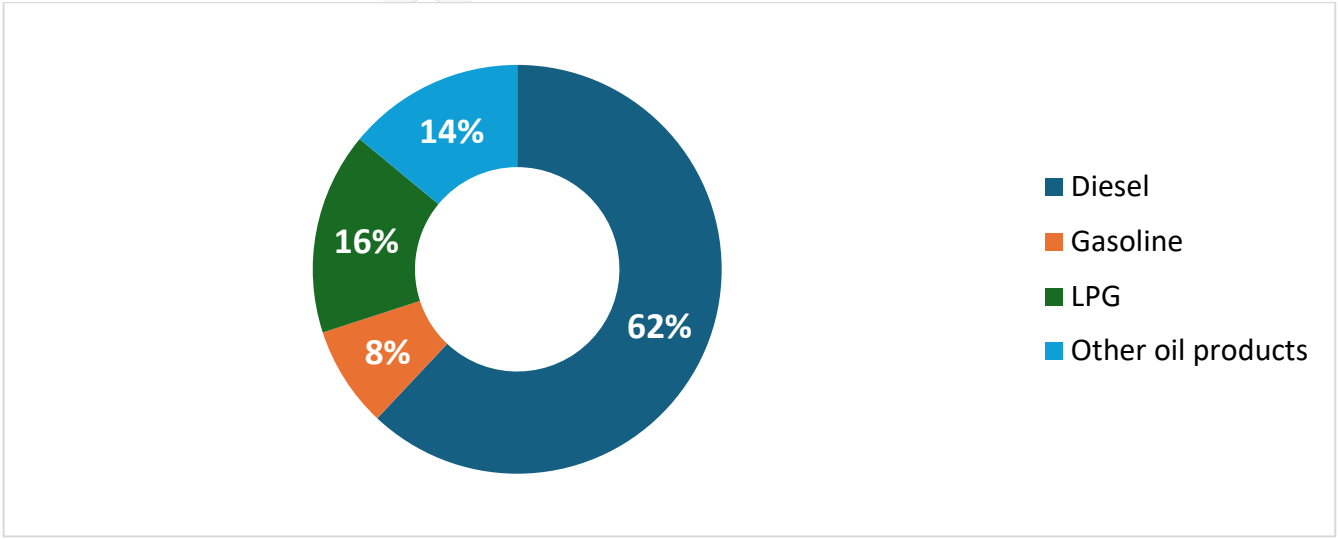
Source: Eurostat, gross inland deliveries. 2024 values shown where available in the harmonised working dataset.

Diesel is the central product for both normal market operation and emergency preparedness, with annual deliveries remaining around two-thirds of a million tonnes in recent years. Gasoline is considerably smaller, while jet-fuel demand has recovered strongly from the low levels recorded earlier in the period.

LPG also has a comparatively large role in Albania's petroleum-products market, reflecting the absence of a developed natural-gas distribution market for households and commercial consumers. Its use is concentrated outside transport and industry: in 2023, households and commercial and public services accounted for around 87% of LPG final consumption, compared with around 6% in industry and 4% in transport. The latest 2025 data confirm the continued predominance of non-transport uses.

Petroleum coke has a different demand profile from the main transport fuels and is used predominantly in manufacturing and non-metallic-mineral activities. Fuel oil is much smaller. Net imports of these heavier products nevertheless form part of the calculation base for the oil-stockholding obligation under the applicable net-import methodology.

Figure 1. Petroleum-product structure, 2024



2.3 Domestic Crude Oil and the Product Market

Albania remains a material crude-oil producer, although production is on a clear downward trend. Eurostat data show production declining from around 712 kt in 2021 to around 621 kt in 2024, while the National Agency of Natural Resources (AKBN) reports a decline from 652 kt in 2021 to

510 kt in 2025. The lower AKBN figures reflect the scope of its series, which excludes production from several fields administered directly by the state-owned company Albpetrol.[1]

Crude oil production (kt)	2021	2022	2023	2024	2025
Eurostat	712	657	642	621	575p
AKBN	652	587	572	549	510

AKBN data also show the concentration of upstream production: Bankers Petroleum accounted for approximately 94% of the production covered by the AKBN series in 2025. Over 2015–2025, AKBN reports that 80.8% of marketed crude was exported, principally to Spain and Italy. Domestic crude production therefore has only a limited direct relationship with petroleum-product supply in Albania: the country remains dependent on imported finished fuels despite its upstream resource base.

3. Supply Structure, Infrastructure and Market

3.1 Seaborne Supply and Regional Position

Albania's principal supply advantage is direct access to the Adriatic. Petroleum products can be imported by sea and transferred into coastal storage before road distribution to the domestic market. The Durrës/Porto Romano area is the main petroleum logistics cluster, while Vlora provides an additional coastal entry point. Land-based imports complement these seaborne flows.

The country is therefore not dependent on a single cross-border road or pipeline corridor for finished-product imports. Its exposure lies instead in seaborne product availability, terminal operations, storage accessibility and the ability of the domestic road-distribution network to move product from coastal terminals to the market.

3.2 Porto Romano and Storage

Porto Romano combines marine unloading infrastructure with multiple privately operated tank farms and is Albania's principal fuel-port cluster. Albanian Customs describes the MBM Port at Porto Romano as the country's largest fuel port, serving both the Albanian and neighbouring markets. Customs reporting records annual petroleum-products and LPG throughput of around 1.2 Mt and a significant recent increase in processing capacity.

[1] Eurostat, oil production statistics, 2021–2024; National Agency of Natural Resources (AKBN), national crude-oil production data.

Company information illustrates the scale of the storage base. Gega Oil reports approximately 143,000 m³ of storage capacity at its Porto Romano terminal, while BOLV/Porto Romano has reported around 50,000 m³. At Vlora, an Albanian Competition Authority assessment identified 13 fuel tanks at the Vlora-1 terminal with usable capacity of approximately 68,400 m³. These figures are indicative and should not be added mechanically as a national total because ownership, terminal boundaries and usable-capacity definitions differ.

For security-of-supply purposes, nominal commercial tank volume and emergency-stock capacity are not the same concept. The future stockholding system will require capacity that is technically suitable, contractually available and accessible during an emergency and compatible with stock rotation, identification and monitoring requirements.

3.3 Market Structure and Regional Trade

Albania's downstream market combines a relatively concentrated import and wholesale segment with a much more fragmented retail network. The latest detailed market-share assessment published by the Albanian Competition Authority showed that in 2021 Kastrati and Gega Oil Group accounted together for around 61% of diesel and 59% of gasoline wholesale sales. Europetrol Durrës Albania was the third-largest operator, bringing the combined share of the three largest companies to around 71% for diesel and 70% for gasoline. BOLV-Oil and Eroil were among the other significant wholesale operators. The Competition Authority assessed the diesel wholesale market as moderately concentrated. More recent company-level wholesale market shares have not been published on a comparable basis. However, in 2026 the Competition Authority launched renewed monitoring of the wholesale and retail gasoline and diesel markets.

Recent import data indicate continuity among the principal market participants, with Kastrati, Gega Oil, Europetrol Durrës Albania and BOLV remaining among the leading petroleum-product importers in 2025. These import shares are not directly comparable with the Competition Authority's wholesale-sales shares, but they confirm the continued importance of the same group of operators in the supply chain.

At retail level, the market is considerably more fragmented. According to the Association of Hydrocarbon Companies, Albania has around 1,400 filling stations, of which about 34% are operated by the three leading wholesale companies — Kastrati, Europetrol and Gega. Several major operators are active across multiple stages of the supply chain, including import, storage, wholesale and retail activities.

Albania's coastal infrastructure also serves the regional market, particularly Kosovo*. Kosovo Customs maintains customs offices at Durrës and Porto Romano, including a dedicated petroleum-products office at Porto Romano. Fuel destined for Kosovo* can therefore move through the Albanian port system under the Kosovo customs arrangement without forming part of the Albanian domestic petroleum-products market. Conventional Albanian trade statistics consequently do not capture all regional fuel volumes handled through the country's port infrastructure.

4. Oil Security of Supply and Emergency Stocks

4.1 Existing System

Albania's current stockholding system places the obligation on oil companies. The obligation corresponds to 90 days of average daily net imports. As described by the Ministry during the 2026 market disruption, around 30 days are required to be held as physical stocks in Albania, while the remaining part may be covered through contracted arrangements.

This differs from the terminology and requirements of Directive 2009/119/EC, under which emergency stocks, including stocks held through delegated stockholding arrangements, must correspond to identifiable physical stocks and meet requirements concerning availability and accessibility. The contracted component of Albania's existing system should therefore not automatically be regarded as equivalent to delegated stocks within the meaning of the Directive.

4.2 Transition to the Oil Security Reserve System

At the time of this report, the revised draft Law on minimum oil security reserves had progressed from the Government to Parliament for consideration. The draft provides for a transition from the existing industry-based system to a state-led stockholding system and establishes an Oil Security Reserve Authority responsible for the creation, holding and use of security stocks.

The stockholding requirement is based on 90 days of average daily net imports, in line with Directive 2009/119/EC. Exports enter the net-import calculation and therefore reduce the calculated basis, subject to the Directive methodology. This is relevant for Albania given its continuing oil export flows. Net imports of products such as petroleum coke also form part of the calculation base, although these products have a different role in the Albanian market from the main transport fuels.

The draft establishes rules for the composition, availability, accessibility, identification and control of security stocks, as well as for delegated stockholding arrangements and stocks held outside Albania. It also provides for a National Response Plan governing the release and replenishment of security stocks in an emergency.

The physical build-up of the new security stocks is to be implemented gradually under the Action Plan. The required stock level will therefore increase progressively during the transition period until the full 90-day obligation is reached.

4.3 Strategic Oil Reserve Feasibility Study

In parallel with the legislative reform, the Government and Eni S.p.A. launched a feasibility study on the establishment and management of a national strategic hydrocarbons reserve and an energy hub. The Government explicitly linked the cooperation with Eni to the development of the new stockholding mechanism and envisaged a new state-participated hydrocarbons operator with a role in securing the strategic reserve.[2]

The study should provide an assessment of Albania's options for developing the physical capacity required for the new security-stock system and complement the legal and institutional work on the Oil Security Reserve Authority.

2026 Market Stress and Crisis Response

The Middle East supply disruption in 2026 caused a sharp increase in international crude and petroleum-product prices. Albania's immediate response focused on market monitoring, verification of mandatory industry stocks and temporary price-related measures rather than on a physical release from a central state emergency reserve.

During the disruption, the Ministry of Infrastructure and Energy confirmed that companies were required to cover a 90-day reserve obligation. Around 30 days were to be held as physical stocks in Albania, while the remaining 60 days could be covered through contracted arrangements. In practice, only part of the obligation was necessarily held as physical stocks within the country, while the remainder relied on contracted access to additional supplies. Based on the Ministry's description, these arrangements should not automatically be understood as equivalent to

[2]Albanian Government and Eni S.p.A., 2026 communications on the feasibility study for a national strategic hydrocarbons reserve and energy hub.

delegated stocks under Directive 2009/119/EC, which require identifiable physical stocks to be available and accessible under defined contractual arrangements.

The Government also reactivated the fuel-price Transparency Board and temporarily reduced diesel excise. Physical product continued to reach the Albanian market. The episode therefore demonstrated the flexibility of the commercial import system while also underlining the distinction between commercial supply continuity and a dedicated emergency-stockholding mechanism.

5. Conclusions

Albania's oil market combines direct access to seaborne supply, substantial commercial storage and a relatively concentrated import and wholesale segment with a much more fragmented retail network. Domestic crude production remains material but is declining and largely export-oriented, while the petroleum-products market depends predominantly on imported finished fuels.

The 2026 experience showed that the commercial supply system continued to deliver petroleum products during a period of severe international market stress. At the same time, the existing stockholding model relies partly on contracted cover rather than a dedicated state-controlled reserve, making the transition to the new Oil Security Reserve system the principal emergency-preparedness development.

The revised draft law now provides the institutional framework for a gradual build-up towards the 90-day net-import obligation, while the Eni feasibility study addresses the physical capacity dimension. Implementation will depend on translating these elements into identifiable and accessible stocks, suitable storage capacity, clear emergency-release procedures and an operational stockholding authority.

Overall, Albania's direct access to international product markets and substantial coastal infrastructure provide commercial supply flexibility. The next phase is to add a verifiable emergency-stock layer to that market structure without weakening the flexibility of normal commercial supply.

2 BOSNIA AND HERZEGOVINA

1. Executive Summary

Bosnia and Herzegovina (BiH) comprises two entities – the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) – and Brčko District. BiH is an almost fully import-dependent oil market, with no domestic crude refining since the closure of the Brod refinery in RS in 2018. The refinery's historical role has contributed to differences in the supply structures of the two entities. Although the oil market is interconnected, these differences, together with distinct institutional arrangements, justify examining the entities' supply structures separately where relevant. Otherwise, country-wide data are used.

Brod had been the country's only crude refinery, processing around 0.7 Mt of crude and other feedstocks and producing a similar volume of petroleum products in its final year of operation, at just 17% of its nominal capacity. Its closure marked a major shift from a mixed refining-and-import model to reliance on imported finished products. The World Energy Council's Energy Security assessment places Bosnia and Herzegovina relatively favourably within the Energy Community region overall; for oil, however, resilience depends primarily on diversified access to regional product markets, reliable import logistics, usable storage and available supplies.

The market is import-dependent but not tied to a single external source. Croatia is the principal supply and logistics direction, while Serbia remains an important regional source and Italy and other markets provide additional sourcing options. In 2024 Serbia exported around 245 kt of refined petroleum products to Bosnia and Herzegovina, roughly 15% of BiH petroleum-product imports. Serbia is therefore significant for BiH, but forms part of a broader regional supply portfolio.

The 2026 disruption exposed both the physical and economic consequences of this import dependence. Serbia's temporary petroleum-product export restrictions directly reduced an established source of BiH imports, while regional refinery constraints, the wider Middle East supply shock and exceptional private stockbuilding increased pressure on commercial inventories. Supply nevertheless continued through alternative sourcing, cross-entity flows and regional logistics, and the episode did not develop into a prolonged nationwide shortage. The economic impact was more visible: IMF analysis was consistent with precautionary inventory building during the March surge, while the EBRD subsequently identified Bosnia and Herzegovina among the economies facing particularly large increases in oil-import costs, with refined-product prices rising more strongly than crude oil.

This market flexibility does not substitute for emergency preparedness. The OECD describes Bosnia and Herzegovina's broader energy governance framework as fragmented, with insufficient alignment between the state and entity levels; in the oil sector, this is reflected in the continuing absence of an agreed country-wide emergency oil-stockholding system. Public storage and limited stockholding capability are being developed in the Federation, while commercial storage provides an additional short-term buffer, but progress in the Federation does not mean that stockholding infrastructure or preparedness are developing evenly across the country. The central security-of-supply priority is to reach institutional consensus, establish the oil security-of-supply framework and begin country-wide stockbuilding without further delay.

2. Demand and Product Structure

2.1 Overall Oil-Products Demand

According to the Agency for Statistics of Bosnia and Herzegovina (BHAS), final petroleum-product consumption amounted to approximately 1.72 Mt in 2024, of which around 1.61 Mt represented final energy consumption. Transport accounted for approximately 1.42 Mt, or close to 88% of final energy consumption of petroleum products; industry accounted for 5.7%, agriculture 2.9%, and construction, households and other users together 3.4%.[3]

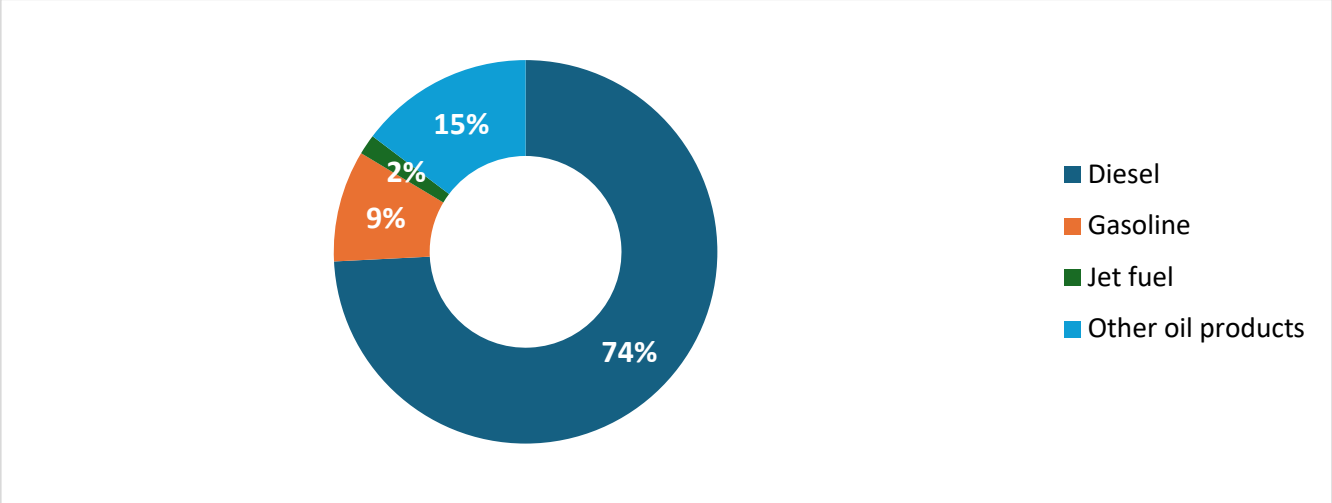
2.2 Product Structure

Diesel/gasoil dominates the full petroleum-products market. On the basis of BHAS 2024 available-for-supply data, diesel/gasoil accounted for approximately 1.326 Mt (74.2%), motor gasoline 169 kt (9.4%), jet fuel 30 kt (1.7%) and other oil products 262 kt (14.7%). The relatively large 'other oil products' segment combines several products, principally bitumen, LPG and fuel oil, together with lubricants, paraffins, petroleum coke and smaller categories. Diesel remains the critical security-of-supply product because of its dominant role in transport, agriculture and wider economic activity.

LPG also retains a visible role in Bosnia and Herzegovina's transport fuel mix, particularly as autogas, with consumption of around 85 kt in 2024. In Figure 1, LPG is included within "Other oil products".

[3]Agency for Statistics of Bosnia and Herzegovina (BHAS), Oil, Petroleum Products, 2024, annual energy balance (2025)

Figure 1. Petroleum-product supply structure, 2024



Source: BHAS, Oil, Petroleum Products, 2024.

2.3 Petroleum-product market trends, 2021–2025

The table below brings together the available indicators of petroleum-product deliveries and supply for 2021–2025. Eurostat gross inland deliveries are used for 2021–2023, BHAS available-for-supply data for 2024 and Eurostat imports for 2025. These series are not fully harmonised.

Data note: Historical consumption figures and recent market estimates are compiled from different statistical datasets and reporting methodologies. Consequently, the series does not constitute a fully harmonised time series. The data are intended to illustrate broad trends in oil product demand and supply and should not be interpreted as strictly comparable across all years.

Petroleum-product supply (kt)	2021	2022	2023	2024*	2025 (p)
Total	1,678.0	1,649.8	1,672.9	1,787.6	1,870.1
Gas oil and diesel oil	1,258.7	1,225.4	1,243.1	1,326.4	1,390.0
Motor gasoline	169.1	156.7	157.7	168.8	181.1
Liquefied petroleum gases	93.9	84.2	81.7	85.1	77.3
Kerosene-type jet fuel	13.7	29.2	30.5	30.0	36.3
Fuel oil	33.7	39.5	44.4	49.6	55.9
Bitumen	74.5	76.3	79.8	87.9	73.4
Lubricants and paraffins	20.4	22.7	21.4	23.2	28.9
Petroleum coke	13.9	15.8	14.4	15.8	13.1

Sources: Eurostat, nrg_cb_oil (gross inland deliveries, 2021–2023; imports, 2025); BHAS, Oil, Petroleum Products 2024 (available for supply). The series are not fully harmonised; 2025 figures are provisional.

3. Domestic Supply and Import Dependence

Domestic refining is effectively absent. Before the 2018 shutdown, the Brod refinery was Bosnia and Herzegovina's only crude refinery and a material part of the national product balance. It has a nominal processing capacity of 4.2 Mt per year, although actual throughput in the years before closure was below 1 Mt. In 2018 it processed 709 kt of crude oil and other feedstocks and produced 701 kt of petroleum products; the Federation alone purchased about 245 kt of products from Republika Srpska that year, much of it through the Brod/Optima supply chain. Following the shutdown, crude imports fell from around 695 kt in 2018 to zero from 2019 onwards.

The change was therefore substantial: Bosnia and Herzegovina moved from a mixed supply model - domestic refining alongside finished-product imports - to one supplied almost entirely by imported finished petroleum products. BHAS recorded only 13.5 kt of petroleum-product production in 2024, essentially lubricants and paraffins rather than refinery motor fuels, while imports reached approximately 1.795 Mt and exports 14.5 kt.

The closure of Brod is the principal structural break in the modern BiH oil market. It removed domestic crude conversion from the security-of-supply system and increased reliance on neighbouring refineries, regional product markets, Adriatic import infrastructure, cross-border road and rail logistics and usable storage capacity.

4. Market Structure and Supply Sources

Serbia is an important component of the wider BiH supply portfolio. In 2024 Serbia exported around 245 kt of refined petroleum products to Bosnia and Herzegovina, equivalent to 47% of Serbia's petroleum-product exports and roughly 15% of BiH petroleum-product imports. This makes Serbia a material regional supplier, while Croatia and other regional sources provide additional supply directions.[4]

Cross-entity trade is also material. The Federation purchased approximately 184 kt of petroleum products from Republika Srpska in 2025, with around 98% supplied by companies associated with Optima Group and NIS Petrol. These flows show why entity-level import statistics cannot be

[4]UN Comtrade / World Integrated Trade Solution (WITS), petroleum products trade data, 2024; Serbia exports to Bosnia and Herzegovina.

interpreted as separate physical markets: commercial supply chains operate across the internal administrative boundaries of Bosnia and Herzegovina.[5]

4.1 Federation of BiH – Import and Wholesale Structure

In the Federation, direct foreign petroleum-product imports are concentrated among a limited number of large importers, while sourcing is spread across several regional directions. Federal Ministry of Trade data show direct foreign imports of approximately 1.203 Mt in 2025. Croatia, Italy and Serbia together accounted for around 93% of these imports, while Holdina, Petrol BH Oil Company, HIFA-OIL and G-Petrol represented approximately 93% of direct foreign imports. These are Federation data and should not be read as a complete country-wide import structure.

4.2 Republika Srpska – Supply Structure

Republika Srpska is now also supplied predominantly through imported finished petroleum products. The former refinery-centred structure remains visible through the role of Optima Group and NIS Petrol, but current supply draws on a wider set of regional sources and is integrated with flows to and from the Federation.

Republika Srpska's March 2026 international bond documentation provides a useful external risk perspective. It described Republika Srpska as significantly reliant on imported fuel and therefore exposed to increases in oil prices. Serbia accounted for 16.3% of Republika Srpska's oil and petroleum-product imports in 2024, while the same documentation also noted access to diversified suppliers in the EU and other countries. This supports a distinction between high structural import dependence and dependence on any single supplying country.

4.3 Retail Market

Retail distribution is broad across Bosnia and Herzegovina, in contrast to the greater concentration upstream. A Federal Ministry of Trade regional comparison published in February 2026 reported 715 filling stations in the Federation and 490 in Republika Srpska. Brčko District has its own local retail network, but a directly comparable current official station count was not identified. Its market is small relative to the two entities, so the absence of a separate station

[5] Federal Ministry of Trade of the Federation of Bosnia and Herzegovina, *Overview of Petroleum Product Imports into the Federation of Bosnia and Herzegovina, January–December 2025*, 10 February 2026

total does not materially change the national picture: BiH has a geographically dense and fragmented retail network.

5. Import Infrastructure and Logistics

Bosnia and Herzegovina has no petroleum import terminal on its own short Adriatic coastline. Its principal maritime gateway for finished petroleum products is the Port of Ploče in neighbouring Croatia, where the Federation-owned NTF Ploče terminal provides approximately 81,000 m³ of specialised liquid-fuel storage and transshipment capacity. Products move onward into BiH by rail and road, while other regional supplies enter overland from neighbouring countries.[6]

Ploče is therefore both an import gateway and a staging point for inland distribution. The port also contains privately operated liquid-bulk facilities. Historically, crude for the Brod refinery used the separate Omišalj-JANAF route; since Brod ceased refining, the relative importance of finished-product logistics through Ploče and other regional corridors has increased.

