Croatian experience
HANDA - a success story

SRDJAN VLAOVIĆ

8th OIL FORUM
Belgrade, 28/29 September 2016
<table>
<thead>
<tr>
<th>ABOUT HANDA(1)</th>
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<tbody>
<tr>
<td><strong>FOUNDER</strong></td>
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<tr>
<td>• Republic of Croatia</td>
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<tr>
<td><strong>FOUNDING ACT</strong></td>
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<tr>
<td>• Oil and Petroleum Products Market Act (2006)</td>
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<td><strong>LEGAL FORM</strong></td>
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<td>• non-profit public institution</td>
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<td><strong>BODIES</strong></td>
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<td>• Governing Council and Director General</td>
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<td><strong>TASK</strong></td>
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<td>• To form the state compulsory oil stocks at the level of a 90 days consumption by 31\textsuperscript{st} July 2012, in line with Directive 2006/67/EC</td>
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<td><strong>BASIC PRINCIPLE</strong></td>
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<td>• Transparent, market-neutral operation at the lowest possible cost</td>
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public institution founded by the Republic of Croatia, founding rights are exercised by the Croatian Government, and it is directly responsible to the Croatian Government

the central body in the Republic of Croatia for compulsory stocks of oil and oil products, the only one authorized and responsible to establish, maintain and sell compulsory stocks of oil and petroleum products

of strategic and special interest for the Republic of Croatia on the basis of the Government Decision
VISION
In line with the energy policy set by the EU and adopted energy directives, and in line with Oil and Petroleum Products Market Act, HANDA’s vision is to provide secure and reliable supply of oil and petroleum products to the Croatian market in case of a major energy supply disruption.

MISSION
HANDA’s mission is to establish and manage compulsory stocks of oil and petroleum products in the prescribed quantities and structure in accordance with the provisions set out in Crude Oil and Petroleum Products Market Act.
MAIN ACTIVITY

- **Establishment** of compulsory stocks of oil and petroleum products
- **Storage** of compulsory stocks of oil and petroleum products
- **Management** of compulsory stocks of oil and petroleum products
- **Cooperation** with state and public administration as well as the energy and economic entities in the country and abroad
LEGAL FRAMEWORK

- EU acquis
- Agreement on the Energy Community
- Oil and Petroleum Products Market Act
- The Law on State Budget
- The Law on Civil Servants
- HANDA’s Statute
- Plan on safeguarding, dynamics of forming and replenishing of compulsory oil and petroleum product stocks, organization of storage and regional distribution (2009)
- Intervention Plan in the event of extraordinary disturbance in market supply of oil and petroleum products (2012)
- Ordinance on calculation method for average daily net imports, average daily consumption and level of oil and oil derivatives stocks (2015)
- other by-laws and general acts HANDA
## OBLIGATION FULFILMENT

Total quantity (tones; days) and structure of compulsory stocks of oil and petroleum products per year

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<tbody>
<tr>
<td>Gasoline</td>
<td>0</td>
<td>10.000</td>
<td>30.000</td>
<td>10.000</td>
<td><strong>32.000</strong></td>
<td>57.000</td>
<td>39.000</td>
<td>39.000</td>
<td>39.000</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>0</td>
<td>33.000</td>
<td>25.000</td>
<td>52.000</td>
<td><strong>203.000</strong></td>
<td>189.000</td>
<td>183.000</td>
<td>171.000</td>
<td>140.000</td>
</tr>
<tr>
<td>Gas oil</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td><strong>28.000</strong></td>
<td>33.000</td>
<td>30.000</td>
<td>30.000</td>
<td>30.000</td>
</tr>
<tr>
<td>Jet fuel</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td><strong>18.000</strong></td>
<td>20.000</td>
<td>20.000</td>
<td>20.000</td>
<td>20.000</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>53.000</td>
<td>35.000</td>
<td>40.000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Crude oil</td>
<td>133.500</td>
<td>293.000</td>
<td>293.000</td>
<td>293.000</td>
<td><strong>404.000</strong></td>
<td>404.000</td>
<td>405.000</td>
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<tr>
<td>Days</td>
<td><strong>22</strong></td>
<td>45</td>
<td>44</td>
<td>47</td>
<td><strong>95</strong></td>
<td><strong>95</strong></td>
<td><strong>95</strong></td>
<td><strong>95</strong></td>
<td><strong>90</strong></td>
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COMPOSITION OF OIL STOCKS

2. Oil and Petroleum Products Market Act
3. Decision on the quantity and structure of compulsory oil and petroleum products stocks
4. Business Plan
5. Market conditions
6. State budget
ASSETS
CENTRAL STOCKHOLDING ENTITY
STRATEGIC INSTITUTION

STRENGTHS

LACK OF STORAGE CAPACITY
INSUFFICIENT FUNDS

WEAKNESSES

STORE ALL COMPULSORY STOCKS IN CROATIA
FUNCTIONAL CONTINGENCY PLAN
REPLENISHMENT IN DOMESTIC REFINERIES

OPPORTUNITIES

DEMANDING ADMINISTRATIVES REQUIREMENTS
HIGH OPERATING COSTS
INABILITY INVESTMENT

THREATS
KPI „A“ TARGETS FOR HANDE

ACCESSIBILITY

AVAILABILITY

ACCEPTABILITY

E n e r g y  C o m m u n i t y ,  8 t h  O i l  F o r u m
B e l g r a d e ,  S e p t e m b e r  2 8 - 2 9 ,  2 0 1 6
COMPULSORY STOCKS STORAGE LOCATIONS IN CROATIA
2012 - 2016
JANAF Zagreb – Žitnjak Terminal

- medium term storage contracts
- 5 x 20,000 m³ for petroleum products
- delivery: railway, trucks
JANAF - Sisak Terminal

- Long-term storage contracts
- 3 x 80,000 m³ for crude oil
- delivery: pipeline
JANAF Omišalj – Tanker Port

- long term storage contracts
- 3 x 80,000 m³ for crude oil
COMPULSORY STOCKS STORAGE LOCATIONS ABROAD

Bilateral agreement with Federal Republic of Germany

- Bremen
- Speyer
- Luenen
- Duesseldorf
- Essen
- Koeln
- Hamburg
- Wurzburg
- Wilhelmshaven
- Frankfurt AM
With great efforts but with a positive attitude

HANDA is a successful state agency meeting set targets – maintaining and management prescribed level of compulsory oil stocks

based on own operational experience and knowledge

HANDA is able and willing to offer assistance/help and cooperation by know-how method
Thank you for your attention!

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Energy Community, 8th Oil Forum
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