The Ploče corridor offers high-volume access to seaborne product markets, but its resilience depends on onward transport capacity. Flood damage in the Jablanica/Konjic area suspended rail freight for around four months from October 2024, requiring greater use of road transport until the line reopened on 31 January 2025. The episode illustrates that access to a diversified international product market does not by itself guarantee deliverability if a key inland transport link is constrained.

In normal operation, Ploče provides a flexible supply route to inland terminals and distribution points across BiH, using both rail and road transport. The corridor therefore forms part of the country-wide supply network rather than serving the Federation alone.

6. Storage Infrastructure

Bosnia and Herzegovina has a relatively broad but fragmented fuel-storage base. Capacity is split between the Federation's public OTF network, private commercial terminals and storage associated with the former refinery and distribution system in Republika Srpska. Publicly available capacity data are much more complete for the Federation than for the country as a

[6] Operator – Terminali Federacije (OTF), NTF Ploče terminal and logistics information; Port of Ploče, terminal and port infrastructure.

whole. The key security-of-supply distinction is between nominal tank capacity, operational storage and physical emergency stocks.

As storage infrastructure continues to develop, maintaining a more comprehensive and up-to-date overview of available storage capacity across BiH would also strengthen security-of-supply planning.

6.1 Federation of BiH – Public Terminal Network

Operator - Terminali Federacije (OTF), wholly owned by the Federation Government, manages the Federation's main public petroleum-storage network: four inland terminals at Blažuj, Živinice, Bihać and Mostar, together with NTF Ploče in Croatia. Of the inland sites, Blažuj and the first phase of Živinice are operational; Bihać is under reconstruction and Mostar remains to be reconstructed. Blažuj provides 42,300 m³ and the completed first phase at Živinice 5,900 m³ of usable capacity.[7]

The rehabilitation programme is continuing rather than complete. Bihać, with 18,300 m³ of capacity, has been under reconstruction, while Mostar, with 36,577 m³ of nominal capacity, remains a major reconstruction project. Further rehabilitation and development of the OTF terminal network, including Živinice, is continuing in 2026. OTF has indicated that restoration of the above-ground tanks at Blažuj, Bihać and Mostar would take the network towards approximately 200,000 m³ of capacity. The programme is progressively converting inherited but partly unusable infrastructure into operational storage, but it remains a Federation programme rather than a country-wide terminal-development plan.

6.2 Commercial Storage Across Both Entities

HIFA-OIL provides the clearest publicly documented private example across entity boundaries. The company reports more than 34,000 m³ of storage at several locations, including terminals in Zenica and Vogošća in the Federation and an 18,600 m³ rail-connected terminal at Prijedor in Republika Srpska.

Commercial storage is more dispersed. In the Federation, the FERK storage-licence register includes HIFA-OIL, Holdina, G-Petrol, ALMY, BINVEST and several smaller operators, confirming that usable storage is not limited to the public OTF network.

[7]Operator – Terminali Federacije (OTF), public terminal network, capacity and rehabilitation programme information.

After the March 2026 disruption, OTF offered 29,500 m³ of available Blažuj capacity to licensed traders to support larger commercial inventories.

7. Governance and Market Regulation

Energy-sector governance in Bosnia and Herzegovina, including oil-market governance, is divided between the state level, the Federation of Bosnia and Herzegovina, Republika Srpska and Brčko District. The OECD describes the broader energy governance framework as fragmented, noting insufficient alignment between the state and entity levels. In the oil sector, this institutional setting has complicated the development of a common security-of-supply framework and the establishment of compulsory emergency oil stocks.

The Federation has a dedicated levy of BAM 0.01/litre on petroleum products, which provides a continuing financing stream for oil security-of-supply development. Between 2014 and 2024 approximately BAM 96.3 million (about EUR 49.2 million) was transferred through this mechanism and used principally for rehabilitation and operation of the Federation's public terminal infrastructure and limited product procurement through OTF. The levy is therefore relevant because it has enabled practical progress in restoring usable storage and developing a public-stockholding capability in the Federation, even though no country-wide emergency-stock system has yet been established.[8]

Both the Federation and Republika Srpska use fuel-price interventions during periods of market stress, including limits on wholesale and retail margins and temporary consumer-support measures. These instruments address affordability and market conduct rather than physical security of supply.

8. Emergency Stocks and Security of Supply

The institutional fragmentation described above remains a central constraint on establishing a country-wide emergency oil-stockholding system compliant with Directive 2009/119/EC. While technical work has identified possible institutional and operational models, agreement is still required on how the national obligation should be allocated, financed, coordinated and implemented between the state level, the Federation of Bosnia and Herzegovina, Republika Srpska and Brčko District. Earlier technical work envisaged a state-level Central Stockholding Entity with stockholding tasks delegated to the Entities, while more recent proposals have

[8]Federal Ministry of Energy, Mining and Industry (FBiH), oil products levy and terminal-financing information, 2014–2024.

explored a more decentralised arrangement in which the overall national obligation would be coordinated at BiH level and implementation organised through the Federation, Republika Srpska and Brčko District. No final institutional model has yet been agreed.[9]

The central issue is therefore not the absence of possible technical models, but reaching political and institutional agreement on a system that combines credible country-wide calculation, reporting and control with workable implementation and financing arrangements at entity and district level. The Federation's restored terminals and limited public-stockholding capability provide a useful starting point, but this progress should not be interpreted as equivalent development of stockholding infrastructure across Bosnia and Herzegovina. Further delay in agreeing the framework also delays the physical build-up of the country-wide emergency-stock obligation.

March 2026 Disruption and Lessons

The March 2026 disruption broadly confirmed the assessment outlined in the Executive Summary: Bosnia and Herzegovina benefits from relatively diversified regional supply routes and was able to maintain physical fuel availability, but remains exposed to international product-price shocks and supply restrictions in neighbouring markets. Serbia's temporary petroleum-product export restrictions reduced imports from an established BiH supply source, while regional refinery constraints and exceptional private stockbuilding added pressure on commercial inventories.

Supply was maintained through existing inventories, alternative regional sourcing, cross-entity flows and cooperation between public authorities, distributors and transport operators. The disruption did not develop into a prolonged nationwide physical shortage, but it showed that commercial buffers can tighten quickly. Market diversification and commercial flexibility strengthen short-term resilience, but they do not substitute for a formal emergency stockholding system.

9. Conclusions

Bosnia and Herzegovina is an almost entirely import-based petroleum-products market whose resilience depends on regional sourcing, functioning transport corridors, usable storage and the ability of commercial operators to redirect supply. The cessation of refining at Brod removed a major domestic conversion option. The market is nevertheless not dependent on a single foreign

[9] OECD, Western Balkans Competitiveness Outlook 2024: Bosnia and Herzegovina.

source: Croatia and the Ploče corridor are central, Serbia remains a significant regional supplier, and additional sourcing and cross-entity trade provide further flexibility.

The 2026 experience confirms that this commercial and logistical flexibility can absorb a short-term disruption, but also that diversification does not eliminate exposure to international product prices, neighbouring countries' emergency measures or transport constraints. Commercial inventories are an important first buffer, but they can be depleted rapidly and are not a substitute for dedicated emergency stocks.

Storage resilience has improved, particularly through the rehabilitation of the Federation's public terminal network and the availability of commercial tankage. This is meaningful progress, but it is geographically and institutionally uneven: development of OTF infrastructure in the Federation does not by itself create a country-wide stockholding system or ensure comparable preparedness in Republika Srpska and Brčko District.

The immediate priority is to achieve consensus on the institutional model and put the country-wide oil security-of-supply framework in place. Bosnia and Herzegovina then needs to move without further delay from planning to sustained stockbuilding, with clear obligations, financing, reporting, control and release arrangements. Continued development of Federation storage infrastructure is important, but it cannot substitute for progress towards the physical 90-day stockholding capability across the whole country.

3 GEORGIA

1. Executive Summary

Georgia is a net oil importer with a flexible downstream supply system and an important transit position between the Caspian region and the Black Sea. Finished gasoline and diesel supply remains import-based, while several established sourcing directions and logistics combinations provide commercial flexibility. Georgia's latest complete energy balance, for 2024, shows continued growth in petroleum-product demand, with road fuels dominant and particularly rapid growth in jet fuel and LPG. Available 2025 indicators point to further demand growth.

The commissioning of the Kulevi refinery in late 2025 added a significant crude-import, refining and petroleum-product export chain without yet changing the import-dependent structure of Georgia's Euro 5 gasoline and diesel market. Its start-up feedstock was highly concentrated in Russian crude, but following increased sanctions pressure and the EU transaction ban targeting the refinery, the operator shifted towards non-Russian feedstock during the third quarter. Alternative crude imports have begun to diversify, but the new sourcing arrangements and their continued compliance will need to be monitored and assessed.

Georgia's 2026 policy direction emphasises diversification of energy sources and routes, regional cooperation and system flexibility. In the oil sector, this is reflected in renewed Baku-Supsa arrangements and wider use of Black Sea and overland corridors.

The 2026 market stress provided a practical test of Georgia's commercial flexibility. When Russian fuel export restrictions affected established supply channels, importers shifted sourcing towards Türkiye, Azerbaijan and other origins. supply was maintained, but securing fuel in a tight regional market came at higher prices.

Georgia has not yet established compulsory emergency oil stocks, leaving the necessary legal, institutional and financing arrangements as the main remaining preparedness task.

2. Demand and Product Structure

2.1 Market scale and import dependence

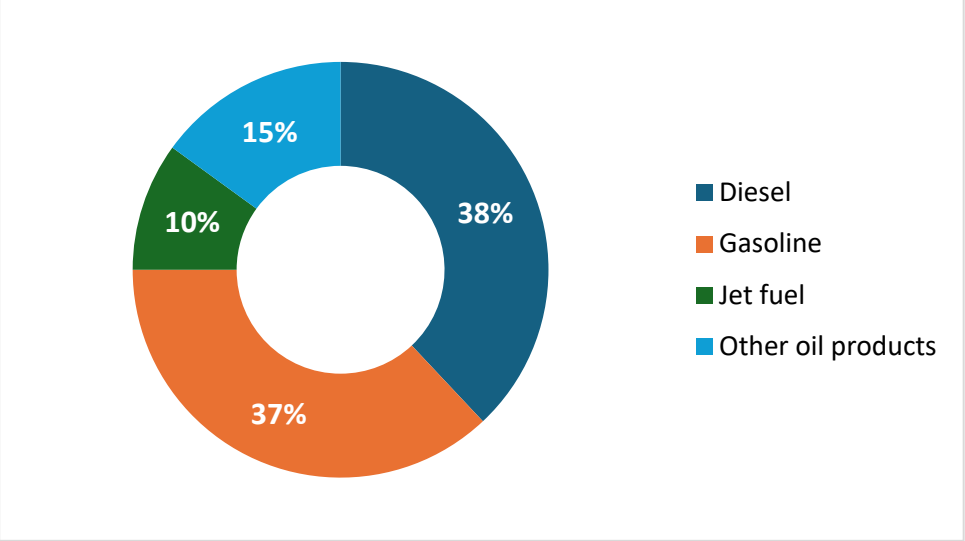
Georgia remains a net oil importer with only limited domestic crude production. Finished gasoline and diesel supply has remained import-based throughout the review period. The commissioning of the Kulevi refinery in late 2025 introduced significant crude processing and product exports,

but in 2026 it operated as a separate crude-import and refining chain rather than as a structural replacement for imported Euro 5 road fuels.[10]

Road fuels remain the largest components of the oil balance, while several smaller segments have grown particularly quickly. In the latest complete Geostat energy balance for 2024, motor gasoline and diesel remained dominant, while jet fuel and LPG had increased markedly compared with 2021. Available 2025 indicators point to continued growth in road-fuel demand and a further expansion of the vehicle fleet, but they do not yet provide a complete energy-balance picture.

The 2024 balance therefore provides the latest complete picture of the composition of Georgia's petroleum-product demand, as shown in Figure 1.

Figure 1. Petroleum-product gross inland deliveries, 2024



Source: Geostat, Energy Balance 2024.

A distinctive feature of Georgia's petroleum-product demand is the relatively strong role of gasoline, which in some years exceeds diesel consumption. This is consistent with the structure of the vehicle fleet: gasoline-powered vehicles accounted for 64% of the registered fleet in September 2025, compared with 23% for diesel.

[10]International Energy Agency (2020), Georgia 2020 Energy Policy Review, IEA, Paris; Georgia energy profile, oil-market and energy-security sections.

The harmonised 'Other oil products' segment combines LPG, fuel oil, lubricants, bitumen and other petroleum products outside diesel, gasoline and jet fuel. Part of this category represents non-energy petroleum-product use, notably bitumen and lubricants.

2.2 Gross inland deliveries and product structure

The historical series shows strong and sustained growth in Georgia's petroleum-product demand, with gross inland deliveries increasing significantly across the review period, as shown in Table 1 below.

Product (kt)	2021	2022	2023	2024	2025	2021-25
Oil and petroleum products - total	1,454.6	1,507.8	1,560.8 p	1,747.0 p	1,908.9 p	+31%
Motor gasoline	595.7	611.3	604.4 p	652.8	731.5 p	+23%
Gas oil and diesel oil	584.4	566.4	607.1 p	656.9	659.7 p	+13%
Jet fuel	95.0	132.9	133.6 p	182.2	239.3 p	+152%
Liquefied petroleum gases	36.0	42.2	57.4 p	83.7	104.4 p	+190%
Fuel oil	0.7	0.4	0.4 p	0.5	0.1 p	-80%

Source: Eurostat, gross inland deliveries, kt. 2025 observations are provisional.

The strongest growth has occurred in jet fuel and LPG. The increase in jet-fuel demand has accompanied a strong expansion in air traffic: passenger volumes at Georgian airports increased from 2.5 million in 2021 to 7.4 million in 2024 and 8.5 million in 2025. LPG demand has also increased markedly and is predominantly transport-related; 86.5 kt was consumed in road transport in 2024.

The expansion of petroleum demand coincided with strong post-2021 economic activity, migration, tourism, transport and transit growth. TBC Capital's market analysis also points to continued expansion of the vehicle fleet and road-fuel demand. The evidence supports a broad-based increase in petroleum demand rather than a change attributable to a single factor.[11]

3. Supply Chains, Trade Flows and Refining

3.1 Petroleum-product imports and supply origins

Georgia's finished-product supply has been geographically volatile rather than tied to a fixed supplier mix. Russia's role increased sharply in 2022–23: data from the Georgian Competition

[11] TBC Capital, Georgian Retail Fuel Market Overview, market demand and sector trends.

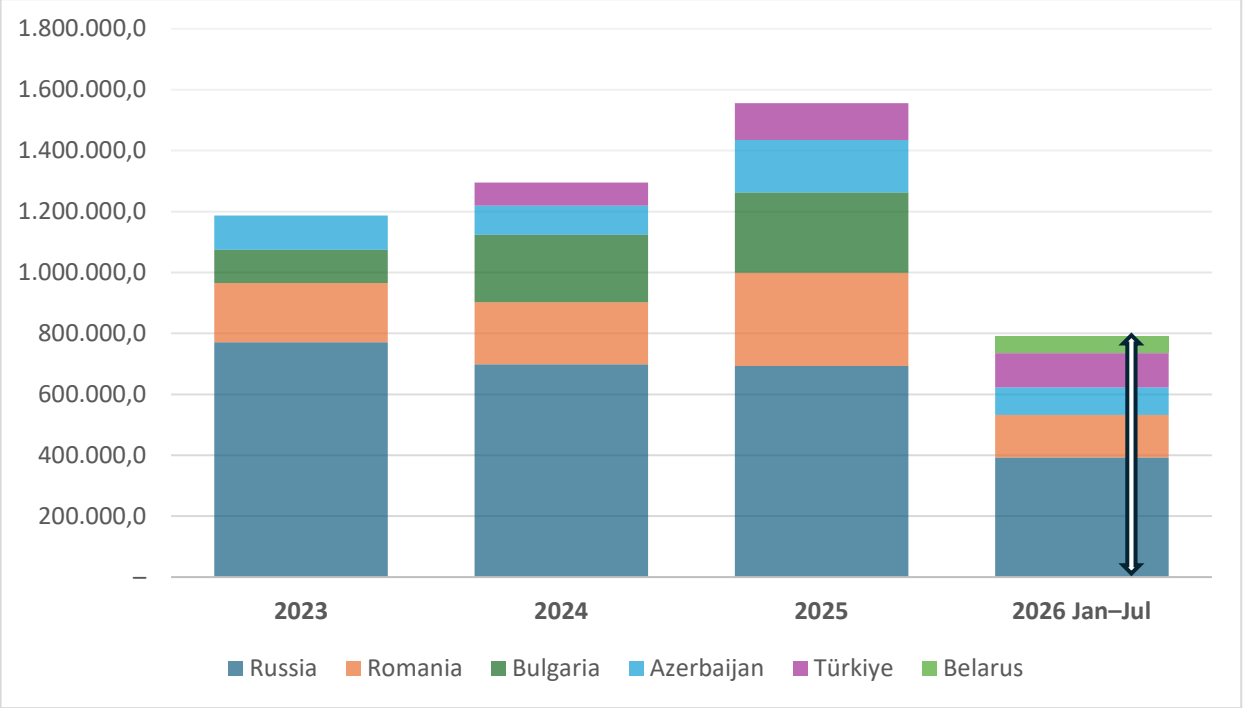
and Consumer Agency (GCCA) show that Russia supplied 62.5% of combined gasoline and diesel imports in 2023. The share fell to 54% in 2024 as European supply increased. Product-level data also show an important distinction: gasoline sourcing became relatively diversified across Russia, Bulgaria and Romania, while diesel remained more concentrated on Russia, with Azerbaijan the principal secondary source.[12]

The subsequent trade data show repeated adjustment rather than a one-way shift. In the first half of 2025, Russian oil-product volumes increased again, while Romania and Bulgaria remained important suppliers. During the second half of 2025, the mix broadened, with particularly strong growth from Azerbaijan and Türkiye. This pattern continued in 2026, when Russian export restrictions again affected fuel availability. This highlighted an additional security-of-supply consideration: Russian fuel exports can be subject to restrictions at short notice when the Russian authorities prioritise domestic market availability.

In January–July 2026, Georgia imported about 1.05 Mt of petroleum products. Russia remained the largest individual supplier at about 37% by volume, followed by Romania (13%), Türkiye (11%) and Azerbaijan (9%), with Belarus and other origins supplying the remainder. Compared with the same period of 2025, Russian volumes declined by 10.7%, while supplies from Türkiye and Azerbaijan increased by 153.9% and 131.1%, respectively. The 2026 episode therefore provides a practical security-of-supply test: importers were able to redirect volumes towards established alternative sources at relatively short notice. supply was maintained, but securing fuel in a tight regional market came at higher prices.

[12]Georgian Competition and Consumer Agency (GCCA), Auto Fuel Market Monitoring, 2023–2025.

Figure 2. Petroleum-product imports by main origin (Mt)



Source: Geostat external trade data; 2026 data cover 7 months only

3.2 Oil storage and supply infrastructure

Georgia's petroleum market is supported by a diversified and well-established logistics system. Petroleum products can enter through the Black Sea terminals at Batumi, Poti and Kulevi and through established overland routes, particularly by rail, while road transport provides additional flexibility. The terminals are connected to Georgia's rail and road networks, allowing maritime and overland supply to be combined according to product, supplier and market conditions.

According to market operators' descriptions of their logistics arrangements, downstream supply relies on a combination of terminal and inland storage, railway tank wagons and road tankers. The precise chain differs between operators and individual cargoes, but the overall structure provides several practical combinations of entry route, storage and onward transport. From a security-of-supply perspective, this means that Georgia is not dependent on a single petroleum-product entry point or transport mode and can accommodate changes in sourcing.

Georgia has substantial existing oil storage infrastructure. Published installed storage capacity across Batumi, Poti and Kulevi exceeds 1.1 million m³, as detailed in Table 2.

Table 2. Selected petroleum storage and terminal infrastructure

Terminal	Published storage capacity	Description
Batumi	>585,000 m³	Large multi-product Black Sea terminal with integrated marine and rail infrastructure.
Kulevi	~402,000–407,000 m³	Active multi-product Black Sea terminal with ongoing storage and handling development.
Poti	~144,000 m³	Clean-product import, storage and distribution terminal.

Terminal operators continue to modernise and adapt their facilities. This existing infrastructure could provide a basis for an emergency stockholding system. However, actual availability, technical suitability and costs would need to be established through competitive tenders.[13]

3.3 Kulevi refinery and the changing supply structure

The commissioning of the Kulevi refinery in late 2025 introduced a new element into Georgia's oil market. With first-stage crude-processing capacity of around 1.2 million tonnes per year, the refinery has created a sizeable crude-import, domestic-processing and petroleum-product export chain alongside the established finished-product import market. The scale of the change became visible quickly: the World Bank reported a 977% year-on-year increase in Georgia's mineral-fuel exports in March 2026, largely reflecting the emergence of refinery output.[14]

The current product slate is important for interpreting its security-of-supply role. Black Sea Petroleum describes first-stage output as including naphtha, high-sulphur diesel/gasoil and fuel oil for further processing, while production of Euro 5 gasoline and diesel requires additional secondary processing capacity and is targeted for the end of 2028. Kulevi therefore does not yet provide a domestic replacement for the finished gasoline and diesel imported for Georgia's transport market.

The refinery initially relied heavily on Russian crude, which accounted for about 98% of Georgia's crude imports in 2025. Following increased sanctions pressure in 2026, including the EU transaction ban targeting the refinery, the operator, Black Sea Petroleum (BSP), began diversifying its feedstock and reported processing exclusively non-Russian crude from late August.[15]This

[13]Batumi Oil Terminal / KazTransOil; Kulevi Oil Terminal / SOCAR Midstream; Channel Energy / Petrocas, published terminal and storage information.

[14]World Bank, Georgia Monthly Economic Update, 2026 (March 2026 export data).

[15]Centre for Research on Energy and Clean Air (CREA), Fact sheet: Georgian ports suspected of violating sanctions on Russian oil, 24 July 2026; corrigendum, 16 October 2026.

demonstrates access to alternative crude sources, although it is still too early to assess the durability of the new supply structure.

4. Domestic Market Structure and Pricing

4.1 Market structure and competition

The Georgian Competition and Consumer Agency (GCCA) provides the main official assessment of competition and concentration in the fuel market. In 2024, 47 companies imported about 1,668 thousand m³ of gasoline and diesel, 8.2% more than in 2023. Although the number of importers declined from 54 to 47, concentration also fell: the three largest importers accounted for 44% of volumes, down from 54%, and the five largest for 62%, down from 67%. The import market therefore became less concentrated despite the smaller number of participants.[16]

Indicator	2023	2024	Direction
Fuel importers	54	47	Fewer firms
Import volume	1,542 thousand m³	1,668 thousand m³	+8.2%
Top 3 import share	54%	44%	Lower concentration
Top 5 import share	67%	62%	Lower concentration
Main origin	Russia 62.5%	Russia 54%	Share declined

Source: Georgian Competition and Consumer Agency, auto-fuel market monitoring.

The retail market is more concentrated than the import market. GCCA reported 383 companies operating 1,238 filling stations in 2024, while the five largest retailers accounted for 67.1% of sales. Smaller and medium-sized operators therefore represented roughly one third of the retail market.

4.2 Market and price developments in 2026

Georgia's fuel market came under significant pressure in 2026 as international product prices and regional supply conditions deteriorated. The first major shock came in March, when retail fuel prices increased sharply within a matter of weeks, with the rise particularly pronounced for diesel. Commercial stocks of one to two weeks briefly delayed the impact of higher international prices. The pressure was not limited to the initial shock. Prices eased temporarily as international markets stabilised, but market conditions tightened again during the summer and autumn. Russian export restrictions and stronger regional demand increased competition for alternative supply, particularly from refineries in Romania, Bulgaria and Greece. Market participants reported

[16]Georgian Competition and Consumer Agency (GCCA), Auto Fuel Market Monitoring, 2024–2025.

higher supplier premiums above international quotations and more expensive new supply contracts. The market continued to secure fuel, but under more difficult and costly conditions.

The sharp increase in retail prices also triggered a domestic policy debate. The government and Parliament examined fuel-price formation with market participants, while proposals included temporary price controls and reductions in fuel excise. No excise reduction was implemented, and the existing tax framework remained in place.

Overall, the 2026 experience demonstrated considerable commercial flexibility: importers adjusted sourcing and supply was maintained despite successive external shocks. At the same time, relatively short commercial inventory cycles provided only limited buffering capacity, and maintaining supply came at a higher market price.

5. Emergency Preparedness, Market Monitoring and Security of Supply

5.1 Institutional framework and market monitoring

Georgia already has several established sources of oil-market information. Geostat provides energy balances and detailed external-trade statistics; GCCA monitors the gasoline and diesel market, including import structure, costs, stocks and retail pricing; and the Ministry of Economy and Sustainable Development oversees the wider energy-policy and supply-security framework. Maintaining timely and internally consistent visibility across these market segments will become increasingly important as Georgia's oil system becomes more complex.

5.2 Emergency oil stocks and implementation

Georgia remains at an early stage in establishing the compulsory emergency oil-stockholding system required under Directive 2009/119/EC. Preparatory work has been under way for several years, but as of 2026 the necessary legal, institutional, financing and operational arrangements for building and managing emergency stocks had not yet been put in place.

No compulsory emergency oil stocks have yet been created under this framework. Georgia therefore continues to rely on commercial inventories and the ability of market participants to redirect supply during disruptions. The 2026 experience showed that these mechanisms provide meaningful resilience, but they do not perform the same function as dedicated emergency stocks with predefined ownership, access and release procedures.

The physical infrastructure needed for conventional stockholding is not an obvious implementation constraint. Georgia already has substantial commercial petroleum-storage capacity and established handling and distribution systems. Competitive tenders can establish the availability, suitability and cost of commercial storage. The implementation challenge is therefore primarily to establish the necessary legal, institutional, financing, procurement and release arrangements.

6. Conclusions

Dependence on a dominant external supplier remains a security-of-supply risk, despite increasing diversification of import origins. Georgia's 2026 experience with Russian fuel demonstrated this in practice: export restrictions and sanctions affected established supply channels, requiring importers to shift towards alternative sources in an already tight regional market. These pressures occurred in a rapidly growing market. Petroleum-product demand has increased substantially over the review period, particularly in road transport, aviation and LPG..

Kulevi has added a significant crude-import and refining chain, but does not yet materially reduce dependence on imported Euro 5 gasoline and diesel. Its initial reliance on Russian crude also created a new concentration risk, although alternative feedstock sources proved accessible in 2026.

Commercial stocks of around one to two weeks provided only a limited buffer. A flexible and competitive market nevertheless maintained supply by switching suppliers and routes, but securing fuel under stressed regional market conditions came at higher prices.

Emergency stocks would provide an additional buffer where commercial stocks and normal sourcing are insufficient. Georgia has yet to establish compulsory stocks and the necessary legal, institutional, financing, procurement and release arrangements.

Existing infrastructure already provides much of the physical basis for stockholding. The priority is therefore to establish the stockholding system and determine through competitive procurement the availability and cost of suitable storage.

4 KOSOVO*

1. Executive Summary

Kosovo* is a landlocked and almost entirely import-dependent petroleum market. Eurostat data indicate that gross inland deliveries of oil and petroleum products increased by approximately 24% between 2022 and 2025, reaching 966 thousand tonnes in 2025. Diesel dominates the market, accounting for around three quarters of total petroleum-product demand.

The supply structure has become more competitive over time. Historically, Kosovo* relied predominantly on supplies from the Skopje/OKTA system, while imports through Albania subsequently developed into a strong competing route. The market is now supplied principally through two regional chains: from the Thessaloniki/Skopje system through North Macedonia and from seaborne terminals in the Durrës/Porto Romano area through Albania. Both ultimately rely on road transport for delivery into Kosovo*. The restart of the Thessaloniki–Skopje VARDAX product pipeline in 2026 is a material change in the regional supply structure, strengthening the capacity and competitive position of the established Skopje supply chain.

The 2026 oil-market disruption provided a practical stress test of this commercially flexible but externally dependent model. Kosovo* experienced strong price pressure and temporary government intervention, but imports continued and no prolonged systemic physical shortage developed. Competition between regional supply chains and access to nearby regional storage and import infrastructure contributed to continuity of supply.

The structural limitation is the small physical buffer inside Kosovo*. The most recent official data identify approximately 55,000 m³ of licensed bulk-storage capacity, supplemented by around 50,000 m³ of working tankage at filling stations. The market therefore depends on frequent deliveries from regional supply hubs and on the continuous functioning of road transport, border crossings and customs procedures.

This commercial model should be distinguished from emergency preparedness. Kosovo* has not yet established compulsory emergency oil stocks. A Draft Law on Compulsory Oil Stocks has been under preparation for years, after appearing in successive legislative programmes for more than a decade. The principal security-of-supply challenge is therefore no longer the functioning of the normal commercial supply system, but the absence of a dedicated emergency buffer for a more severe or prolonged disruption.

2. Demand and Product Structure

Kosovo*'s petroleum market has expanded materially since 2022. Gross inland deliveries increased from 777.9 thousand tonnes in 2022 to 966.2 thousand tonnes in 2025. The increase of 188.3 thousand tonnes between 2022 and 2025 represents growth of approximately 24%.

Gross inland deliveries (kt)	2021	2022	2023	2024	2025p
Total oil & petroleum products	866.4	777.9	860.2	921.1	966.2
Gas oil and diesel oil	601.7	562.0	615.9	666.6	717.4
Motor gasoline	62.7	58.0	64.5	68.5	74.5
Petroleum coke	75.4	83.0	96.5	90.1	67.4
Bitumen	65.9	29.4	39.3	43.3	49.6
LPG	31.6	22.7	21.8	24.6	25.8
Fuel oil	21.1	14.0	14.8	14.5	17.3
Lubricants	5.7	5.3	5.1	6.8	7.5
Kerosene-type jet fuel	2.4	3.6	2.3	6.6	6.7

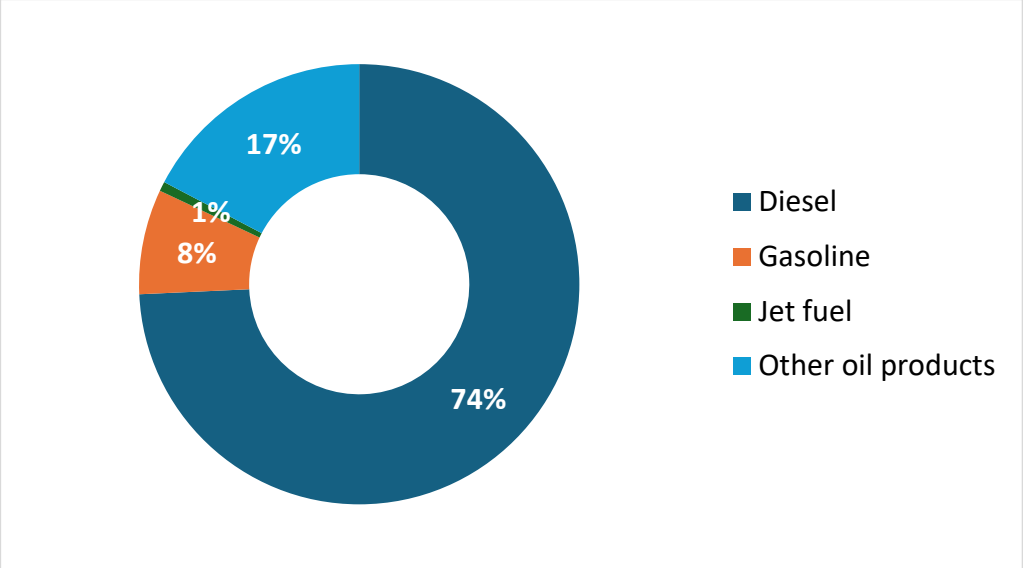
Source: Eurostat, Supply, transformation and consumption of oil and petroleum products (nrg_cb_oil). 2025 data are provisional.

2.1 Transport fuels

Diesel is by far the dominant petroleum product. Deliveries increased from 562.0 thousand tonnes in 2022 to 717.4 thousand tonnes in 2025, an increase of approximately 28%. Motor gasoline increased from 58.0 to 74.5 thousand tonnes over the same period. Jet-fuel demand remains comparatively small at 6.7 thousand tonnes. Other oil products accounted for the remaining 17.4% of the 2025 market.

Together, diesel, gasoline and jet fuel accounted for around 83% of total petroleum-product deliveries in 2025. The scale and growth of road-fuel demand explain why continuity of tanker-based import logistics is central to Kosovo*'s oil security of supply.

Figure 1. Kosovo* petroleum-product supply structure, 2025



Source: Eurostat, nrg_cb_oil.

2.2 Petroleum coke and other products

Petroleum coke deserves particular attention in Kosovo*'s oil market, given its significant import volumes and relevance to the emergency oil stockholding obligation. Its apparent domestic use declined from 96.5 thousand tonnes in 2023 and 90.1 thousand tonnes in 2024 to 67.4 thousand tonnes in 2025. This largely reflects changes in trade flows: the 2025 balance shows around 67.4 thousand tonnes of imports and no reported exports, compared with higher gross imports accompanied by exports in preceding years. Under the Oil Stocks Directive, net imports of petroleum coke enter the calculation of the crude-oil equivalent of petroleum-product imports and can therefore affect the 90-day stockholding obligation.[17]

Bitumen provides a different example of non-transport petroleum demand. Deliveries fell sharply from 65.9 thousand tonnes in 2021 to 29.4 thousand tonnes in 2022 before recovering progressively to 49.6 thousand tonnes in 2025. This pattern is consistent with a product whose demand is closely linked to road construction and infrastructure investment rather than continuous transport-fuel consumption.

[17]Eurostat, Supply, transformation and consumption of oil and petroleum products (nrg_cb_oil), Kosovo*, 2023–2025.

The Kosovo Agency of Statistics (ASK) petroleum balance provides an additional national statistical reference for these products and confirms the importance of distinguishing the broader petroleum balance from the narrower transport-fuel market.

Fuel oil is a small market category, with gross inland deliveries of 17.3 thousand tonnes in 2025. Within this category, mazut/HFO has a more specific security-of-supply role as contingency fuel for thermal power and district-heating facilities. The energy utilities continued to procure mazut in 2025. The quantities are small relative to the petroleum market, but the role is operationally relevant: maintaining contingency fuel at thermal facilities can limit the additional pressure on the liquid-fuel market if a disruption to lignite generation coincides with a petroleum-supply shock. Any material increase in such use would also increase net petroleum imports and therefore affect the calculated stockholding requirement.

2.3 Oil dependence within the wider energy system

Aggregate energy-dependency indicators can understate Kosovo*'s exposure in the oil sector. Kosovo* has substantial domestic lignite resources and relies heavily on domestic lignite for electricity generation. Its overall energy system therefore appears less import-dependent than those of some neighbouring economies.

The Kosovo Agency of Statistics (ASK) annual energy balances show that total final energy consumption increased by 13.4% in 2025, while industrial energy consumption grew by 10.2%, following a slight decline in 2024. Petroleum products remained the largest source of industrial energy consumption, accounting for 65% in 2024 and 62% in 2025. These figures underline the importance of oil products beyond the transport sector.[18]

Unlike electricity generation, the petroleum sector is almost entirely import-dependent. Kosovo* has no domestic refinery or material indigenous petroleum supply. Oil security of supply therefore represents a concentrated import vulnerability within an energy system otherwise supported by substantial domestic primary-energy resources.

This vulnerability became particularly visible in 2026. The EBRD's March assessment of the Middle East conflict identified higher oil and gas prices, disrupted trade flows and tighter financing conditions as major transmission channels to import-dependent economies. By September, the EBRD projected Kosovo*'s real GDP growth at 3.5% for 2026. Inflation reached

[18]Kosovo Agency of Statistics (ASK), annual energy balances, 2024 and 2025.

7.5% in April before easing to 6.5% in July, with transport, housing and energy among the principal sources of price pressure.[19]

3. Supply, Market Structure and Logistics

3.1 Downstream market and distribution

Kosovo* has no refinery and its downstream petroleum market is supplied almost entirely with imported finished products. The distribution model is highly road-based and characterised by frequent deliveries rather than large centralised domestic inventories.

Historical regulatory material shows that this structure developed over time as petroleum-market rules allowed imported finished products to move directly through the distribution chain rather than requiring all volumes to be unloaded into a central domestic storage facility. The result is a market in which regional terminals and storage hubs perform an important commercial buffering function upstream of Kosovo*.

The domestic market is served through an extensive filling-station network. The Kosovo Oil Association reported more than 900 filling stations operating in 2023. Filling-station tankage forms part of the day-to-day working inventory of the market and supports continuous distribution, but it should not be equated with bulk storage available for a future compulsory stockholding system.[20]

The Albanian supply chain has a particularly relevant customs arrangement. Kosovo Customs maintains offices in both the Port of Durrës and Porto Romano under bilateral arrangements with Albania. The Porto Romano office specifically covers petroleum derivatives. Goods destined for Kosovo* can therefore enter Kosovo customs procedures while still at the Albanian port. This arrangement facilitates direct onward road supply.[21]

3.2 Regional supply chains

Kosovo*'s present supply structure is the result of gradual diversification rather than the appearance of an entirely new route.

[19]European Bank for Reconstruction and Development (EBRD), Regional Economic Prospects, March and September 2026.

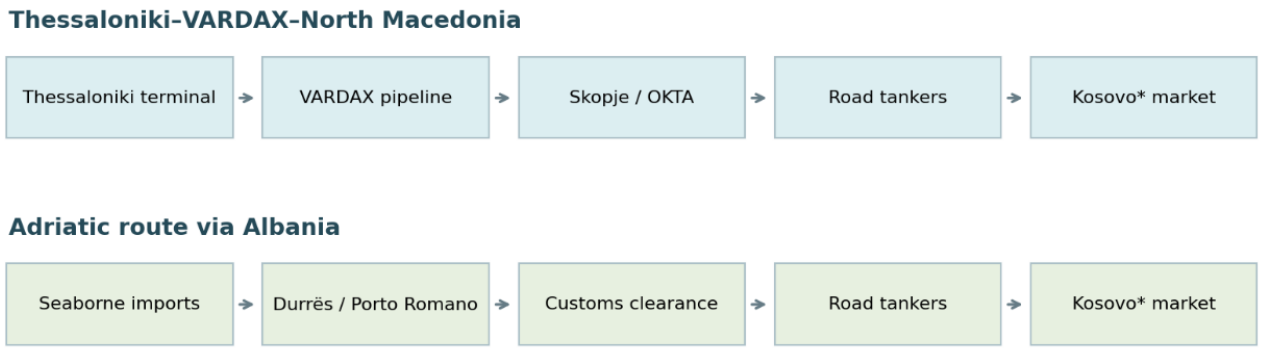
[20]Kosovo Oilmen's Association, public statements on the petroleum-product market and filling-station network, 2023.

[21]Kosovo Customs, information on customs operations at Durrës and Porto Romano, Albania.

Historically, the Skopje route was dominant. The Energy Regulatory Office (ERO)'s 2011 Security of Supply Statement reported that more than 60% of Kosovo*'s petroleum products originated from the then-operating OKTA refinery in Skopje, while imports of diesel and gasoline through Albanian ports were already increasing. OKTA subsequently ceased refining and, since 2013, has operated as a storage, logistics, trading and wholesale hub.

The Albanian route has since developed into a significant competing supply chain, supported by seaborne imports through the Durrës/Porto Romano area and improved road connectivity to Kosovo*. HELLENiQ ENERGY's reporting provides an indication of the changing balance: OKTA reported a Kosovo* wholesale market share of approximately 36% in 2023 and 32% in 2024, while identifying stronger competition from Albania as an important market development.[22]

Figure 2. Main fuel supply routes to Kosovo*



During the 2026 market disruption, publicly reported government market monitoring indicated that Albania accounted for around 50–60% of Kosovo*'s petroleum-product supply, with Greece and North Macedonia providing the remaining principal supply directions. The estimate was based on monitored import volumes and prices; the underlying analysis has not been published. The available evidence nevertheless indicates a dynamic market in which supply volumes can shift between the principal regional chains in response to prices, product availability and logistical conditions.[23]

[22]HELLENiQ ENERGY / OKTA, annual reporting, 2023 and 2024.

[23]Ministry of Industry, Entrepreneurship and Trade (MINT), petroleum-market monitoring statements, 2026.

The restart of the Thessaloniki–Skopje VARDAX petroleum-product pipeline in March 2026 materially strengthened the first supply chain, restoring a high-capacity connection between the Thessaloniki refining system and the Skopje/OKTA hub after more than a decade of inactivity. HELLENiQ ENERGY's 2026 reporting identified the reopened pipeline as an important enabler of increased regional supply capacity. For Kosovo*, the significance lies in the strengthened upstream supply chain: the Skopje hub can now receive larger volumes by pipeline, while the final Skopje–Kosovo* leg remains road-based. VARDAX should therefore be viewed as strengthening an existing Kosovo* supply chain rather than creating a new import route, alongside the established Albanian corridor.

3.3 Road and rail transport

Road transport carries the practical burden of petroleum supply into Kosovo*. The principal physical entry corridors are the Albania–Kosovo route through the Vërmica/Morinë area and the North Macedonia–Kosovo route through Hani i Elezit/Blace.

The scale of road-based petroleum-product transport is a significant logistical challenge, but an established and functioning supply chain has developed to handle it.

Rail provides a physical connection with North Macedonia but currently plays little practical role in petroleum supply. Rail has historically supported wider industrial freight flows, but changes in the composition of those flows and interruptions to the southern international connection have shifted much of the traffic to road. Re-establishing reliable cross-border rail freight would restore an additional bulk-transport option; at present, however, petroleum supply remains overwhelmingly road-based.

3.4 Domestic storage capacity

The most recent official ERO Security of Supply Statement identifies approximately 55,000 m³ of licensed storage capacity at 14 bulk depots, supplemented by around 50,000 m³ of tankage at filling stations.[24]

These two figures have different security-of-supply significance. Filling-station tanks are working inventories required for retail operations and cannot be considered strategic emergency stocks.

[24]Energy Regulatory Office (ERO), Statement of Security of Supply for Kosovo 2021–2022, published 2024.

The approximately 55,000 m³ of commercial bulk-storage capacity is therefore the more relevant indicator of the physical starting point for a future emergency-stock system.

Limited qualifying storage capacity is likely to be one of the first technical challenges for Kosovo* in establishing an emergency-stock system. With the petroleum market approaching one million tonnes per year, a simple 90-day equivalent would correspond to roughly 250 thousand tonnes of product. Existing bulk-storage capacity is therefore substantially below the physical scale associated with such a requirement. This comparison is indicative rather than a calculation of Kosovo*'s legal stockholding obligation, which must be determined in accordance with the Directive's net-import methodology.

4. Security of Supply and Emergency Stocks

4.1 Market monitoring

Kosovo* already has a substantial administrative basis for petroleum-market monitoring. Petroleum products are fiscally important imports and customs and excise procedures generate detailed information on market inflows. Kosovo Customs reported approximately EUR 485 million in tax revenue from petroleum derivatives in 2024. From April 2026, MINT also began using more detailed monitoring of imported volumes and prices in the petroleum market.[25]

The Energy Regulatory Office (ERO) also has a statutory role in periodic security-of-supply reporting covering electricity, gas and oil-market developments. The latest published Security of Supply Statement covers 2021–2022 and was published in 2024. It remains useful for describing structural features of the petroleum market, including storage and transport, but is increasingly a historical rather than current market reference.

4.2 Emergency stockholding

Kosovo* has not yet established an operational compulsory oil-stock system under Directive 2009/119/EC. A draft law on compulsory oil stockholding has been under preparation, but has not been adopted.

[25]Kosovo Customs, 2024 petroleum-derivatives tax-revenue reporting.

Given Kosovo*'s near-total dependence on imported petroleum products, the Directive's net-import methodology will be central to determining the future stockholding obligation. Petroleum coke may also affect the calculation of the crude-oil equivalent of net petroleum-product imports.

The main remaining challenge is therefore to move from the draft legislative framework to an operational emergency-stockholding system.

4.3 Other Emergency Stocks

According to the ERO Statement of Security of Supply for Kosovo 2021–2022, Kosovo* also holds oil-product reserves under the separate State Reserve Goods framework. These reserves are stored in contracted private warehouses, while their volume and location are not publicly disclosed. They should be distinguished from the compulsory emergency stocks required under Directive 2009/119/EC.

2026 Market Stress and Crisis Response

The 2026 international oil-supply disruption tested Kosovo*'s import-dependent market under unusually difficult conditions. The disruption in the Middle East sharply increased international oil prices, freight costs and refining margins and reduced the availability of some petroleum products, particularly diesel and jet fuel.

Petroleum-product prices are generally market-determined, but Law No. 08/L-018 allows temporary maximum-price and margin controls under defined market-stress conditions. The mechanism was used for several months in 2022–2023 and reactivated in 2026. MINT introduced daily maximum prices and margin limits in April 2026. The measures were repeatedly extended and remained in force for around 150 days before being discontinued in September.

The episode demonstrated the importance of Kosovo*'s regional supply chains. Importers continued to source product through neighbouring markets and terminals, while prices available from the Porto Romano supply system became an important commercial reference for replacement supplies. Despite substantial price pressure, Kosovo* did not experience a prolonged systemic interruption of petroleum-product imports.

The 2026 stress test showed that competition between the Albanian and North Macedonian supply chains provides practical commercial flexibility rather than merely theoretical route diversification.

At the same time, the episode demonstrated the limits of that resilience. Kosovo* remained dependent on external product availability, regional terminals, road transport and functioning border and customs procedures. Commercial flexibility mitigated the disruption but did not create an autonomous domestic supply buffer.

The macroeconomic effects were also visible. EBRD assessments during 2026 linked the Middle East disruption to higher energy costs and inflation across the region. In Kosovo*, inflation peaked at 7.5% in April before moderating to 6.5% in July as transport, housing and energy price pressures softened. The oil market therefore transmitted the international shock primarily through prices rather than a sustained physical shortage.

5. Conclusions

The 2026 market experience clarifies the nature of Kosovo*'s oil security challenge. The country does not rely on a single supply line: the Albanian and Skopje systems provide alternative commercial channels, and the reopening of VARDAX has strengthened the latter. This flexibility is a meaningful resilience factor.

At the same time, the model depends on rapid turnover through external terminals, road transport and border crossings. The limited domestic bulk-storage base leaves little room for a prolonged interruption of regional deliveries.

Kosovo* has also demonstrated useful capacity to monitor petroleum-product imports, prices and market developments. Customs and market-monitoring data provide a useful basis for understanding supply flows and could support future oil-security reporting and stockholding calculations. Temporary price regulation can help address short-term affordability pressures during periods of sharp price increases, but does not itself provide security of supply or create a physical emergency buffer.

The priority is therefore to establish an effective emergency oil-stockholding system alongside the existing commercial supply arrangements. The 2026 experience provides practical evidence of how the existing market behaves under stress and a timely basis for completing the compulsory stockholding framework.

5 MOLDOVA

1. Executive Summary

Moldova is a small, fully import-dependent oil market with no domestic refining and limited physical buffers, making its supply security dependent on access to neighbouring markets, reliable import logistics and adequate supply buffers. The World Energy Council's 2026 Energy Security assessment places Moldova among the lowest-ranked countries in the Energy Community region, reflecting broader structural vulnerabilities.[26]

National Bureau of Statistics of the Republic of Moldova (BNS) data show gross oil-products consumption reaching 1,210 ktoe in 2025, up by nearly 10% from 2024, with transport accounting for 77% of final consumption. Eurostat data indicate gross inland deliveries of 1,188 kt in 2025; diesel remained the dominant product at 747 kt. Jet fuel increased strongly, while fuel oil returned to very low levels after exceptional crisis-related use in 2022–2023.

Since 2022, supply has reoriented sharply towards European and non-Russian sources. Romania is the principal commercial and logistical hub, supplying almost all gasoline and aviation fuel and the majority of diesel and LPG, while diesel and LPG retain a broader range of origins. National Agency for Energy Regulation of the Republic of Moldova (ANRE) data show that formal market participation has broadened, although physical import activity remains concentrated among fewer operators.

Moldova experienced significant petroleum-product supply pressures in 2026, including acute disruption in March–April and again in July. The July episode coincided with exceptionally low Danube water levels and other logistics constraints, with commercial diesel stocks falling to roughly one week of consumption and temporary shortages reported at filling stations. The authorities responded through the national crisis-management framework with a coordinated package of preventive measures covering commercial-stock protection, import logistics, monitoring, temporary demand measures and adjustments to regulated diesel pricing. Supply conditions later stabilised, while the principal petroleum-product measures remained in place.

The Law on Security of Supply with Petroleum Products (Law No. 119/2026) establishes a phased emergency stockholding system, with the full statutory stock level to be reached by 1

[26] World Energy Council (2026), *World Energy Trilemma Index*, Energy Security dimension.

July 2034. The 2026 supply disruptions underline the value of accelerating practical implementation and building usable emergency stocks well before that deadline.

2. Demand and Product Structure

2.1 Overall Oil-Products Demand

The BNS energy balance provides the broadest view of Moldova's oil-products market. The table shows the scale of imports, stock movements and consumption, and highlights the market's sustained dependence on external supply.

Energy balance – oil products (ktoe)	2020	2021	2022	2023	2024	2025
Imports	971	1,037	1,282	1,208	1,121	1,213
Exports	20	7	184	67	10	3
Stock changes	−11	29	10	−15	−10	−3
Gross consumption	946	1,064	1,113	1,130	1,103	1,210
Final consumption	943	1,042	1,031	1,021	1,093	1,202

Source: BNS, Energy balance, kt of oil equivalent. Data exclude the districts on the left bank of the Nistru River and the municipality of Bender.

Gross oil-products consumption increased by 28% between 2020 and 2025, reaching 1.21 Mtoe. Following relative stability in 2022–2024, consumption rose by nearly 10% in 2025, driven mainly by transport demand.

2.2 Final Oil-Products Consumption by Sector

The sectoral breakdown shows where oil-product demand is concentrated and why diesel supply is particularly important for short-term security of supply: transport dominates final consumption, while agriculture adds a smaller but strongly seasonal demand component.

Sector (ktoe)	2020	2021	2022	2023	2024	2025
Industry	36	27	32	26	44	43
Transport	667	754	774	764	838	929
Residential	56	56	52	51	52	51
Trade & public services	0	–	1	1	1	1
Agriculture, forestry, fishing	112	145	121	129	116	114
Non-energy use	72	60	51	50	42	64

Source: BNS, Energy balance, kt of oil equivalent.

Transport has become increasingly dominant in Moldova's oil-products market, with its share of final consumption rising from 72% in 2021 to 77% in 2025. Transport demand increased by 11% in 2025, accounting for most of the growth in final consumption. Agricultural diesel demand remains strongly seasonal, with peaks during fieldwork and harvesting.

2.3 Petroleum-product market trends, 2021–2025

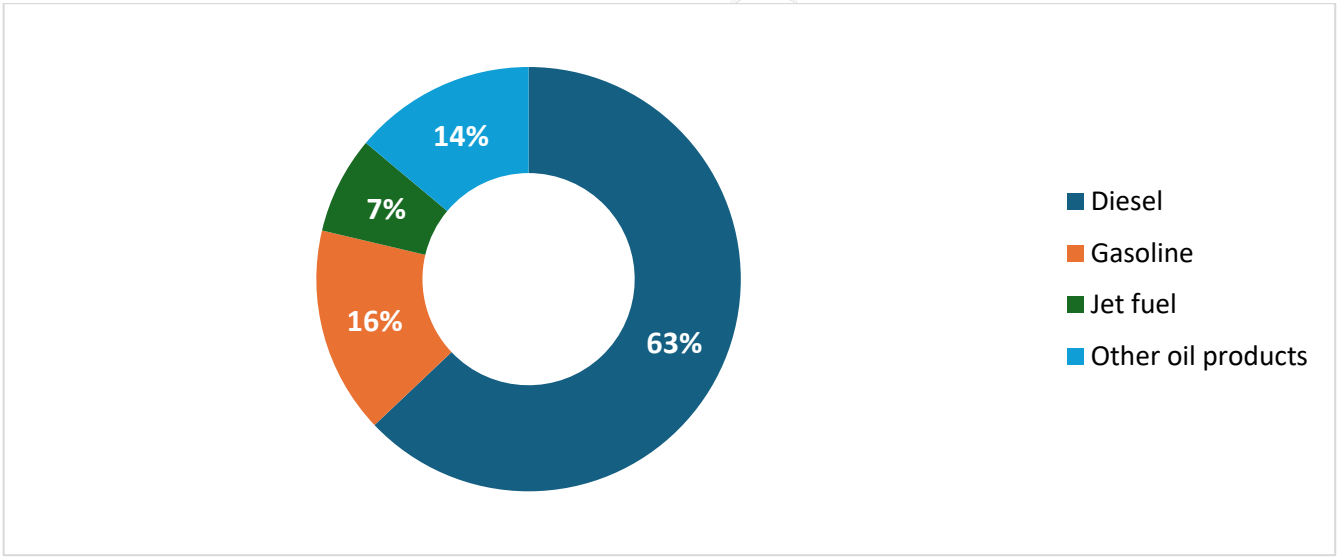
Eurostat petroleum-product statistics provide a complementary view of the market. Gross inland deliveries increased from 1,048.2 kt in 2021 to a provisional 1,187.6 kt in 2025. The increase was driven mainly by diesel and jet fuel.

Gross inland deliveries (kt)	2021	2022	2023	2024	2025p
Total oil & petroleum products	1,048.2	1,099.5	1,116.3	1,093.9	1,187.6
Gas oil & diesel oil	655.4	658.8	651.1	687.0	747.0
Motor gasoline	187.9	173.2	182.9	192.7	187.3
Kerosene-type jet fuel	40.5	44.9	44.4	58.3	87.9
Fuel oil	18.1	81.0	106.9	6.7	3.5

Source: Eurostat, nrg_cb_oil, gross inland deliveries. 2025 values are provisional.

Figure 1. Petroleum-product gross inland deliveries by fuel, 2025

Diesel remained by far the largest product, rising from 655.4 kt in 2021 to 747.0 kt in 2025. Motor gasoline remained comparatively stable. HFO deliveries increased sharply in 2022 and 2023 because of crisis-related fuel switching in heat and power generation, before falling back to 6.7 kt in 2024 and a provisional 3.5 kt in 2025.



2.4 Fuel Oil and Energy-System Contingency Use

During the 2022–2023 energy crisis, Termoelectrica used HFO as an alternative to natural gas, supported by direct procurement and state material-reserve arrangements. The exceptional switching is clearly visible in the oil balance: HFO gross inland deliveries rose from 18.1 kt in 2021 to 81.0 kt in 2022 and 106.9 kt in 2023, before falling to 6.7 kt in 2024.

These volumes were part of the wider energy-crisis and material-reserve framework, not statutory emergency oil stocks. The episode remains relevant to oil security because fuel oil forms part of the inland-consumption calculation under Directive 2009/119/EC.

2.5 Jet Fuel

Jet fuel remains a smaller product segment but has shown the strongest recent growth among the main transport fuels. Gross inland deliveries increased from 40.5 kt in 2021 to 58.3 kt in 2024 and a provisional 87.9 kt in 2025, consistent with the recovery and expansion of air traffic.

The increase is relevant to the supply-security picture because aviation-fuel supply is highly concentrated: in 2026 Moldova sourced all jet fuel from Romania, while changes to the ownership and operation of Chișinău airport's fuel infrastructure were required after sanctions affected the previous supplier.

3. Supply Sources and Import Logistics

3.1 Import Dependence and Post-2022 Reorientation

Moldova's oil-products market is supplied almost entirely by imported refined products. Domestic crude production at Văleni amounts to only a few kt per year and is marginal relative to the national oil market. In the absence of domestic refining capacity, it does not materially contribute to domestic petroleum-product supply.

Before 2022, supply included eastern rail and trading links and material Russian-origin diesel volumes. ANRE reported that Russia still accounted for about 8% of diesel imports in 2022, concentrated mainly in the first quarter. Following Russia's full-scale invasion of Ukraine, Russian and Belarusian exposure declined sharply, Ukrainian refining and transit capacity was disrupted,

and Moldova shifted towards Romanian supply, western land corridors and additional non-Russian origins.[27]

3.2 Romania and Alternative Supply Origins

In 2024, ANRE recorded imports of about 196 kt of gasoline, 696 kt of diesel and 57 kt of LPG. Romania supplied approximately 99% of gasoline, 74% of diesel and 69% of LPG. Diesel imports also originated from Türkiye, Bulgaria, the United Arab Emirates, Saudi Arabia, India, Azerbaijan, Kuwait and other markets, while LPG origins included Egypt, the United States, Algeria, Kazakhstan and Türkiye. Romania is therefore Moldova's principal supply hub, although the degree of supply concentration varies considerably by product.[28]

Aviation fuel is the most concentrated case. In 2026, all jet fuel was sourced from Romania. After sanctions affected Lukoil in late 2025, Chișinău International Airport took over operation of the airport fuel infrastructure to maintain refuelling continuity; the fuel-complex assets returned to state ownership in January 2026.

Gasoline and jet fuel are therefore highly concentrated on Romania, while diesel and LPG have a broader range of origins. This origin diversification should not be equated with full logistical diversification, since non-Romanian products may still depend on the same regional terminals, Giurgiulești or transit through Romania.

3.3 Giurgiulești International Free Port

Giurgiulești International Free Port is Moldova's only direct river/maritime gateway and an important alternative import route. Its oil terminal comprises eight petroleum-product storage tanks with a combined capacity of 63,600 m³, of which six are used for diesel and two for gasoline. The terminal is equipped for road loading as well as mixed-gauge rail loading and unloading, linking vessel discharge with Moldova's inland distribution system.[29]

Navigation conditions on the Danube directly affect the usable capacity of this route. Low water levels reduce vessel and barge cargo loads, while berth availability, handling capacity and onward

[27]National Agency for Energy Regulation (ANRE), annual petroleum-products market monitoring reports, 2021–2025; IEA (2022), Moldova 2022 Energy Policy Review.

[28]National Agency for Energy Regulation (ANRE), petroleum-products market monitoring report, 2024, import volumes and supply origins.

[29]Government of the Republic of Moldova / Giurgiulești International Free Port, port and petroleum logistics information.

rail or road transport affect throughput. During the July 2026 disruption, the low Danube level reduced the carrying capacity of a barge from around 2,000-2,500 tonnes to about 900 tonnes and restricted access by larger maritime vessels, shifting part of the logistics burden to road transport.

3.4 Rail and Road Corridors

Road tankers provide the most flexible cross-border supply option and can deliver directly to terminals and retail networks. Their aggregate capacity depends on vehicle availability, border throughput and customs processing.

Rail can move larger batches, but the break of gauge at the Romanian border is a structural constraint. Moldova uses the 1,520 mm gauge, while Romania uses the European 1,435 mm gauge. Freight therefore requires transshipment or other technical handling at the border interface. European Commission technical work has identified the gauge change at Ungheni and Giurgiulești as a major connectivity constraint, with existing arrangements limiting cross-border capacity.

Rail-connectivity projects are under preparation or implementation, including rehabilitation of the Iași–Ungheni connection, the planned Bereşti multimodal logistics terminal and rehabilitation of the Bender–Basarabeasca–Etulia–Giurgiulești Southern Corridor. The Transport Community lists 2027 as the estimated completion deadline for the Southern Corridor rehabilitation project.

4. Domestic Market Structure, Commercial Stocks and Pricing

4.1 Market Structure and Imports

ANRE's annual petroleum-products monitoring reports provide the main operational dataset for gasoline, diesel and LPG. The data show an overall increase in petroleum-product imports since 2021, driven mainly by higher diesel and gasoline volumes.

ANRE imports (kt)	2021	2022	2023	2024	2025
Gasoline	173.3	169.5	184.2	196.0	211.9
Diesel	648.9	636.4	665.6	695.6	737.6
LPG	61.1	55.5	58.1	56.7	55.2
Total	883.3	861.4	907.9	948.2	1,004.7

Source: ANRE annual petroleum-products market monitoring reports.

These data are reported in physical tonnes and are used here to describe imports and market structure rather than the national energy-demand balance. The number of gasoline/diesel import and wholesale licence holders increased from 22 in 2021 to 45 in 2025, while LPG import and wholesale licence holders increased from 12 to 17. The formal licensing base has therefore broadened, but actual import activity remains concentrated among fewer major operators; licence numbers should not be interpreted as equivalent to diversification of supply.

4.2 Storage Infrastructure and Commercial Stocks

In addition to the bulk-storage capacity at Giurgiulești, petroleum products are stored in commercial depots and filling-station networks operated or used by importers and distributors. Under the petroleum-products licensing regime, importers of gasoline and diesel must have access to at least 1,000 m³ of storage capacity, while the corresponding minimum for LPG importers is 150 m³.

Commercial inventories held within this infrastructure are relatively limited in relation to consumption and fluctuate with import and distribution conditions. At the end of 2025, ANRE reported commercial stocks equivalent to approximately 26 days of gasoline consumption, 13 days of diesel consumption and 22 days of LPG consumption. These are operational commercial inventories rather than statutory emergency stocks. Their distribution between companies and locations also matters: the July 2026 disruption showed that shortages could occur in individual retail networks while imports continued and aggregate national stocks remained positive.

Looking ahead, the development of the new emergency stockholding system will place additional demands on Moldova's storage infrastructure.

5. Oil Security of Supply and Emergency Stockholding

5.1 Legal framework and emergency stockholding development

The Law on Security of Supply with Petroleum Products (Law No. 119/2026), adopted in June 2026, established Moldova's legal framework for emergency oil stockholding. It provides for a gradual build-up of emergency stocks, with the full statutory level to be reached by 1 July 2034.

The framework introduces a dedicated emergency stockholding layer alongside commercial inventories held by market participants. This distinction is important for Moldova, where security of supply has historically depended primarily on commercial stocks, functioning import routes and crisis-management measures.

The Central Stockholding Entity (CSE) is intended to become a central component of the new system, while part of the stockholding obligation will remain with importers. Given Moldova's high dependence on imported petroleum products, the 90-day net-import criterion is the relevant benchmark for determining the emergency stockholding requirement.

At the time of the 2026 supply disruptions, the new statutory system was not yet operational and substantive accumulation of emergency stocks had not begun. Until statutory reserves reach a meaningful scale, commercial inventories remain the principal physical buffer against short-term petroleum-product supply disruptions.

At the end of 2025, commercial stocks were equivalent to approximately 26 days of gasoline consumption, 13 days of diesel consumption and 22 days of LPG consumption. These were operational commercial stocks rather than dedicated emergency reserves and can therefore fluctuate substantially with normal market activity and seasonal demand.[30]

The long transition period allows the institutional, financial and physical infrastructure of the new system to be developed progressively. Storage availability will be an important practical consideration: existing commercial infrastructure supports normal market operations, but the statutory system will require sufficient capacity to hold emergency stocks without undermining commercial flexibility.

The immediate challenge is therefore not only to reach the full obligation by 2034, but to develop emergency-response capability progressively. Earlier stock acquisition, adequate storage and established release arrangements would reduce reliance on commercial inventories and emergency logistics measures during future disruptions.

5.2 Supply disruptions and crisis response in 2026

Moldova experienced two periods of significant petroleum-product supply pressure in 2026, prompting states of alert and emergency and a series of preventive measures.

The first occurred in March–April, against the background of increased regional oil-market volatility and wider energy-security risks. A state of alert was declared on 4 March, followed by a state of emergency from 25 March. During the most difficult period, temporary diesel shortages

[30] National Agency for Energy Regulation, petroleum-products market monitoring and commercial-stock reporting, end-2025.

were reported at filling stations. The state of emergency ended on 25 April and the subsequent state of alert expired on 23 June.

A second and more pronounced period of pressure developed in July, when international petroleum-product market pressures coincided with exceptionally low Danube water levels and other logistics constraints. By late July, commercial diesel stocks had fallen to roughly one week of consumption, while temporary shortages appeared at filling stations.

The July developments demonstrated the limitations of relying on commercial inventories as the principal supply buffer. In the absence of operational statutory emergency stocks, the authorities focused on protecting available commercial inventories, maintaining import flows and prioritising logistics.

In late July, the authorities introduced a coordinated package of preventive measures aimed at maintaining petroleum-product availability and avoiding further supply disruptions. The measures combined protection of commercial stocks at Giurgiulești, priority treatment of road and rail fuel imports, enhanced monitoring of stocks and planned imports, temporary demand measures and adjustments to the regulated diesel price mechanism to reflect exceptional procurement and logistics costs.[31]

Supply conditions subsequently improved, although the underlying regional market and hydrological risks persisted. The state of alert remained in place through the summer and, from 26 September, was replaced by a 60-day state of emergency in the energy and hydrological sectors approved by Parliament. The principal petroleum-product measures introduced during the July alert remained largely unchanged under the new legal regime, including the protected commercial-stock thresholds at Giurgiulești and priority arrangements for road and rail fuel imports.

The authorities characterised the approach as preventive: fuel availability had improved, but the measures were maintained to safeguard supplies and enable rapid intervention if conditions deteriorated again. The transition from alert to emergency in September represented primarily a change in the legal framework rather than a new fuel-supply disruption or a substantially different response.

[31] Government of the Republic of Moldova, Ministry of Energy and National Crisis Management Commission, July–August 2026 supply-security decisions.

The 2026 response reflects crisis-management experience accumulated through successive energy-security challenges throughout the 2020s. It suggests increasingly structured and preventive crisis coordination, with measures activated as risks emerge and maintained or adjusted as conditions evolve.

5.3 Regulated Retail Price-Setting Mechanism

The 2026 supply disruptions also highlighted the role of retail price regulation in maintaining fuel availability. Moldova operates a statutory maximum-price mechanism for standard 95-octane gasoline and diesel under the Petroleum Products Market Law (Law No. 461/2001). ANRE sets maximum retail prices based on international reference quotations, a regulated commercial margin, excise duty and VAT.

During the July–August disruption, the authorities temporarily adjusted the pricing formula to reflect exceptional procurement and transport costs. The reference basis was shifted from FOB Med Cargo to CIF Med Cargo, and an additional USD 25 per tonne component was authorised for diesel.

These adjustments helped align regulated prices with the higher cost of securing replacement supplies, illustrating the importance of flexibility in price regulation during supply disruptions.

6. Conclusions

Moldova's oil-security profile is defined by near-total dependence on imported refined products, a demand structure dominated by diesel and transport, and reliance on a limited set of regional logistics corridors. Romania is the principal supply hub, while Giurgiulești, road and rail provide complementary routes with distinct operational constraints. Commercial inventories remain relatively limited and their distribution across companies and locations can be important during short disruptions.

At the same time, the market demonstrated considerable resilience during the 2026 disruption. Russian and Belarusian exposure has fallen sharply since 2022, diesel and LPG have a broader range of supply origins, and the authorities can use road, rail and Danube logistics alongside crisis-management instruments. The exceptional HFO use in 2022–2023 and the rapid growth of aviation fuel also illustrate why changes in individual product segments need to be considered within the wider security-of-supply picture.

The 2026 supply pressures provided a practical test of Moldova's current oil-security arrangements. Commercial stocks, import logistics and the national crisis-management framework carried the immediate security-of-supply burden. The response suggests increasingly structured and preventive crisis coordination, while the new statutory emergency-stockholding system was not yet operational.

The Law on Security of Supply with Petroleum Products (Law No. 119/2026) adds a new statutory layer to Moldova's oil-security framework. Physical stockholding will be built progressively under the transition established by the law, but the 2026 experience points to a practical need to develop usable emergency stocks and supporting storage capacity earlier in that process. Until the system becomes operational at meaningful scale, short-term resilience will continue to depend heavily on commercial inventories, functioning import corridors and effective crisis coordination.

6 MONTENEGRO

1. Executive Summary

Montenegro is a small, fully import-dependent coastal oil market. Its defining structural advantage is direct maritime access through the Port of Bar, which connects the market to Mediterranean product supply and reduces dependence on overland corridors. At the same time, the country's final oil demand is dominated by road transport and is strongly seasonal because of tourism. The market therefore combines good physical access to external supply with high dependence on imported finished products and pronounced summer demand peaks.

Demand has expanded since 2021. Gross inland deliveries rose from 404.6 kt in 2021 to 449.1 kt in 2024, while provisional final consumption reached 488.5 kt in 2025, 19.6% above the 2021 level. Diesel remains the dominant oil product. The clearest product-level change is jet fuel: although still relatively small in absolute terms, consumption increased by 269% from 12.0 kt in 2021 to 44.3 kt in 2025, making aviation a materially larger component of the market. LPG moved in the opposite direction, declining steadily over the period.

Reports by the Regulatory Agency for Energy and Regulated Utilities (REGAGEN) for 2021–2024 add an important structural dimension. The filling-station network expanded from 115 to 127 stations and market demand increased, while licensed commercial oil and LPG storage capacity rose only from 96.5 to 98.3 thousand m³. Storage ownership is also concentrated: Jugopetrol accounted for about 81% of licensed commercial storage capacity in 2024. The market has therefore expanded mainly through higher throughput and a broader retail network rather than through additional bulk-storage capacity.[32]

The March 2026 market shock provided a practical stress test. The Ministry reported no nationwide physical shortage, but identified difficulties among operators relying exclusively on road imports, day-of-delivery market pricing and no own storage. The episode demonstrated that route availability alone does not provide equal resilience: procurement horizon, inventory, storage access and financial capacity can materially affect individual operators during rapid price movements.

Montenegro has simultaneously moved from stockholding legislation to an operational emergency-stock system. The public Annual Stockholding Plan records 44,260 tonnes of

[32]Regulatory Agency for Energy and Regulated Utilities (REGAGEN), annual reports, 2021–2024, oil-product market and final consumption.

compulsory stocks formed by major importers and a remaining Hydrocarbons Administration/CSE obligation of 68,080 tonnes. The Government adopted a Crisis Plan in May 2026, while 17,600 m³ of state-owned storage capacity at Bar is being refurbished for compulsory stocks.

2. Oil Demand and Product Structure, 2021–2025

Montenegro's petroleum-product market has grown materially since 2021, but the growth has not been uniform across products. Total imports increased from 420.9 kt in 2021 to 539.8 kt in 2025, an increase of 28.3%, while final consumption rose by 19.6% from 408.2 kt to 488.5 kt. The particularly large increase in 2025 imports should not be read as demand growth alone: the year also included compulsory-stock build-up and larger recorded product movements, so imports and final consumption need to be analysed separately.

Road transport remains the core demand segment. In 2025, transport accounted for about 379.5 kt of final oil-product consumption, of which road transport represented 335.2 kt. Tourism reinforces this road-fuel demand and creates a strong seasonal pattern, with the coastal economy and summer visitor flows raising both passenger and commercial transport activity.[33]

Table 1. Key oil-market indicators, 2021–2025

Indicator (kt)	2021	2022	2023	2024	2025
Oil-product imports	420.9	402.2	408.3	453.9	539.8 p
Final consumption	408.2	407.1	412.1	449.1	488.5 p
Diesel/gasoil consumption	298.6	301.9	300.1	316.2	344.9 p
Gasoline consumption	39.1	39.4	42.5	45.3	50.3 p
Jet fuel consumption	12.0	17.5	24.7	33.2	44.3 p
LPG gross inland deliveries	19.0	18.8	16.2	14.3	11.9 p

Source: Eurostat/NRG and MONSTAT. 2025 values are provisional

2.1 Product mix and structural changes

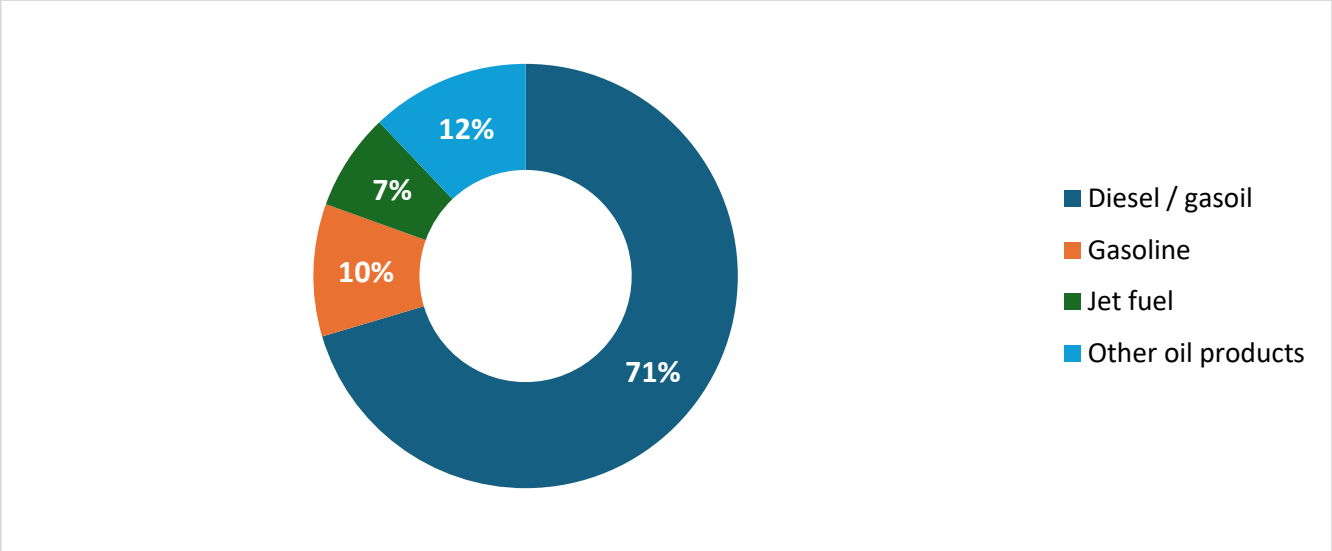
Measured by Eurostat gross inland deliveries, diesel/gasoil is the dominant petroleum product, accounting for about 70% of 2024 gross inland deliveries. Gasoline is a much smaller but gradually growing segment. The strongest structural increase is jet fuel: from 12.0 kt in 2021 to 33.2 kt in 2024 (+177%) and 44.3 kt provisionally in 2025. The increase is consistent with the

[33] Statistical Office of Montenegro (MONSTAT), Balance of Oil Products 2025 (2026).

recovery and expansion of international tourism and air connectivity and makes aviation demand more relevant to Montenegro's supply planning than it was at the start of the period.

LPG is the only major fuel category showing a sustained decline. Eurostat/NRG gross inland deliveries fell from about 19.0 kt in 2021 to 14.3 kt in 2024. Montenegro's national market data confirm the downward direction.

Figure 1. Petroleum-product demand structure



Source: Eurostat, gross inland deliveries, 2024.

3. Supply, Imports and Trade Patterns

Montenegro has no domestic refinery supply and depends on imported finished petroleum products. This makes the country structurally import-dependent, but not landlocked: maritime access through Bar provides a direct connection to Mediterranean product markets, while road deliveries provide an additional regional channel. The distinction between supply-route diversity and supply-origin diversity is important. Multiple physical routes can exist even when the underlying product originates from a relatively concentrated group of refineries or trading hubs.

Customs trade data indicate that Greece and Croatia have been the dominant origins of oil-product imports in recent years. In 2024, reported imports were about 408.7 kt, of which approximately 262.3 kt came from Greece and 118.7 kt from Croatia - together roughly 93%. Albania was a much smaller third source. These customs figures should not be substituted for

the energy-balance import series because coverage and statistical treatment differ, but they are useful for understanding commercial sourcing patterns.[34]

This sourcing pattern is consistent with the structure of the market. Jugopetrol, the largest infrastructure holder, is part of HELLENiQ Energy and reports sourcing petroleum products from the group's refineries in Greece, with marine deliveries to its Bar installation. Other companies use regional road and maritime supply arrangements, including links with Croatia and neighbouring markets.

The 2024 petroleum-product balance remained overwhelmingly import-and-consume: imports were 453.9 kt and recorded exports only 2.1 kt. In 2025 imports rose much faster than final consumption. Part of this difference is consistent with the new stockholding phase, during which compulsory stocks were established, and with changes in recorded stock movements. The OMR therefore avoids interpreting the 2025 import increase as a simple proxy for underlying consumption growth.

4. Supply Routes and Infrastructure

4.1 Port of Bar and bulk storage

The Port of Bar is the central physical asset in Montenegro's petroleum supply system. It provides direct seaborne access and hosts the country's largest petroleum installation. REGAGEN's licensed-capacity series shows that commercial oil and LPG storage capacity was 96,546 m³ in 2021 and 98,343 m³ in 2024 - an increase of less than 2% over a period in which gross inland deliveries grew by about 11%. The market has therefore expanded without a comparable expansion of commercial bulk-storage capacity.

Storage is also structurally concentrated. Jugopetrol accounted for approximately 79,669 m³ of licensed capacity in 2021 and around 80,081 m³ in 2024, or roughly four-fifths of the national licensed commercial total. Its Bar installation is the principal bulk-storage and truck-loading asset, complemented by aviation-fuel terminals in Podgorica and Tivat. Jugopetrol currently describes its Bar tank farm as 23 tanks with 110,000 m³ gross storage capacity; the difference

[34]Montenegro Customs Administration, petroleum-product imports by country of origin, 2021–2025.

from REGAGEN's licensed-capacity figure reflects the distinction between total physical installation capacity and capacity recorded/available under the regulator's licensing framework.[35]

The structure shows that storage ownership and market supply are not vertically aligned. A broad group of importers, wholesalers and retailers operates alongside a much more concentrated bulk-storage base. Third-party storage access and direct road procurement are therefore part of the normal functioning of the market, particularly for operators without their own large storage facilities.

4.2 Road distribution and aviation infrastructure

Road transport performs two functions: domestic distribution from bulk facilities and, for some operators, direct cross-border procurement. REGAGEN recorded around 130 licensed petroleum-transport vehicles throughout 2021–2024, indicating broadly stable licensed road-logistics capacity. Logistics are provided by both oil companies and specialised transport operators.

Aviation supply is a distinct part of the infrastructure picture because of the rapid increase in jet-fuel demand. Jugopetrol operates aviation-fuel terminals at Podgorica and Tivat airports. With jet consumption approaching four times its 2021 level by 2025, continuity of airport fuel logistics has become more material to the national oil-market profile, even though road fuels still dominate overall demand.

4.3 State storage development

Montenegro is adding a dedicated public-storage component to the existing commercial system. State-owned tanks at the Bar terminal provide a combined 17,600 m³ of capacity and are being refurbished for compulsory petroleum-product stocks.[36]

In a market where licensed commercial bulk-storage capacity has changed little, the 17,600 m³ project adds a meaningful state-controlled emergency-stock facility. Bar is a logical location because it combines substantial existing petroleum infrastructure with direct maritime access.

[35]Regulatory Agency for Energy and Regulated Utilities (REGAGEN), licensed petroleum-storage capacities and operators, 2024–2025.

[36]Government of Montenegro / Hydrocarbons Administration, public storage rehabilitation project at the Port of Bar, 2026.

5. Market Structure and Competition

Montenegro's downstream market combines several established regional oil companies with a larger group of smaller importers, wholesalers, retailers and transport operators. The principal names include Jugopetrol/EKO, Petrol Crna Gora, INA Montenegro, Lukoil Montenegro and Montenegro Bonus, alongside a number of smaller domestic companies. The market is therefore not characterised by a single retail supplier, but different parts of the value chain have different degrees of concentration.

REGAGEN's annual reports show a gradually expanding retail network. Licensed filling stations increased from 115 in 2021 to 127 in 2024. Oil-product wholesale licence holders remained broadly stable at 33–35, while LPG wholesale licence holders declined from 19 to 16. Commercial storage capacity, by contrast, was nearly flat. The market has therefore expanded mainly through higher throughput and a broader retail network rather than through additional bulk-storage capacity.[37]

Table 2. Selected downstream-market indicators, 2021–2024

Indicator	2021	2022	2023	2024
Licensed filling stations	115	120	120	127
Commercial storage capacity (m³)	96,546	97,228	97,143	98,343
Oil-product wholesale licence holders	33	34	33	35
LPG wholesale licence holders	19	17	17	16

Source: REGAGEN, Reports on the State of the Energy Sector of Montenegro, 2021–2024.

Montenegro also has six dedicated marine-refuelling stations ('yachting services'). They reflect the coastal tourism market but are small in national volume and are excluded from the filling-station trend in Table 2.

Jugopetrol has the broadest integrated infrastructure position, combining a national filling-station network with the main Bar petroleum installation and aviation-fuel terminals. At the same time, other regional groups have meaningful retail networks and a wider group of companies participates in wholesale and import activities. The commercial market is therefore broader than the ownership of bulk storage alone would suggest. For SoS, access to storage and alternative procurement options is more relevant than the number of licensed companies by itself.

[37]Regulatory Agency for Energy and Regulated Utilities (REGAGEN), annual reports, licensed filling-station network, 2021–2024.

2026 Market Stress and Crisis Response

The March 2026 episode provides unusually clear evidence of how these structural differences operate in practice. According to the Ministry, Montenegro was not experiencing a general petroleum-product shortage and most filling stations continued normal supply. Difficulties were concentrated among operators that procured exclusively by road, bought at exchange prices on the day of delivery and had no own storage. Rapid increases in wholesale prices temporarily pushed procurement costs above regulated retail-price levels for some distributors.

The episode should therefore not be presented as a national supply crisis. It showed that operators exposed to spot procurement and frequent road replenishment can face commercial stress even when product remains physically available to the market as a whole. Suppliers with storage and longer procurement horizons have more options to manage short-term volatility. This is a commercial-resilience issue, distinct from emergency stockholding.

The Government subsequently adjusted the pricing framework during the March shock, including a temporary excise reduction and a shorter retail-price calculation cycle. These measures were aimed at allowing regulated prices to respond more quickly to market movements while protecting market functioning.

6. Emergency Stocks and Security of Supply

6.1 From legislation to physical stocks

Montenegro's most important oil-security development is the transition from a legal stockholding framework to physical compulsory stocks. The public Annual Stockholding Plan sets the national obligation at 112,340 tonnes, corresponding to 90 days of average daily net imports. The obligation is divided between major importers and the Hydrocarbons Administration as the Central Stockholding Entity (CSE).

According to the public Annual Stockholding Plan for 2026, major importers had formed 44,260 tonnes of compulsory stocks (39.4% of the national obligation), comprising 39,986 tonnes of gas oils/diesel and 4,274 tonnes of gasoline. The Hydrocarbons Administration/CSE was responsible for the remaining 68,080 tonnes (60.6%), comprising 56,626 tonnes of gas oils/diesel and 11,454 tonnes of gasoline.

Table 3. Compulsory-stock system: 2025/26 status

Indicator	Status / quantity (kt)
National 90-day obligation	112.340
Industry stocks established	44.260 (39.4%)
Gas oils/diesel within industry stocks	39.986
Gasoline within industry stocks	4.274
CSE / Hydrocarbons Administration remaining responsibility	68.080 (60.6%)

Source: Government of Montenegro, Annual Plan for the Formation and Maintenance of Compulsory Petroleum-Product Stocks for 2026.

6.2 Public stock build and procurement challenge

The Hydrocarbons Administration has yet to establish its share of compulsory stocks. Two attempts to purchase diesel stocks in 2026 were unsuccessful. The first tender was cancelled for procedural reasons, while the second failed due to rising market prices. Although funding and storage capacity are available, the fuel has not yet been purchased.[38]

The ongoing rehabilitation of the state-owned tanks at Bar will provide additional dedicated storage capacity for compulsory stocks. This links the public stockholding programme directly to the development of state-controlled storage infrastructure.

6.3 Crisis-management framework

On 14 May 2026 the Government adopted the Crisis Plan for disruptions in petroleum-product supply. The Plan establishes the mechanism for identifying a serious disruption, assigns institutional responsibilities, sets out possible response measures and provides a framework for restoring normal market supply. This is a significant operational step: holding compulsory stocks and having a procedure for deciding when and how to use them are separate requirements of an effective emergency system.

7. Conclusions

Montenegro's oil-security profile is shaped by a combination of advantages and structural dependencies. Direct maritime access through Bar is a major resilience asset and provides more physical flexibility than is available to many inland markets. Road imports add another channel.

[38]Hydrocarbons Administration of Montenegro, 2026 compulsory-stock procurement announcements and results.

However, the country remains fully dependent on imported finished products, and customs data indicate that supply origins are concentrated mainly in Greece and Croatia. Route diversity therefore only partly offsets import dependence.

The demand side is also becoming more differentiated. Diesel remains dominant and road transport drives the market, but aviation fuel has become a much more important component since 2021. This increases exposure to tourism and international travel patterns and raises the operational importance of airport fuel logistics. LPG is declining gradually, but the available evidence does not indicate a supply-side or infrastructure problem.

The strongest structural market observation from 2021–2024 is the divergence between growing demand and retail activity and nearly static commercial bulk-storage capacity. The March 2026 episode showed why this matters at company level: operators with limited storage and short procurement horizons were more exposed to rapid wholesale-price movements, even though the market remained supplied.

The emergency-stock system adds a separate national resilience layer. The public Annual Stockholding Plan records 44,260 tonnes already formed by major importers and assigns the remaining 68,080-tonne obligation to the Hydrocarbons Administration/CSE. The Crisis Plan is in force and state-owned storage at Bar is being refurbished. The main implementation task is to continue the public stock build in line with the Annual Plan while bringing the dedicated storage capacity into operation.

7 NORTH MACEDONIA

1. Executive Summary

The market also has a regional distribution function. Petroleum-product imports exceed domestic sales because part of the imported volume is supplied onward to neighbouring markets. A central role is played by OKTA's former refinery site near Skopje, now used as a large petroleum-product import, storage and distribution terminal. The site is connected to Thessaloniki by the VARDAX pipeline and serves both the domestic market and regional trade.

Supply is centred on the Thessaloniki refining and logistics system, complemented by road and rail deliveries from the wider region. The reopening of the Thessaloniki–Skopje VARDAX product pipeline in 2026 restored a high-capacity direct connection to this system. The pipeline improves transport efficiency and reduces reliance on upstream road deliveries, while road and rail remain available as complementary routes.

Emergency preparedness is comparatively advanced. North Macedonia has an established state-owned compulsory stockholding system managed by the Compulsory Oil Reserves Agency (MACORA). At end-2025 compulsory reserves amounted to 155.8 kt and provided around 45 days of average daily net-import coverage. The Government's 2026–2030 Action Plan provides a funded pathway towards the 90-day requirement. Compulsory fuel-oil stocks have also been made available for state-owned electricity generation during supply constraints, giving the oil-stock system a direct link to electricity security.

2. Demand and Product Structure

2.1 Overall Oil-Products Demand

Petroleum-product use has remained broadly stable over the last five years. Eurostat final-consumption data show an increase from 1.055 Mt in 2021 to a provisional 1.106 Mt in 2025. Road fuels account for most final use, while petroleum coke remains a material part of the wider oil-products balance.

Final consumption (kt)	2021	2022	2023	2024	2025p	2021–25
Oil & petroleum products – total	1,054.5	1,031.2	1,033.8	1,078.8	1,105.6	+4.8%
Gas oil & diesel oil	664.6	661.6	701.0	753.5	767.2	+15.4%
Motor gasoline	84.8	93.8	104.6	112.4	118.0	+39.2%
Kerosene-type jet fuel	16.0	25.9	12.4	7.7	9.6	−39.9%
LPG	66.9	66.2	63.3	60.7	57.2	−14.5%
Fuel oil	47.8	37.1	27.3	20.9	17.2	−63.9%
Petroleum coke	125.1	106.4	79.1	84.6	89.8	−28.2%

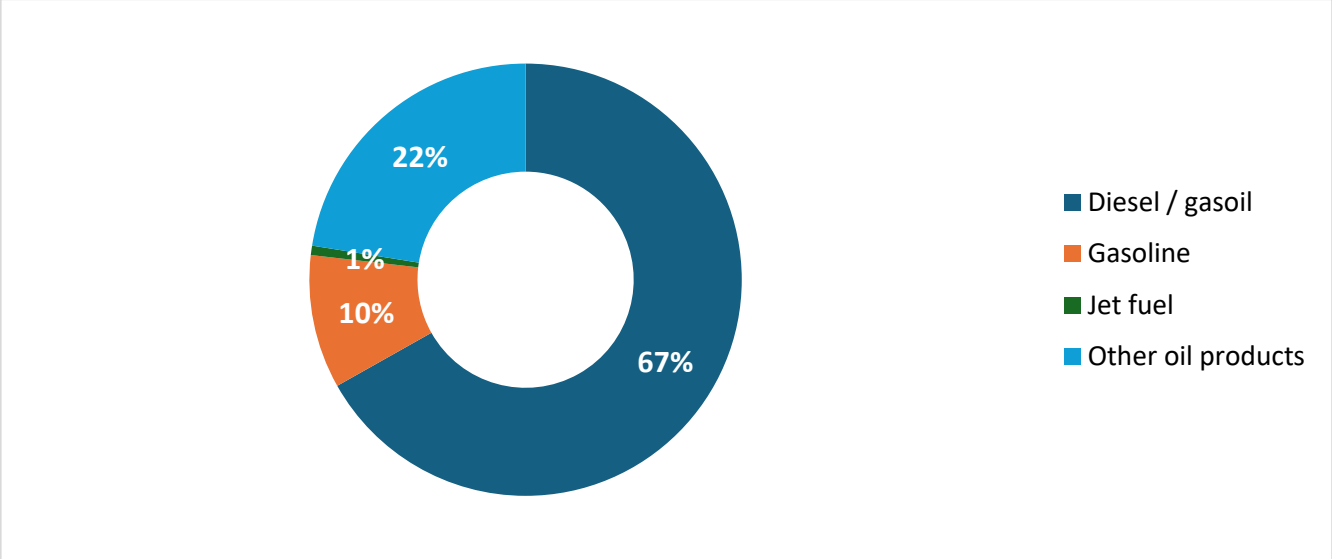
Source: Eurostat, nrg_cb_oil, Final consumption, kt; extraction 1 October 2026. 2025 values are provisional where reported.

Gas oil and diesel oil increased from 664.6 kt in 2021 to 767.2 kt in 2025, while motor gasoline increased from 84.8 kt to 118.0 kt. LPG declined from 66.9 kt to 57.2 kt. These final-consumption figures describe use by final consumers; they do not include petroleum products used in the energy transformation sector, which is why the fuel-oil figures differ from the gross-inland-delivery series discussed in Section 2.3.

2.2 Product structure

The latest complete Eurostat gross-inland-delivery balance is 2024. It records 1.129 Mt of oil and petroleum products supplied to the domestic economy. Gas oil and diesel oil accounted for 755.3 kt (66.9%), motor gasoline 112.4 kt (10.0%) and jet fuel 7.7 kt (0.7%). The remaining 253.9 kt (22.5%) consisted principally of petroleum coke, fuel oil, LPG, bitumen and smaller oil-product categories.

Figure 1. Petroleum-product supply structure



The “Other oil products” segment is unusually important. Petroleum coke alone accounted for 84.6 kt of final consumption in 2024 and a provisional 89.8 kt in 2025. It is used mainly as an industrial solid fuel, including in cement production, and therefore has a different security-of-supply profile from transport fuels. LPG, fuel oil, bitumen and smaller product categories make up the remainder of the segment.

2.3 Petroleum-product market trends, 2021–2025

Fuel oil shows the clearest difference between final consumption and the wider petroleum balance. Final consumption fell from 47.8 kt in 2021 to 17.2 kt in 2025, but gross inland deliveries rose to 188.9 kt in 2022 and 162.4 kt in 2023 before falling to 69.4 kt in 2024. The difference reflects fuel oil used in the energy transformation sector, particularly oil-fired electricity generation during the energy crisis. This oil-to-power link is discussed further in Section 5.3.

Preliminary 2025 data indicate jet-fuel imports of around 47.9 kt, representing a relatively small segment of North Macedonia’s petroleum market. Nevertheless, this volume has some impact on the country’s compulsory stockholding obligation, making it important to establish a reliable basis for assessing domestic jet-fuel consumption.

3. Supply, Trade and Infrastructure

3.1 Import structure, market size and regional trade

Commercial petroleum-product flows are larger than domestic sales because part of the imported volume is redistributed to neighbouring markets. ERC data for 2024 record 1.314 Mt of petroleum-product imports, 964.9 kt of domestic sales and 330.7 kt of exports. Reported exports included 159.8 kt of diesel and 61.2 kt of gasoline. The scale of these flows, together with OKTA's regional activities, confirms that the Skopje/OKTA system functions as a regional distribution platform as well as the principal gateway to the domestic market.[39]

2024 market indicator	Volume / share
Commercial petroleum-product imports	1,313.7 kt
Domestic petroleum-product sales	964.9 kt
Petroleum-product exports	330.7 kt
OKTA share of imports	~73%
Supertrade share of imports	~10%
Lukoil Macedonia share of imports	~8%

Source: Energy Regulatory Commission of the Republic of North Macedonia, Annual Report 2024.

The import layer is therefore highly concentrated, but this should not be equated with the structure of the retail market. Approximately 392 filling stations were operating nationwide by 2025. Makpetrol has the largest network and led filling-station sales; in 2024 it accounted for 44.4% of retail sales, followed by Lukoil at 15.7%, Dadi Oil at 12.9% and Supertrade at 9.7%. Lukoil's downstream footprint is therefore materially larger than its approximately 8% share of imports alone would suggest.

Retail indicator	Latest / reference value
Operating filling stations	~392 (2025)
Makpetrol filling-station sales share	44.4% (2024)
Lukoil filling-station sales share	15.7% (2024)
Dadi Oil filling-station sales share	12.9% (2024)
Supertrade filling-station sales share	9.7% (2024)

3.2 Supply routes

North Macedonia has no domestic refinery supply and therefore imports finished petroleum products. Supply is highly concentrated around two refinery directions: UN Comtrade data show

[39]State Statistical Office of North Macedonia, foreign-trade statistics; national petroleum-products market reporting, 2024–2025.

that Greece accounted for around 82% of petroleum-product imports in 2024 and Bulgaria for a further 12%. These flows broadly correspond to the Thessaloniki/HELLENiQ–OKTA and Burgas–Lukoil supply chains, with smaller volumes entering from other regional sources.

The main infrastructure change in 2026 was the restart of the Thessaloniki–Skopje VARDAX product pipeline after 13 years of inactivity. The 213.5 km pipeline connects the Thessaloniki system directly with the OKTA terminal near Skopje and has nominal capacity of about 2.5 Mt per year, more than twice the size of North Macedonia's domestic petroleum-product market.[40]

VARDAX adds a high-capacity pipeline route to the road and rail system and reduces the amount of product that must be moved upstream by truck. Its main value is logistical rather than source diversification: the pipeline strengthens access to the same Thessaloniki supply system that already dominates the market. Road and rail remain important both for alternative supply chains and as alternative transport modes.

3.3 Lukoil/Burgas sanctions exposure

Lukoil Macedonia is a material part of the market. In 2024 it accounted for around 8% of petroleum-product imports and 15.7% of filling-station sales. The company operates 40 filling stations and a storage terminal in Štip. Its normal supply chain has relied on fuels produced at the Lukoil Neftochim Burgas refinery in Bulgaria.[41]

U.S. sanctions on Lukoil introduced a continuity risk for this supply route. The Burgas refinery has continued operating under time-limited sanctions authorisations. If Lukoil Macedonia could no longer receive product through its normal chain, the Energy Regulatory Commission has indicated that it could buy fuel from other traders in North Macedonia. This provides commercial flexibility, but the affected volumes would then have to be supplied through other import routes, increasing reliance on the remaining regional supply system.

3.4 Storage and downstream logistics

Road and rail remain important for both imports and final distribution. Storage is concentrated around the main market operators. ERC has reported total national oil and petroleum-product tank capacity of about 382,000 m³, while HELLENiQ ENERGY currently reports approximately 350

[40]Government of North Macedonia / VARDAX pipeline operator, Thessaloniki–Skopje product-pipeline reopening announcements, 2026.

[41]North Macedonian energy regulator, oil-product import-market reporting, 2024; Lukoil Macedonia, corporate reporting.

million litres of storage at the OKTA terminal alone. Lukoil operates a separate petroleum-product terminal in Štip, and Makpetrol and other traders also hold storage capacity.

Nominal tank capacity should not be read as immediately available emergency-stock capacity. Part of the storage is used for commercial operations and operational stocks, and some state-owned capacity is out of use or would require technical testing and recommissioning. Storage availability therefore depends not only on total tank volume but also on technical condition, product compatibility and accessibility for compulsory stocks.

2026 Market Stress and Crisis Response

The March–April 2026 disruption tested the commercial supply system under sharply higher international prices and increased domestic demand. Physical motor-fuel supply remained stable and no sustained shortage developed. Additional volumes were delivered through VARDAX, while road and rail supply continued.

The Government introduced a temporary crisis regime, market monitoring and a series of retail-price and tax measures. These measures affected the price formation of fuels but did not replace normal commercial supply. For security-of-supply purposes, the main finding is that the market continued to receive petroleum products during the disruption without a release of compulsory motor-fuel stocks.

4. Emergency Stocks and Cross-sector Security

4.1 Compulsory stock position

North Macedonia has an established state-owned compulsory stockholding system managed by the Compulsory Oil Reserves Agency (MACORA). At 31 December 2025, compulsory reserves amounted to 155.8 kt and provided average coverage of approximately 45 days of daily net imports. Product coverage differed: gasoline reserves corresponded to approximately 75 days of gasoline net imports, diesel reserves to approximately 58 days and fuel oil to approximately 14 days.

The 90-day stockholding obligation is calculated on the basis of total net oil imports. Consequently, net imports of products such as petroleum coke and fuel oil also affect the size of the obligation, even where their role in the domestic transport-fuel market is limited.

4.2 2026–2030 Action Plan

The Government adopted the Action Plan for the Establishment of Compulsory Reserves for 2026–2030 on 9 June 2026. The Action Plan schedules 71.5 kt of additional diesel purchases over 2026–2030, increasing physical compulsory stocks to approximately 227.3 kt. On the plan's projected import trajectory, this would provide around 84 days of average daily net imports by end-2030; the remaining amount needed to reach 90 days is planned to be covered through tickets in 2030.[42]

4.3 Oil-to-power: fuel-oil stocks and electricity security

North Macedonia's oil-security system also has an electricity-security dimension. The sharp rise in fuel-oil gross inland deliveries in 2022 and 2023 reflected the use of oil-fired generation during the energy crisis, including at the state-owned Negotino thermal power plant.

The link continued after the immediate energy crisis. Government decisions made compulsory fuel-oil stocks available to the state-owned electricity producer ESM: about 10.8 kt under the December 2024 decision and a further 5.4 kt under the December 2025 decision.[43]

The use of oil stocks for electricity generation shows that the reserve system can support more than the petroleum market alone. At the same time, repeated withdrawals can slow progress towards the 90-day oil-stock requirement unless the stocks are replenished. This link should therefore be taken into account in emergency planning and in decisions on stock composition and storage.

5. Conclusions

North Macedonia's oil-security position is shaped by two features: complete dependence on imported petroleum products and a regional distribution role that makes commercial flows larger than domestic demand. The market therefore depends on reliable access to regional refining systems, cross-border transport and sufficient storage.

Upstream supply remains concentrated around Thessaloniki, but the transport system is more flexible. VARDAX has restored a high-capacity pipeline connection, while road and rail remain

[42] Government of North Macedonia / Compulsory Oil Reserves Agency (MACORA), Action Plan for the Establishment of Compulsory Reserves 2026–2030, adopted 9 June 2026.

[43] Government of North Macedonia, decisions on use of compulsory fuel-oil stocks for electricity generation, 2022–2026.

available. The Burgas/Lukoil route provides a separate supply direction, although sanctions have added a continuity risk to that channel.

The 2026 disruption showed that the commercial system could maintain motor-fuel supply during a major external shock. The more important remaining vulnerabilities are concentration of upstream sourcing, the practical availability of alternative routes and storage, and the need to continue building compulsory stocks.

The use of compulsory fuel-oil stocks for electricity generation adds a cross-sector dimension to emergency preparedness. It increases the practical value of the reserve system, but also makes timely replenishment important if the planned build-up towards the 90-day requirement is to remain on track.

8 SERBIA

1. Executive Summary

Serbia has the largest and most integrated oil market among the Energy Community Contracting Parties in the Western Balkans. The World Energy Council's 2026 Energy Security assessment places Serbia among the stronger-performing countries in the Energy Community region. Its substantial domestic refining capacity at Pančevo is a major supply security asset, but the refinery relies heavily on imported crude delivered through a single established pipeline corridor. The 4.8 million tonnes (Mt) per year refinery is therefore exposed to crude supply disruptions, while domestic crude production covers only a minority of its requirements and has been declining over the longer term.

The market demonstrated considerable flexibility during 2024–2025. Reduced refinery processing, initially due to major maintenance and subsequently amid sanctions-related constraints and crude-procurement difficulties, was compensated by higher finished-product imports while motor-fuel demand remained broadly stable at around 2.8 Mt. This ability to substitute imported products for domestic refinery output is an important element of Serbia's supply resilience.

NIS (Naftna Industrija Srbije a.d.), which operates the Pančevo refinery, remained 56.15% Russian-controlled in 2026, while negotiations on the sale of that stake continued. The ownership issue is relevant to oil security of supply insofar as sanctions affecting NIS have influenced crude procurement and continuity of refinery operation.

Serbia remains dependent on the Omišalj–JANAF–Transnafta system as its only established pipeline direction for imported crude. A new crude pipeline connection with Hungary has progressed to the contracting and permitting stage and would eventually provide a second import direction. Product supply is more diversified, using river, rail and road transport, although low Danube water levels in July 2026 demonstrated the practical limits of this flexibility.

Serbia has progressively developed a well-established oil security-of-supply framework. Mandatory stocks are managed by the Administration for Energy Reserves within the Ministry of Mining and Energy, including a dedicated Unit for the Central Stockholding Entity (CSE), while market operators are separately required to maintain operational reserves. Mandatory stocks had reached approximately 51 days of average daily net imports by the end of 2025, and storage capacity continues to expand.

Serbia's principal security-of-supply vulnerabilities remain concentration in one operating crude refinery and one established crude-import corridor, declining domestic crude production and hydrology-sensitive product logistics. These risks are increasingly mitigated by mandatory stocks and operational industry reserves, diversified product-import options and investment in alternative supply infrastructure. The use of different reserve instruments during the 2026 supply disruptions demonstrated the importance of maintaining flexible and operationally effective emergency preparedness.

2. Demand and Product Structure

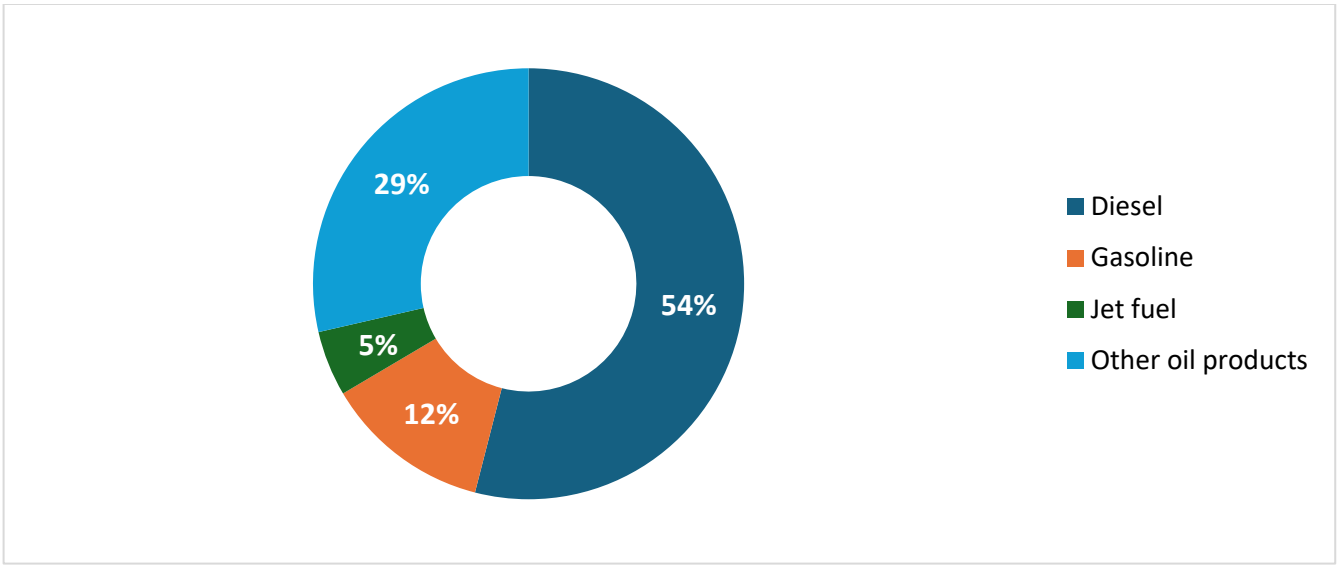
2.1 Market scale and import dependence

Serbia has a substantial petroleum market, supported by domestic crude production and refining but structurally dependent on imports. Oil and petroleum-product import dependency was approximately 80% in 2024 and has remained persistently high in recent years, reflecting the limited contribution of domestic crude production to overall supply.

2.2 Oil-product demand structure

Serbia's oil-product market is dominated by middle distillates. Eurostat data show gross inland deliveries of approximately 4.15 Mt of oil products in 2024. Gas oil and diesel oil accounted for 2.24 Mt, or 54.0% of the total, followed by motor gasoline at 0.52 Mt (12.5%) and kerosene-type jet fuel at 0.20 Mt (4.9%). Other oil products together accounted for around 1.19 Mt (28.6%).

Figure 1. Serbia oil-product demand structure, 2024



The relatively large share of other oil products distinguishes Serbia from markets more heavily dominated by transport fuels. It reflects a broader petroleum-product market associated with domestic refining and industrial demand. The main products outside diesel, gasoline and jet fuel include bitumen, petroleum coke, fuel oil and LPG, alongside lubricants and smaller specialised product categories. Bitumen is primarily associated with non-energy use, particularly road construction, while petroleum coke and fuel oil have important industrial and energy uses.

This broader product structure is also relevant from a security-of-supply perspective, as disruptions may affect a wider range of petroleum products and economic activities than the transport-fuel market alone.

2.3 Consumption dynamics by product, 2021–2025

Serbia's Statistical Office (SORS) petroleum balances provide a five-year series of final energy consumption by product. Unlike gross inland deliveries, this indicator excludes energy transformation and international aviation. It is therefore suited to examining domestic end-use trends, but not to describing the entire oil-products market.

Table 1. Final energy consumption by petroleum product (kt)

Product (kt)	2021	2022	2023	2024	2025p	2021–25
Diesel and gasoil	2,070.3	2,225.7	2,182.4	2,211.6	2,159.8	+4.3%
Motor gasoline	443.0	469.7	465.9	519.3	543.6	+22.7%
LPG	127.5	144.4	131.5	105.2	96.1	−24.6%
Fuel oil	71.9	124.5	69.3	49.6	55.6	−22.7%
Petroleum coke	131.2	202.5	160.8	173.2	171.1	+30.4%

Source: SORS, Balance of Oil and Oil Derivates, 2021–2025. Selected products; 2025 preliminary.

Diesel consumption increased by 4.8% between 2021 and 2025, remaining broadly stable at around 2.1–2.2 Mt after the initial increase in 2022. Gasoline grew more strongly, by 22.7%, with particularly visible increases in 2024–2025. LPG fell by almost one quarter, while heating gasoil also declined. Petroleum coke, primarily an industrial fuel, remained above its 2021 level despite year-to-year volatility.

Eurostat's gross inland deliveries capture a broader product balance, including transformation uses and non-energy applications.

Table 2. Gross inland deliveries (kt)

Product (kt)	2021	2022	2023	2024	2021–24
Diesel and gasoil	2,100.2	2,257.1	2,209.3	2,240.1	+6.7%
Motor gasoline	443.0	469.7	465.9	519.3	+17.2%
Jet fuel	108.5	145.2	191.1	204.1	+88.1%
LPG	174.4	179.7	168.7	141.0	−19.1%
Fuel oil	213.5	268.1	201.0	160.1	−25.0%
Petroleum coke	133.8	205.5	163.7	180.2	+34.6%
Bitumen	191.8	192.9	207.7	210.9	+10.0%
Lubricants	72.4	74.4	64.5	66.6	−8.0%
Total	3,916.5	4,304.2	4,086.7	4,151.0	+6.0%

Source: Eurostat, nrg_cb_oil, gross inland deliveries, 2021–2024. Minor product categories omitted from individual rows; displayed rows do not sum to total.

Total gross inland deliveries rose from 3.92 Mt in 2021 to 4.30 Mt in 2022 and stood at 4.15 Mt in 2024 (+6.0% versus 2021). Diesel and gasoline accounted for the largest absolute volumes. Jet-fuel deliveries increased by 88% between 2021 and 2024, consistent with the recovery of aviation activity. Bitumen deliveries increased moderately; petroleum coke and fuel oil followed more variable industrial and energy-sector demand.

The two datasets presented above differ in their coverage of petroleum-product flows. In 2024, gross inland deliveries exceeded final energy consumption for diesel and gasoil (2,240.1 versus 2,211.6 kt), LPG (141.0 versus 105.2 kt) and fuel oil (160.1 versus 49.6 kt). These differences reflect transformation-sector use, non-energy applications and other balance components. LPG and fuel oil are discussed further in Section 2.5.

2.4 Motor-fuel demand

Data from the Energy Agency of the Republic of Serbia (AERS) provide a useful complementary perspective on motor-fuel consumption trends in 2024 and 2025. AERS reports motor-fuel consumption of about 2.84 Mt in 2024 and 2.803 Mt in 2025. The 2025 decline was modest, at 1.1%, despite significant changes on the supply side. Diesel remained dominant at 76.6% of motor-fuel consumption, followed by gasoline at 19.1% and LPG at 4.2%. Gasoline consumption increased by 5.4% in 2025 and was 10.5% above 2023, while diesel declined by 2.2% year-on-year and 3.7% compared with 2023.

AERS also notes lower seasonal transit traffic in 2025, partly because Serbian motor-fuel prices were above those in neighbouring markets.The AERS motor-fuel total is a market-specific

measure and should not be added to, or directly compared with, Eurostat gross inland deliveries of all petroleum products.

2.5 Aviation fuel, LPG, fuel oil and the 2022 energy crisis

Jet fuel supplied to international aviation is recorded separately from domestic final energy consumption but is included in the petroleum-product basket relevant to calculating emergency stockholding obligations. Jet fuel deliveries almost doubled between 2021 and 2024, with preliminary SORS data indicating a further rise in 2025. This trend coincided with a rapid expansion of air traffic. Air Serbia carried 2.76 million passengers in 2022, 73% more than in 2021, and 4.19 million in 2023. Belgrade's expanding role as a transfer hub, particularly for Russia–Europe travel following EU aviation sanctions imposed on Russia in response to its invasion of Ukraine in 2022, also contributed to this development.[44]

LPG illustrates another difference between the two datasets. In 2024, gross inland deliveries reached 141.0 kt, compared with final energy consumption of 105.2 kt. Net imports were considerably lower, at 36.1 kt, reflecting the contribution of domestic production and other balance components. For Serbia's import-based emergency stockholding calculation, LPG net imports are the relevant measure.

Fuel oil requires particular care. Final consumption rose from 71.9 kt in 2021 to 124.5 kt in 2022, before falling to 55.6 kt in 2025. Energy-sector use also increased in 2022, coinciding with the electricity crisis. Refinery output reached 188.1 kt, while stocks grew by 63.8 kt. These distinctions matter for oil stockholding obligation calculations, as fuel oil used in the energy sector is excluded from final consumption but may still count towards inland consumption.

Table 3. Additional petroleum-balance indicators (kt)

Indicator (kt)	2021	2022	2023	2024	2025p
Jet fuel	108.5	145.2	191.1	204.1	212.0
Fuel oil – energy sector	86.6	105.1	82.1	91.0	75.4
Fuel oil – refinery production	99.5	188.1	129.6	122.1	96.9
Fuel oil – stock change	+5.9	−63.8	+13.2	+5.8	+1.7

Source: SORS annual petroleum balances, 2021–2025 (2025 preliminary). Note: Negative stock changes indicate stock accumulation.

[44]Air Serbia reporting 2023, 2024; ForwardKeys, "Russia conflict impacts bookings and gateways into Europe", 10 March 2022.

The exceptional developments of 2022 illustrate why similar fluctuations in petroleum-product demand and stock levels should be considered when assessing their potential impact on Serbia's future emergency stockholding obligations.

2.6 Domestic crude production

Domestic crude production provides a useful but declining contribution to refinery supply. NIS data show production in Serbia falling from 1.03 Mt in 2015 to 0.77 Mt in 2025, a decline of roughly one quarter over the decade. The Energy Development Strategy describes the post-2013 trend as a natural decline. NIS continues development drilling and workovers to mitigate depletion, but these measures do not alter the structural requirement for imported crude.

3. Refining, Supply Chains and Trade Flows

3.1 Pančevo refinery

The Pančevo refinery is Serbia's sole operating crude refinery and plays a central role in the national oil supply chain. With a nominal capacity of 4.8 Mt per year, the refinery produces a broad range of petroleum products and serves both the Serbian market and NIS distribution across neighbouring markets. Imported crude consistently accounts for around three quarters of refinery intake, highlighting Serbia's continued dependence on external crude supply.

Throughput reached 4.42 Mt in 2022, the highest level since 2009. It fell to 4.07 Mt in 2023 and 3.62 Mt in 2024, when NIS carried out a major capital maintenance. In 2025 processing declined further to 3.10 Mt as sanctions-related constraints affected crude procurement and business operations. Regular refinery operation continued until late November before processing was suspended because of insufficient crude supply.[45]

The decline in refinery throughput since 2021 is shown below, together with the consistently high share of imported crude in refinery intake.

[45]NIS, Annual Report 2025, refinery operating indicators.

Table 4. Refinery throughput and share of imported crude in Serbia, 2021–2025

Year	Refining volume (kt)	Imported crude processed (kt)	Domestic crude processed (kt)	Imported share of crude input
2021	3,945	2,792	817	77%
2022	4,421	3,323	810	80%
2023	4,068	3,044	827	79%
2024	3,620	2,648	800	77%
2025	3,095	2,278	700	77%

Source: NIS annual reports / operating indicators. Refining-volume totals include feedstocks and other refinery inputs

3.2 Crude import route and diversification

The established crude-import route is the Croatian port of Omišalj and the JANAF pipeline, connected to Serbia through the Transnafta system. Since December 2022, EU restrictions have prevented Russian-origin seaborne crude from reaching Serbia through this route, while non-Russian crude has continued to use the same physical corridor. The core security-of-supply issue is therefore not the availability of the route itself, but Serbia's reliance on a single established pipeline direction.

The most significant prospective change is the Hungary–Serbia crude pipeline. The Serbian section is planned to connect the Hungarian border with the Transnafta terminal at Novi Sad, from where crude can be transported to Pančevo through the existing network. Official project information indicates planned capacity of up to 5–5.5 Mt per year. Despite procurement issues, the project progressed in 2025–2026: the construction contract was awarded in 2026 and permitting and related preparatory procedures continued through the summer. Construction had not yet started by the end of August. Serbia's Energy Strategy Implementation Programme for 2026–2028 estimates the investment in the Serbian section at EUR 156 million and envisages completion in 2027.[46]

NIS currently has 10 Mt of crude transport capacity reserved through JANAF for 2024–2026 on a take-or-pay basis, equivalent to around 3.3 Mt per year. The planned Hungary–Serbia pipeline capacity of up to 5–5.5 Mt per year would broadly match Pančevo's full nominal refining capacity and exceed its recent imported crude requirement.

[46] Ministry of Mining and Energy of the Republic of Serbia, Programme for the Implementation of the Energy Development Strategy of the Republic of Serbia for 2026–2028.

Once completed, the pipeline would provide Serbia with a second direction for pipeline crude imports alongside the JANAF–Transnafta route. It would materially improve route diversification, although the degree of diversification of crude supply sources will depend on the sourcing options available through the Hungarian system.

3.3 Product imports as refinery back-up

Serbia has demonstrated significant ability to replace reduced refinery output with finished-product imports. AERS reports product imports of approximately 1.025 Mt in 2024, 13.9% above 2023, primarily reflecting the Pančevo overhaul. Imports increased again to around 1.19 Mt in 2025, up about 16%, as refinery processing fell further under sanctions-related constraints.

Motor-fuel consumption was broadly stable between 2024 and 2025 while product imports rose materially. The increase therefore reflects supply substitution rather than demand growth: when domestic processing declined, the market compensated through higher imports.

The relationship between lower refinery processing and higher product imports is visible in the 2024–2025 market data below.

Table 5. Refinery processing vs. petroleum product imports in Serbia, 2024–2025

Indicator (kt)	2024	2025
Product imports	1,025	1,190
Motor-fuel consumption	2,840	2,803
Refinery processing	3,620	3,095

Source: AERS annual reporting; NIS operating statistics

3.4 Regional role of Serbian product supply

Pančevo's significance extends beyond the Serbian domestic market. Under normal operating conditions, Serbia supports a substantial regional trade in refined petroleum products, although the importance of its supply varies considerably between neighbouring markets. In 2024, Serbia exported approximately 519 kt of refined petroleum products. Bosnia and Herzegovina was by far the largest destination, receiving around 245 kt, followed by Hungary, Bulgaria, Montenegro and Romania.

The 2024 export structure shows that Serbia's regional supply role is concentrated particularly on Bosnia and Herzegovina rather than being uniform across neighbouring markets.

Table 6. Serbia's refined petroleum product exports by destination, 2024

2024 Serbian refined products export destination	Volume (kt)	Share of exports
Bosnia and Herzegovina	244.5	47.1%
Hungary	86.9	16.7%
Bulgaria	57.3	11.0%
Montenegro	37.2	7.2%
Romania	36.7	7.1%
Other destinations	56.4	10.9%
Total	518.9	100%

Source: UN Comtrade/WITS, HS 2710

The regional importance of these flows is better assessed from the perspective of the destination markets than against Pančevo's refining capacity. Bosnia and Herzegovina is the clearest example, accounting for almost half of Serbia's petroleum-product exports in 2024 and making Serbian supply a significant element of its regional sourcing options. Viewed from the destination market, it represents around 15% of Bosnia and Herzegovina's petroleum product imports. Montenegro also receives material volumes from Serbia. By contrast, Serbian supply is marginal in North Macedonia, where the market is overwhelmingly supplied through other regional sources, and direct exports to Albania are similarly limited. Pančevo should therefore be regarded as an important regional supply source, but not as a uniformly dominant supplier across the Western Balkans.

The 2025–2026 supply disruptions also demonstrated that this regional role is conditional on Serbia's own security-of-supply situation. As constraints on NIS and crude supply intensified, the Government introduced temporary restrictions on exports of key petroleum products to prioritise the domestic market. This reduced Serbia's capacity to act as a regional supplier and illustrates a wider security-of-supply linkage: disruptions affecting Pančevo or its crude supply can increase Serbia's own requirement for imported products while simultaneously removing Serbian supply from neighbouring markets that normally draw on these flows.

4. Infrastructure and Logistics

4.1 Oil logistics

Serbia's landlocked position makes transport capacity and costs an important part of oil supply security. Crude imports depend on cross-border pipeline access, while petroleum products are imported and distributed by river, rail and road. The Danube provides an important high-volume

route for product cargoes, with rail and road providing additional but generally more costly and capacity-constrained alternatives.

Transport costs have been a recurring consideration in Serbia's oil supply. In this respect, the planned Hungary–Serbia pipeline would provide not only a second physical direction for crude imports but also an alternative transport option. For petroleum products, the low Danube water levels in July 2026 demonstrated the limits of modal substitution, as reduced river capacity could not be fully compensated by rail and road.

National energy development plans for the coming years include the construction of a petroleum-products pipeline system connecting the Pančevo refinery with major storage and consumption centres. The first planned sections would connect Pančevo with Smederevo and Novi Sad. The system could also reduce reliance on road, rail and weather-sensitive river transport for domestic product distribution, but remains under development.

4.2 Danube exposure

River transport is cost-effective for large product volumes but exposed to hydrological conditions. The summer 2026 disruption demonstrated this constraint clearly. On 23 July the Ministry reported that fuel imports by ship had fallen to around 30–40% of normal capacity because of low water levels and that rail and road imports could not fully replace the missing river volumes.

The event does not imply that Serbia lacks alternative modes. Rather, it shows that nominal multimodal access and practical replacement capacity are different concepts. Rail and road offer flexibility but have higher unit costs and more limited short-term throughput than barge transport.

4.3 Storage infrastructure and current development

Serbia has an extensive and diversified storage network comprising NIS facilities, Transnafta infrastructure, state-owned storage and private terminals. AERS reported 25 licensed operators for the storage of oil, petroleum products and biofuels in 2024, with NIS holding the largest storage capacity. The network includes both inland and Danube-connected terminals, providing several options for commercial and mandatory stockholding.

Public storage capacity expanded materially at Smederevo. Six tanks with a combined capacity of around 120,000 m³ were completed or reconstructed. Four entered trial operation at the end

of 2025 and filling with diesel began in January 2026; the remaining two had also been completed and were awaiting final approvals.

The Smederevo project should not be treated as capacity belonging exclusively to the mandatory-stock system. The facilities support both commodity-reserve and energy-security functions. Transnafta also provides important storage infrastructure: its Novi Sad terminal includes crude-oil storage used for mandatory stocks, while petroleum-product storage capacity has also been developed within its system. Further public and contracted storage remains relevant to the continued build-up of mandatory reserves.

5. Market Structure and Ownership

5.1 Retail market structure

Serbia has a broad import, wholesale and retail market alongside a dominant vertically integrated operator. NIS remains the central market participant because it controls the country's sole crude refinery, the largest storage capacities and the largest retail network. International companies including Lukoil, OMV, MOL Serbia, EKO Serbia and Petrol, together with domestic groups such as Knez Petrol and Europetrol, provide additional wholesale, import and retail channels.

AERS data show a gradual consolidation of the retail network rather than a highly concentrated station market. In 2024 Serbia had about 1,520 public retail outlets, down from around 1,567 in 2021. NIS accounted for approximately 21% of stations, while the aggregated group of operators with fewer than ten stations still represented about 37% of outlets. AERS notes that the share of these smaller operators has declined in successive years, reflecting continued market consolidation.[47]

As in many petroleum markets of comparable size, Serbia's supply structure combines concentration in some functions with greater diversity in others. From a security-of-supply perspective, refining depends on one physical asset and crude imports on one established external pipeline direction, whereas finished-product imports and retail distribution are spread across a much broader set of companies and transport modes. The latter became particularly important when refinery processing declined in 2024–2025.

[47]Energy Agency of the Republic of Serbia (AERS), annual oil-market reports, 2024–2025, retail network.

5.2 NIS ownership and restructuring

Sanctions affecting NIS in 2025–2026 placed the refinery and crude-supply chain under exceptional pressure and translated directly into crude-procurement and refinery-continuity risk. This makes the company's ownership restructuring relevant to the oil-market assessment.

As of 30 June 2026, Gazprom Neft held 44.85% of NIS and JSC Intelligence 11.30%, giving Russian-controlled shareholders a combined 56.15%, while the Republic of Serbia held 29.87%. Negotiations on the sale of the Russian-controlled stake continued during 2026, with MOL identified as the prospective acquirer and possible participation by the Abu Dhabi National Oil Company (ADNOC). The proposed arrangements have also included a larger Serbian state shareholding and commitments related to continued operation of the Pančevo refinery.

The prospective ownership change would concern NIS as an integrated company, including the Pančevo refinery, storage assets and its extensive retail network.

As of October 2026, NIS's ownership restructuring remained unresolved, amid reports of Gazprom's reluctance to sell its controlling stake. The principal security-of-supply concern is the potential impact of sanctions and ownership uncertainty on crude procurement and the continuity of operations at the Pančevo refinery.

6. Oil Security of Supply and Emergency Preparedness

6.1 Institutional and legal framework

Serbia has established a dedicated institutional framework for mandatory oil stocks. The Administration for Energy Reserves within the Ministry of Mining and Energy is responsible for the formation, maintenance and release of mandatory reserves, stockholding programmes, the mandatory-stock register, storage arrangements, monitoring and reporting. Within the Administration, a dedicated Unit for the Central Stockholding Entity (CSE) performs the central stockholding function.

The framework was further strengthened in 2025 and 2026 through updated stock-calculation, reporting and secondary legislation. The mandatory-stock target remains the Directive benchmark of 90 days of average daily net imports or 61 days of average daily inland consumption, whichever produces the higher obligation.

6.2 Mandatory stocks and physical build-up

Serbia has continued to build mandatory oil stocks and the physical storage needed to support them. By the end of 2025, mandatory-stock coverage had reached approximately 51 days of average daily net imports. This progress is also reflected in recent storage developments, particularly the new capacity at Smederevo.

6.3 Operational reserves: a separate short-term layer

Serbia also requires market operators to maintain operational reserves. For petroleum-product producers and traders, the final obligation is 10 days of the previous year's average quantities of gasoline and diesel placed on the market and 15 days for jet fuel. The obligation is being phased in; from 1 July 2026 the applicable levels are eight days for gasoline and diesel and 13 days for jet fuel.

The 2025 Oil Law also requires energy entities producing electricity or combined heat and power to maintain petroleum-product and/or coal reserves sufficient for at least 21 days of average January–March production. Where held as petroleum products, these reserves provide an additional liquid-fuel buffer. In a fuel supply disruption, such own reserves can reduce additional demand from the energy sector and thereby limit pressure on strategic stocks.

These operational reserves are legally required buffers held by obligated energy entities and are separate from state mandatory stocks. They should therefore not be treated simply as ordinary commercial inventories.

6.4 Practical use of reserve layers in 2026

During the 2026 Middle East oil supply shock, the Government authorised diesel from state reserves to be made available to the market. Public statements referred to successive intervention measures, but the publicly available information does not provide a sufficiently clear basis for equating authorised volumes with a precise physical drawdown from the mandatory-stock account.[48]

[48]Government of Serbia / Ministry of Mining and Energy, 2026 diesel releases from state oil reserves.

In July the Ministry used a different layer of the system. On 23 July, after low river levels sharply reduced product imports, oil companies that had applied were authorised to use their operational diesel reserves.

The two episodes demonstrate the practical value of maintaining distinct instruments: state mandatory stocks provide the strategic public buffer, while operational reserves provide an industry-held bridge for shorter disruptions.

7. Conclusions

Serbia has the largest and most integrated oil market among the Energy Community Contracting Parties in the Western Balkans. Its domestic refining capacity, developed storage infrastructure and established regional trade links provide important security-of-supply strengths. At the same time, the market remains structurally exposed to a limited number of critical assets and supply routes.

The main vulnerabilities are the concentration of refining at the Pančevo refinery, dependence on a single established crude-import corridor through Omišalj and the JANAF–Transnafta system, declining domestic crude production and the sensitivity of product logistics to hydrological conditions on the Danube. The ownership and sanctions-related constraints affecting NIS have added a further layer of supply risk by affecting crude procurement and refinery continuity.

The 2024–2026 period also demonstrated important elements of resilience. Reduced refinery output was partly compensated through higher finished-product imports, while the 2026 disruptions showed the practical role of both state-held mandatory stocks and industry-held operational reserves. The five-year consumption trends confirm the central importance of diesel while highlighting changes in demand for gasoline, jet fuel and industrial petroleum products that should inform emergency stock composition. Serbia therefore has several complementary instruments for managing short-term disruptions, even though structural concentration remains significant.

Further resilience will depend on the continued build-up of mandatory stocks towards the full Directive requirement, supported by sufficient and deliverable storage capacity. Reliable access to the JANAF–Transnafta corridor, development of additional crude-import options and preservation of flexible product-import routes remain equally important. The 2026 experience also underlines the value of maintaining distinct reserve instruments for disruptions of different duration and character.

9 UKRAINE

1. Executive Summary

Ukraine is by far the largest oil market among the nine Energy Community Contracting Parties, accounting for approximately 45% of their combined market volume. Its size and geographical position make it an important part of the wider European petroleum supply and transport network.

Over the preceding two decades, Ukraine's petroleum-product market had shifted from relying predominantly on domestic refining to becoming heavily import-dependent. Uneven competition with cheaper Russian and Belarusian petroleum products, compounded by illicit fuel trade and tax evasion, undermined the competitiveness of domestic refineries and discouraged investment in their modernisation. By 2021, imported petroleum products accounted for approximately 80% of market supply, with Russia and Belarus as the principal suppliers. Russia's full-scale invasion in February 2022 abruptly disrupted this supply structure, while attacks on refining, storage and distribution infrastructure made a fundamental reorientation of supply routes necessary. By 2026, Ukraine's petroleum-product imports had been firmly redirected towards European supply corridors.[49]

Despite sustained attacks and logistical disruptions, Ukraine has maintained the functioning of its fuel market. Commercial operators have adapted through diversified sourcing, flexible rail and road transport, dispersed storage and the rapid restoration of damaged facilities. These arrangements have supported supply continuity but have also increased dependence on cross-border infrastructure and the uninterrupted movement of petroleum products.

The war has substantially affected the availability and comparability of petroleum market statistics. The suspension or restriction of official statistical reporting and publication under martial law, together with disruptions to production, infrastructure and territorial coverage, limits consistent comparisons with pre-war consumption and supply patterns. Accordingly, this report combines official statistics with industry data, distinguishing verified information from estimates.

[49] IEA (2012), Energy Policies Beyond IEA Countries: Ukraine 2012.

Ukraine has retained an important role in regional crude-oil transportation through the southern branch of the Druzhba pipeline, serving refineries in Hungary and Slovakia, the two remaining Central European buyers of Russian crude oil in 2026.

Ukraine has continued developing its legal and institutional framework for minimum oil stocks, although martial law and security risks have constrained physical stock accumulation. At the same time, Ukrainian authorities, businesses, investors and market analysts continue to address broader challenges related to fuel storage, market competition and supply infrastructure, while maintaining market operations and planning future improvements under exceptionally difficult conditions.

2. Petroleum-product market and consumption trends

2.1 Market Development and Transformation of Supply Routes

Ukraine's petroleum product market has undergone a fundamental transformation since Russia's full-scale invasion in February 2022. Before the war, domestic demand was met through substantial petroleum product imports and limited domestic refining. Although Ukraine possessed significant installed refining capacity, much was no longer operational after years of declining competitiveness and underinvestment, driven in part by cheaper Russian and Belarusian imports, illicit fuel trade and tax evasion.

Ukraine's import dependence had developed over many years, with supplies concentrated in a few countries and corridors. According to the International Energy Agency's (IEA) 2019 Ukraine Energy Profile, Belarus and Russia accounted for approximately 39% and 37% of petroleum product imports in 2018, while Lithuania supplied 10%. This concentration persisted in 2021. According to Argus Media, Ukraine imported approximately 7 million tonnes of diesel, including 3.0 million tonnes from Belarus (43%), 2.1 million tonnes from Russia (30%) and 0.7 million tonnes from Lithuania (10%). Of 1.29 million tonnes of gasoline imports, Belarus supplied 1.01 million tonnes (78%) and Lithuania 0.27 million tonnes (21%). Nearly 1 million tonnes of Lithuanian diesel and gasoline reached Ukraine through Belarus, making even EU-origin supplies dependent on Belarusian transit.[50]

Ukraine's petroleum product supply was therefore vulnerable not only to disruptions affecting Russian and Belarusian production but also to interruptions along critical transit and maritime

[50] IEA (2020), Ukraine Energy Profile, "Energy Security".

routes. The IEA had identified the concentration of supply sources as a significant security-of-supply vulnerability, particularly given Belarusian refineries' dependence on Russian crude oil

These risks materialised before the full-scale invasion. During the 2019 Druzhba oil contamination incident, excessive organic chlorides in Russian crude forced Belarusian refineries to cut production by more than half and damaged equipment at Mozyr, a major supplier to Ukraine. In February 2022, Belarus banned rail transit of Lithuanian petroleum products shortly before Russia's invasion. ORLEN had already invested in an alternative route through Poland, acquiring the Mockava fuel terminal in 2021 and enabling Lithuanian deliveries to bypass Belarus.

Russia's full-scale invasion in February 2022 abruptly ended the established supply structure. Imports from Russia and Belarus ceased, while attacks on refining, storage and distribution infrastructure further constrained domestic supply, triggering an acute fuel crisis.

Ukraine rapidly redirected petroleum product imports towards European refineries, ports and trading hubs. By 2024, southern routes accounted for approximately 54% of diesel imports. Romania was the largest supply route, with approximately 2.0 million tonnes, followed by Poland (1.7 million tonnes), Greece (1.36 million tonnes) and Lithuania (0.58 million tonnes). The Hungarian pipeline corridor, including supplies from MOL's Slovnaft refinery in Bratislava, was another established route, with market estimates placing deliveries from Hungary and Slovakia at approximately 10% of Ukraine's diesel imports in both 2024 and 2025.[51]

The Danube corridor became an essential component of this supply structure, enabling petroleum-product imports via Constanța in Romania. According to Argus, most of the 521,000 tonnes of diesel supplied through Romania in first half of 2026 arrived by barge at Ukrainian Danube ports, with over 70% of this volume originating in Saudi Arabia.[52]

The Poland–Lithuania supply axis subsequently gained importance, supported by ORLEN's integrated refining and logistics network, including the Mockava terminal, where fuel can be transferred between Lithuania's broad-gauge and Poland's standard-gauge railway systems.

In 2025, ORLEN supplied more than 2.2 million tonnes of gasoline and diesel to Ukraine from its Polish and Lithuanian refineries, becoming the country's largest fuel supplier. In the first half of

[51] Piotr Przybyło (2022), Past, Present and the Future of the Ukrainian Fuel Sector, Casimir Pulaski Foundation.

[52] Argus Media (2026), Ukraine's Motor Fuel Market, Insight Paper; see also Enkorr / A-95, "Імпорт дизпального у І півріччі 2026 р.: зростання обсягів і кількості джерел", 9 July 2026.

2026, Poland and Lithuania together accounted for approximately 1.7 million tonnes of diesel deliveries, compared with around 1.0 million tonnes through Romania and Greece. This shift strengthened the role of western land corridors while maintaining southern routes as an important element of supply diversification.

Figure 1. Supply Routes: Pre-war Dependence and Post-2022 Diversification



2.2 Oil supply and statistical coverage

Before Russia's full-scale invasion, Ukraine's domestic crude oil production was largely directed to its own refineries, alongside imported crude oil. According to Eurostat, domestic crude oil production amounted to approximately 1.6–1.7 million tonnes annually in 2019–2021, while crude oil imports ranged from 0.8 to 1.6 million tonnes. Crude oil exports were limited.

Russian attacks progressively reduced Ukraine's refining capacity, leaving the country increasingly dependent on imported petroleum products. The Kremenchuk refinery, severely damaged in April 2022, is believed to have ceased operations definitively in June 2025. With domestic refining capacity no longer available, Ukrainian producers increasingly turned to crude oil exports. According to Ukrainian customs data cited by OSW, more than 260,000 tonnes of

crude oil were exported between October 2025 and February 2026, mainly to Slovakia, with smaller volumes reaching Romania and Hungary.[53]

The shift from domestic refining towards crude oil exports and petroleum-product imports has taken place against a background of longstanding weaknesses in fuel accounting, statistical reporting and market oversight. In its 2018 audit, Ukraine's Accounting Chamber estimated that the shadow market for gasoline and diesel could have reached 4.6 million tonnes in 2016–2017. The audit also identified weaknesses in monitoring fuel production and administering electronic fuel excise. A 2026 study by CASE Ukraine and its research partners further highlighted the scale of unrecorded market activity, complicating assessments of actual consumption, security stock requirements and statistical reliability.[54][55]

The persistent gap between recorded gasoline imports and estimated market consumption points to unresolved differences in the available market data. Informal gasoline blending, including the use of excise-exempt solvents, has been identified by industry sources and investigated by Ukrainian tax and economic security authorities. However, its scale and contribution to the overall gasoline balance remain unquantified. Eurostat's 2020 oil balance recorded a statistical difference of approximately 927,000 tonnes for gas/diesel oil, equivalent to 18% of reported gross inland deliveries. Although this cannot be directly attributed to unrecorded consumption, illicit trade or tax evasion, it illustrates difficulties in reconciling petroleum-product supply and use.

Before the invasion, Ukraine had strengthened fuel accounting and market oversight through licensing, electronic excise administration and improved reporting requirements. These efforts have continued during the war. However, gaps in official petroleum statistics predated the invasion. The IEA has documented confidentiality restrictions affecting refinery production data, including the classification of certain petroleum products under non-specified categories. Russia's full-scale invasion in February 2022 further disrupted official statistical reporting.

[53]Sławomir Matuszak, "Racing against the Next Winter: Ukraine's Energy Sector after the Heating Season", OSW Commentary, Centre for Eastern Studies, 2026.

[54]Accounting Chamber of Ukraine, Report on the Results of the Audit of the Effectiveness of Administering State Budget Revenues from the Sale of Fuel, Decision No. 23-2, 2018.

[55]CASE Ukraine et al., Comparative Analysis of the Fiscal Impact of the Use of Tax Evasion and Tax Avoidance Instruments in Ukraine, 2026.

Restrictions under martial law have since prevented the publication of comprehensive petroleum-market data, limiting comparisons between pre-war and wartime developments.

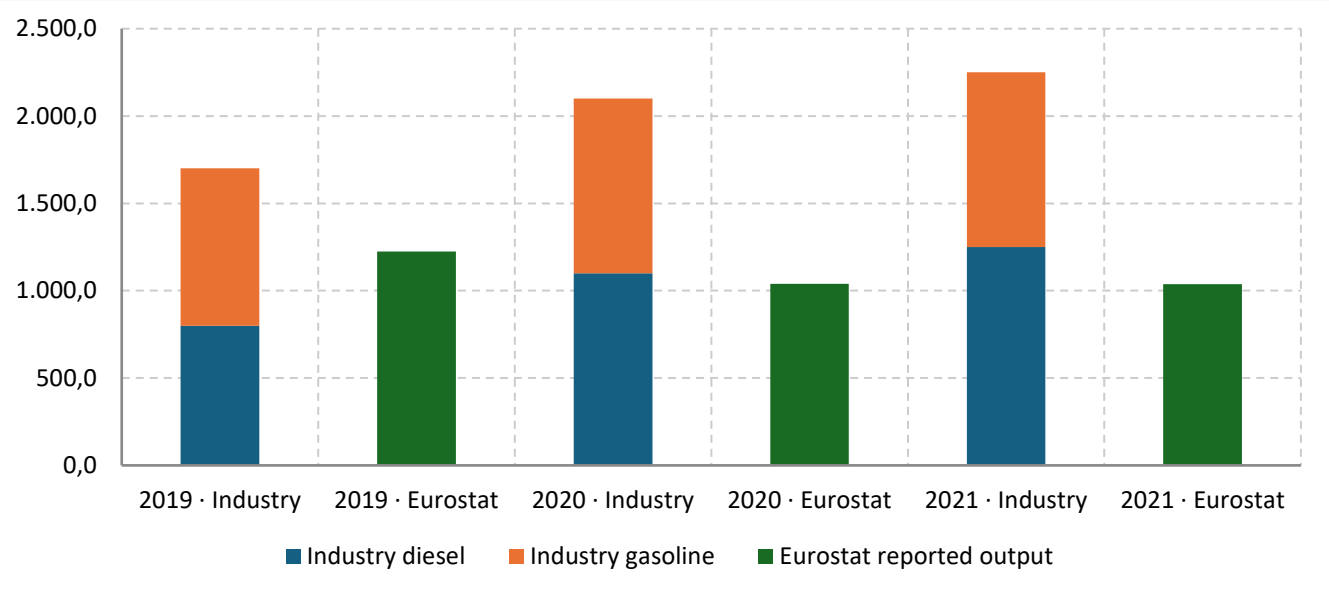
Table 1. Ukraine – Availability of Official Oil Market Statistics, 2019–2025

Indicator (kt)	2019	2020	2021	2022 - 2025
Indigenous production	2,468.80	2,466.70	2,391.9 p	—
Of which: crude oil	1,719.10	1,674.80	1,648.4 p	—
Imports	11,501.90	11,716.20	11,625.9 p	—
Of which: crude oil	790	1,245.70	1,561.2 p	—
Refinery output	1,225.10	1,038.70	1,036.7 p	—
Gross inland deliveries	10,787.00	9,741.70	—	—

Source: Eurostat, Oil and petroleum products supply, transformation and consumption – annual data (nrg_cb_oil), p = provisional; — = data unavailable.

Eurostat data for 2019–2021 provide an important pre-war reference, although the coverage of individual indicators varies. In particular, reported refinery output does not fully reflect domestic gasoline and diesel production, as illustrated by differences with industry estimates in Figure 2.

Figure 2. Reported domestic fuel production vs Eurostat refinery output, 2019 - 2021



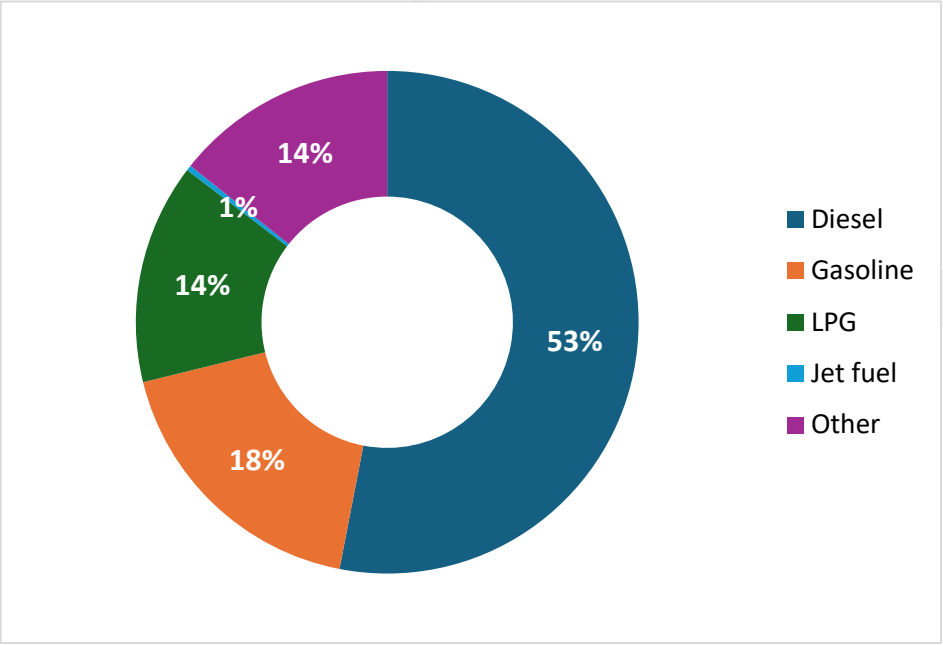
Reliable petroleum balances are needed to calculate emergency stockholding obligations, assess supply risks and monitor compliance. Until comprehensive official reporting is restored, historical Eurostat data and more recent industry estimates must be interpreted with due regard to differences in statistical coverage, product classification and reliability.

2.3 Petroleum Product Consumption and Market Trends

According to the Ukrainian Institute for the Future (UIF), drawing on market data provided by NaftoRynok, wartime changes in fuel demand have varied considerably across sectors. Agricultural diesel consumption has remained relatively stable, industrial and railway diesel demand have declined substantially, while renewed economic activity, reconstruction and freight transport could support demand. Gasoline consumption is expected to remain comparatively stable, while LPG consumption is projected to decline further.

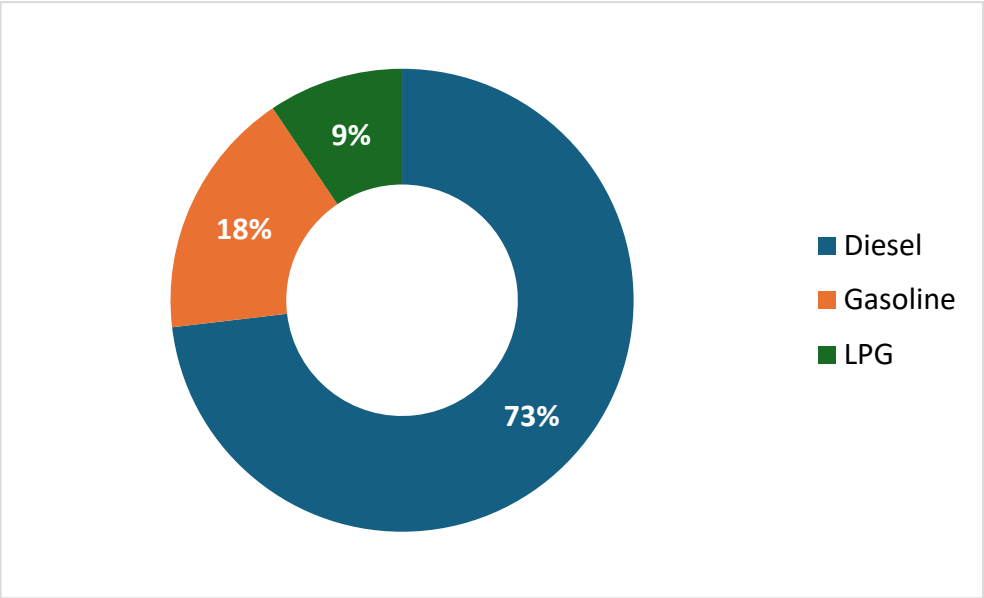
The following charts illustrate Ukraine's petroleum-product market structure in 2020 and fuel imports in 2025. Given the discrepancies between statistical sources and limited official reporting during the war, these figures are indicative and not directly comparable. In particular, import volumes should not be equated with consumption or used to measure precise changes in the product mix.

Figure 3. Petroleum product mix, 2020



Source: Eurostat nrg_cb_oil, selected gross inland delivery categories, kt.

Figure 4. Imports of selected motor fuels, 2025



Source: Argus Media, diesel, gasoline and LPG imports, kt.

Statistical sources and interpretation

The assessment combines historical Eurostat oil balances, U.S. Energy Information Administration (EIA) consumption estimates and market data from Argus Media, A-95/Enkorr, NaftoRynok and the Ukrainian Institute for the Future. These sources differ in coverage and methodology: Eurostat records petroleum-product flows and inland deliveries, EIA provides consumption estimates, while industry sources offer more recent information on imports and market volumes. Discrepancies are particularly pronounced in pre-war diesel figures. With conventional refinery operations severely disrupted and comprehensive official statistics unavailable for the war years, imports provide an important indication of market supply but cannot be equated directly with consumption. Accordingly, the different indicators are presented separately and interpreted with regard to their statistical coverage and limitations.

Estimated consumption

Following the discontinuation of EU and Ukrainian statistical reporting, EIA consumption estimates provide a continuous series through 2023, helping to assess broad market trends. However, some values are calculated estimates rather than directly reported consumption data and may differ from actual market volumes. Although EIA also publishes figures for 2024, these repeat the 2023 estimates and are therefore excluded from Table 2.

Table 2. EIA petroleum-product consumption estimates, 2019–2023 (kt)

Product (kt)	2019	2020	2021	2022	2023
Diesel	5,772	5,159	5,679	4,921	5,250
Gasoline	2,105	1,922	1,985	1,709	1,800
LPG	1,886	1,377	1,324	967	1,028
Jet fuel	127	33	134	23	65
Total	9,890	8,491	9,122	7,620	8,143

Within the EIA series, estimated consumption of the four product categories declined by approximately 16% in 2022 compared with 2021, broadly consistent with industry estimates discussed below. Consumption subsequently recovered to 8.14 million tonnes in 2023, still around 11% below the 2021 level. Diesel accounted for approximately 64% of the combined estimate in 2023.

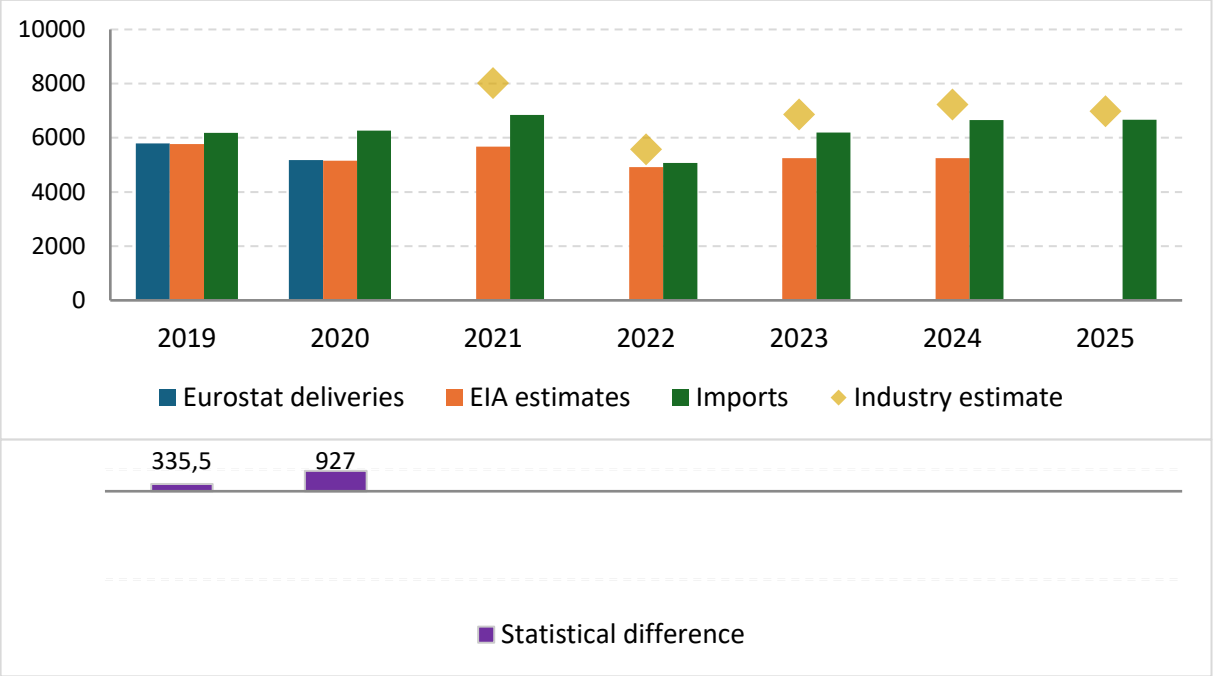
Diesel and gasoline: statistical data and industry estimates

Figures 5 and 6 compare available statistical data and industry estimates for Ukraine's diesel and gasoline markets over 2019–2025, highlighting differences in reported market volumes and broad trends before and during the war. Year-on-year changes should be interpreted with caution, particularly in light of ongoing hostilities, changes in territorial control and shifts in fuel consumption patterns.

Diesel market estimates were substantially higher than Eurostat and EIA figures before the war. Industry data indicate approximately 7.39 million tonnes in 2020 and 8.07 million tonnes in 2021, compared with EIA estimates of 5.17 and 5.68 million tonnes, respectively. In 2022, EIA estimates indicate a decline of approximately 13%, while A-95 market estimates suggest a considerably sharper contraction of around 30%, from 8.02 to 5.58 million tonnes. Both sources reflect the severe disruption following the full-scale invasion, although the estimated magnitude differs substantially.

Diesel supplies subsequently recovered, with imports reaching approximately 6.65 million tonnes in 2024 and 6.67 million tonnes in 2025. With domestic refining severely constrained, imports remain the principal source of diesel supply.

Figure 5. Diesel – Eurostat deliveries, EIA consumption estimates, Imports 2019–2025



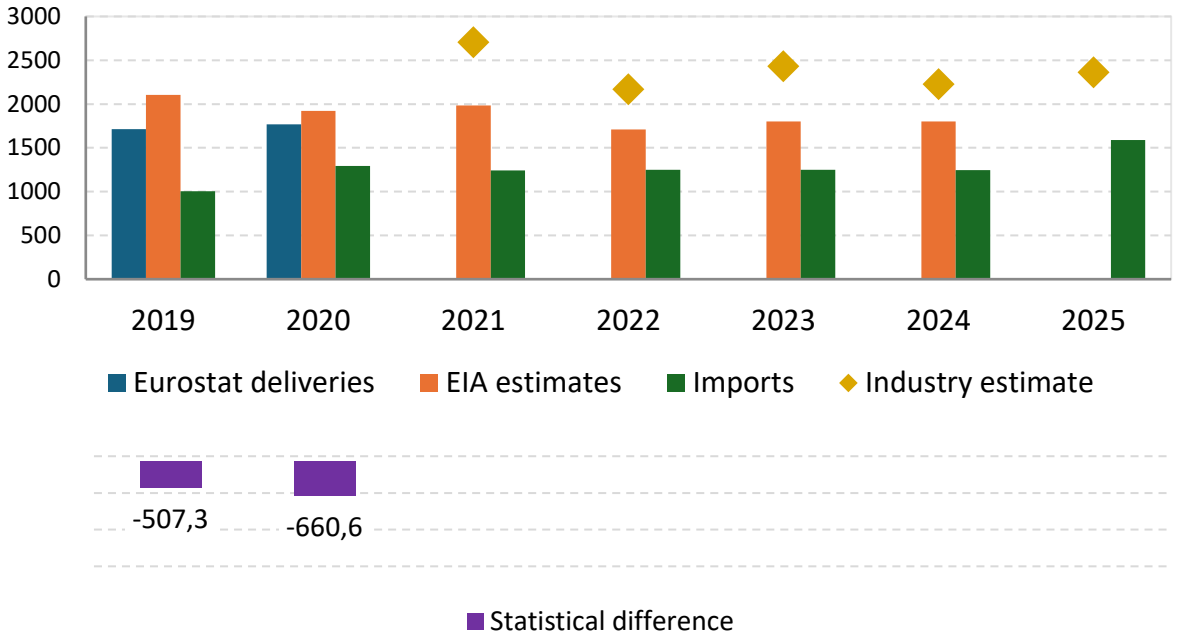
Sources: Eurostat nrg_cb_oil; EIA; Argus, A-95/Enkorr and NaftoRynok (import/market data)

Gasoline market estimates diverge more noticeably during the war. In 2020, Eurostat recorded approximately 1.77 million tonnes of gasoline deliveries, compared with EIA consumption estimates of 1.95 million tonnes and market estimates of 2.12 million tonnes.

In 2023–2024, industry-reported gasoline imports, based on customs data, remained around 1.25 million tonnes annually, while EIA consumption estimates were approximately 1.8 million tonnes, some 45% higher. This substantial difference cannot be attributed to a single factor, given uncertainties surrounding domestic gasoline production, market reporting and the methodologies used to estimate consumption (see Section 2.2).

According to Argus Media, gasoline imports increased by 29.3% to 1.59 million tonnes in 2025, as Russian attacks on energy infrastructure further reduced already severely disrupted domestic production. The actual scale and composition of domestic gasoline supply have yet to be clearly established.

Figure 6. Gasoline – Eurostat deliveries, EIA consumption estimates, Imports 2019–2025



Sources: Eurostat nrg_cb_oil; EIA; Argus, A-95/Enkorr and NaftoRynok (import/market data)

Other petroleum products

LPG has traditionally been used extensively as a lower-cost road fuel. The EIA-based estimate falls from 1.32 million tonnes in 2021 to 1.03 million tonnes in 2024. Argus reporting also associates declining LPG demand from 2024 with increases in excise taxation that reduced its price advantage over gasoline. The change therefore reflects not only the supply disruption but also altered economics of fuel choice.

Aviation fuel followed a very different trajectory. The COVID-19 pandemic depressed aviation activity in 2020; the Eurostat extraction includes approximately 33,100 tonnes of fuel supplied to international aviation in that year. Ukrainian airports handled approximately 16.2 million passengers in 2021, an 87% increase on 2020 but still 33% below 2019. EIA-based jet-fuel consumption is estimated at 135,000 tonnes in 2021, falling to 23,000 tonnes in 2022 and approximately 65,000 tonnes in each of 2023 and 2024. According to EUROCONTROL, Ukrainian airspace has remained closed to civilian aviation since February 2022. Wartime aviation-fuel estimates should therefore be treated with particular caution.

Heavy fuel oil (mazut) has historically been used as a supplementary fuel for starting coal-fired boilers, as reserve fuel in power generation and heating, and in refinery operations. Ukraine's State Statistics Service reported use of approximately 187,000 tonnes in 2021. Ukraine also produced and exported fuel oil: exports amounted to approximately 126,000 tonnes in the first half of 2021, predominantly from the Kremenchuk refinery. These uses illustrate why petroleum-product demand cannot be reduced to road transport alone.

Generator demand and short-term market pressure

Russian attacks on Ukraine's electricity infrastructure have created additional and highly variable demand for diesel and gasoline used in backup generators. Industry reporting attributed approximately 10% of filling-station sales in December 2025 to generator demand, while A-95 reported retail sales increases of 15–40% in regions experiencing prolonged outages in early 2026. These figures illustrate local demand fluctuations rather than a measurable national trend. Filling stations also rely on backup generators to maintain operations during power outages. Ukraine's continued dependence on substantial petroleum-product imports, combined with limited domestic refining, makes reliable supply monitoring particularly important for oil security of supply.

2.4 Retail Fuel Market: Structural Change and Wartime Resilience

Before Russia's full-scale invasion, Ukraine's fuel retail market comprised approximately 7,500 filling stations, according to A-95 Consulting Group, ranging from premium nationwide networks such as OKKO, WOG, Shell and SOCAR to mid-range operators, the consolidated Privat Group network of around 1,500 stations, and numerous lower-cost and independent retailers. The market faced longstanding competition and transparency concerns, including the coordinated operation of Privat Group-affiliated networks, which formed part of a vertically integrated business spanning domestic oil production, refining and retail distribution. However, as noted by the EBRD in its 2020 project assessment, the size of a filling station network did not necessarily reflect its market share by sales volume, with Galnaftogaz (OKKO) ranking first in sales despite having only the third-largest network.

During the first years of the war, the previously dominant Privat Group underwent a fundamental restructuring following the loss of refining capacity at Kremenchuk and the state's takeover of Ukrnafta and Ukrtatnafta in November 2022. According to A-95 Consulting Group, Privat's retail network had exceeded 1,600 filling stations at its peak in the late 2000s. Following the restructuring, 537 stations became part of state-controlled Ukrnafta, 245 reverted to PrivatBank, and approximately 200 remained in Russian-occupied territories, leaving around 550 stations

affiliated with Privat in early 2025. The subsequent redistribution of former Privat Group stations contributed to the rapid expansion of Ukrpaletsystem (UPG), which expanded its network to more than 450 by mid-2026. Meanwhile, Ukrnafta grew to more than 650 stations, becoming Ukraine's largest retailer by outlet count, supported by its acquisition of 118 former Shell stations in 2025. Other major networks in 2026 included OKKO (approximately 410 stations), WOG (360), BRSM-Nafta (230) and AMIC (200). Together, these companies represent the principal players in Ukraine's restructured fuel retail market.

Beyond retail sales, major filling station networks also play an important role in fuel imports and distribution. According to Argus, suppliers operating filling station networks in Ukraine, including OKKO Group, Ukrnafta, Ukrpaletsystem (UPG) and WOG, accounted for 47% of diesel imports in the first half of 2026 and were among the principal gasoline importers, underlining their importance in maintaining fuel availability.[56]

Retail operations continue to face direct security threats. NaftoRynok reported at least 137 filling stations damaged by Russian attacks between early April and mid-June 2026; this count should not be added to other operator-specific attack figures. Operators have responded with rapid repairs, alternative supply arrangements and geographically dispersed storage.

3. Storage Infrastructure and Emergency Stockholding Capacity

The limitations of Ukraine's oil storage infrastructure had been recognised well before Russia's full-scale invasion in 2022. Ukrainian authorities and research institutions had repeatedly assessed existing capacities and the investment needed to establish an emergency stockholding system. However, the available data remain fragmented, incomplete and difficult to compare, as different assessments cover different types of facilities and use different definitions of storage capacity.

Experience from other countries shows that securing adequate storage capacity is a major challenge in developing such systems. In Ukraine, the war has made this task considerably more difficult, particularly due to the vulnerability of above-ground facilities.

3.1 Pre-war Storage Infrastructure and Capacity Requirements

A 2017 feasibility study by the State Reserves Agency of Ukraine identified approximately 1.87 million m³ of existing storage capacity potentially available for emergency stockholding, including

[56] Argus Media (2026), Ukraine's Motor Fuel Market, Insight Paper (user-supplied PDF).

404,000 m³ for crude oil and 1.46 million m³ for petroleum products. Around 1.24 million m³ was classified as operational, while 622,000 m³ of petroleum-product storage required modernisation. The study estimated that approximately 1.0 million m³ of additional capacity would be needed, bringing the total planned capacity to 2.87 million m³.[57]

A separate 2017 assessment by Ukraine's National Institute for Strategic Studies (NISS) estimated Ukrtransnafta's nominal crude-oil storage capacity at 1.08 million m³, of which only around 545,000 m³ was usable. NISS also recommended a comprehensive inventory of storage facilities and consideration of underground storage.[58]

These assessments did not cover Ukraine's entire petroleum storage network. Before the invasion, industry estimates indicated approximately 500 fuel depots, of which around 165–170 were actively operating. Separately, 516 licensed wholesale fuel locations were recorded at the beginning of 2022. These figures are not directly comparable but indicate an extensive storage network with limited verified capacity suitable for emergency stockholding.[59]

3.2 Wartime Damage and Adaptation of Storage Infrastructure

Russia's full-scale invasion fundamentally changed the conditions under which Ukraine's oil storage infrastructure operates. Fuel depots, storage tanks and associated distribution facilities have been repeatedly targeted, affecting the availability and security of conventional above-ground storage.

Commercial operators have adapted by relying increasingly on smaller and more dispersed inventories, alternative storage locations and flexible transport arrangements. These measures have supported the continuity of petroleum-product supplies despite repeated disruptions. At the same time, they have changed the role of storage within the supply system, increasing the importance of reliable replenishment, cross-border logistics and the ability to redirect deliveries.

[57] State Reserves Agency of Ukraine (2017), feasibility study on establishment of emergency oil and petroleum-product stocks, storage capacity and financing.

[58] National Institute for Strategic Studies (G. Riabtsev) (2017), Problems and Prospects of Establishing Oil and Energy Reserves in Ukraine.

[59] Delo.ua, "Топливный резерв: как Кабмин планирует создать запасы горючего…", 21 February 2023 (industry estimate of pre-war depots); State Tax Service of Ukraine, 2021 results presentation (February 2022), licence categories.

3.3 Development of More Protected Storage Solutions

Despite the disruption caused by the war, Ukraine has continued to consider how the storage infrastructure needed for future emergency reserves could be developed under more demanding security conditions.

In August 2026, the Ukrainian government adopted Resolution No. 1037 establishing an experimental framework for underground storage of petroleum products. The initiative provides a basis for examining more protected storage arrangements, including specially equipped underground tanks and other technically suitable facilities, subject to applicable safety, accounting and operational requirements.

Industry discussions in August 2026 considered different options for reducing the exposure of above-ground fuel depots. The Ukrainian Oil and Gas Association proposed extending an existing state-supported lending scheme for distributed energy projects to the construction of small-scale underground fuel tanks at operating depots as well as decentralised underground facilities of roughly up to 10,000 m³, while acknowledging high construction costs.

Naftogaz has also been exploring more protected storage solutions as part of its efforts to strengthen the resilience of Ukraine's fuel supply infrastructure. Such approaches could reduce the concentration of stocks in vulnerable above-ground installations, although their practical contribution will depend on technical feasibility, investment requirements and operational accessibility.

3.4 Cross-border Storage and Future Stockholding Arrangements

Cross-border storage may provide an additional option for Ukraine's future emergency stockholding system, building on established supply corridors through neighbouring European countries and their refinery, terminal, rail and road infrastructure.

Recent regional initiatives, including the Carpathian Eight framework launched in September 2026, encompass storage and supply infrastructure projects involving neighbouring countries, notably Poland, Romania, Hungary and Slovakia. While these initiatives remain at an early stage, they reflect efforts to diversify supply routes and develop storage capacity outside Ukraine, reducing the exposure of fuel stocks to Russian attacks.

3.5 Ukraine's Druzhba Pipeline Branch

Before Russia's full-scale invasion in 2022, Ukraine was an important transit route for Russian crude oil exports to Central Europe. In 2021, approximately 11.9 million tonnes of crude oil passed through the southern branch of the Druzhba pipeline in Ukraine, supplying refineries in Slovakia, Hungary and Czechia.

Following the invasion, EU sanctions and supply diversification substantially reduced Druzhba's role. Deliveries through the northern branch ceased, while Czechia switched to alternative supplies. In 2026, the southern branch through Ukraine continued supplying Hungary and Slovakia under EU sanctions exemptions. The pipeline also provided an export route for Ukrainian-produced crude oil to refineries in Hungary and Slovakia. According to Reuters, these deliveries amounted to approximately 40,000 tonnes per month before the January 2026 disruption. MOL confirmed purchases of Ukrainian crude oil.

The vulnerability of this route became evident in 2026, when damage to pipeline infrastructure in Ukraine interrupted deliveries to both countries for nearly three months. Hungary and Slovakia each authorised the release of up to 250,000 tonnes of crude oil from emergency stocks and arranged alternative supplies through the Adria pipeline. The disruption highlighted the risks of continued dependence on Russian crude oil and transit through Ukraine, as well as the importance of alternative supply routes and emergency stocks. In the longer term, Russia's unreliable conduct as an oil supplier and the EU's objective to phase out remaining Russian oil imports by the end of 2027 point towards a diminishing role for this transit corridor.

4. Oil Security of Supply: Minimum Stocks and Wartime Preparedness

4.1 Development of the Oil Stockholding Policy

Ukraine's efforts to establish a minimum oil stockholding system preceded the adoption of dedicated legislation by several years. A 2017 feasibility study by the State Reserves Agency of Ukraine examined alternative institutional and financing models, including a central stockholding entity and arrangements involving market participants. Draft legislation followed in 2018, while the Energy Community Secretariat supported further preparatory work through the EU4Energy programme in 2020. A further legislative proposal was prepared in 2021, but the institutional and financing framework remained unresolved when Russia's full-scale invasion began.

Legislative work continued during the war, culminating in the adoption of the Law on Minimum Reserves of Oil and Petroleum Products in November 2023. The law established an industry-funded system under state supervision, allowing operators to hold stocks directly or

contractually, including a limited share in neighbouring EU Member States. Stockholding obligations were linked to financial guarantees and market-entry controls.

4.2 Implementation Status in 2026

The legal framework was further developed through implementing regulations adopted in December 2024 and a methodology approved in April 2026, establishing the administrative basis for calculating, reporting and monitoring minimum stockholding obligations.

However, the minimum stockholding system is not yet operational. Its implementation is taking place under wartime conditions, where maintaining uninterrupted fuel imports remains a critical priority. Enforcement of the 25% bank guarantee requirement linked to customs clearance has been deferred until six months after the end of martial law. Enforcement of key customs and tax controls has been deferred, allowing operators to continue importing petroleum products without first establishing mandatory emergency stocks or providing the corresponding financial guarantees.

5. Conclusions

Ukraine's petroleum-products market has been reshaped by Russia's full-scale invasion. The pre-war combination of limited domestic refining and eastern supply routes has been replaced by imports through European corridors and flexible commercial distribution. This is a lasting structural change, not a temporary interruption after which the old system can be restored.

The market's continued operation under repeated attacks is particularly significant because it rests on the decisions and efforts of Ukrainian businesses, investors, transport operators and public authorities. Their ability to sustain fuel deliveries, develop market intelligence and plan further investment under wartime conditions deserves recognition without understating the continuing risks. Fuel continues to reach consumers despite damage to depots, transport infrastructure and filling stations. At the same time, dependence on external refineries, cross-border logistics and vulnerable domestic distribution remains a major security-of-supply exposure. Commercial resilience cannot replace an effective emergency oil-stockholding system.

Ukraine has nevertheless advanced the legal and institutional basis for minimum reserves while exploring safer storage arrangements. The deferral of physical stock accumulation under martial law does not negate this preparatory work. Future implementation will depend on verified capacity, financing, accessibility and arrangements for rapid release, alongside continued development of the wider fuel market.

Energy Community

Energy Community Secretariat
Am Hof 4, Level 5, 1010 Vienna, Austria

energy-community.org
info@energy-community.org
0043 (0)1 535 2222