

2024 ANNUAL REPORT

POPIHN

Polska Organizacja Przemysłu i Handlu Naftowego

OIL INDUSTRY
AND TRADE



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POPIHN MEMBERS IN 2024 R.



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Current term of office is: June 2022 – June 2025.

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Wojciech Labuda, Chief Regulatory Officer

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THE REPORT USES THE FOLLOWING
CONVERSION VALUES:
1 barrel of crude oil (1 bbl) = 159 litres
1 tonne of crude oil = 7.26 bbl

PRODUCT DENSITIES USED IN MASS
TO VOLUME CONVERSIONS
IN 1ST QUARTER OF 2024:
Petrol 0,737 Mg/m³
Diesel 0,832 Mg/m³
Light fuel oil 0,829 Mg/m³
LPG..... 0,539 Mg/m³

PRODUCT DENSITIES USED
IN MASS TO VOLUME CONVERSIONS
IN 2ND QUARTER OF 2024:
Petrol 0,738 Mg/m³
Diesel 0,834 Mg/m³
Light fuel oil 0,830 Mg/m³
LPG..... 0,541 Mg/m³

PRODUCT DENSITIES USED
IN MASS TO VOLUME CONVERSIONS
IN 3RD QUARTER OF 2024:
Petrol 0,748 Mg/m³
Diesel 0,835 Mg/m³
Light fuel oil 0,828 Mg/m³
LPG..... 0,533 Mg/m³

PRODUCT DENSITIES USED
IN MASS TO VOLUME CONVERSIONS
IN 4TH QUARTER OF 2024:
Petrol 0,748 Mg/m³
Diesel 0,835 Mg/m³
Light fuel oil 0,830 Mg/m³
LPG..... 0,533 Mg/m³

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DEAR READERS,

Another challenging year for the fuel industry is behind us, marked by the shadow of Russia's invasion of Ukraine and the beginning of radical changes in global politics and the economy, which have significant implications for national and European regulations. The market situation requires constant attention to maintain a balance between ensuring fuel supply security, the competitiveness of transport and the economy, and the well-being of societies in EU countries. On the one hand, a united front by Western countries against the Russian aggressor requires the introduction of further sanctions against the oil industry from across the eastern border and investing in their own fuel storage and transport capacities not only to Poland but also to allied Ukraine. On the other hand, it has increasingly become apparent in 2024 that the requirements of the European Green Deal, with such a rapid pace of implementation and without support programmes for industry and the transport sector, could harm the competitiveness of the economies of the EU Member States, particularly in Central and Eastern Europe. Some Member States like Slovakia expressed scepticism towards regulations such as ETS II, which is no longer between words but directly. Finally, rising energy and fuel prices, as well as the lack of an expected technical breakthrough in the provision of economically accessible means of electric and alternative-fuel transport – are of no concern to European societies, which are beginning to demand a transformation with the adjective 'fair'. POPiHN, in its 30th year of existence, is involved in all these areas.

In terms of fuel security, it is worth mentioning that **2024 was the first year without Russian oil in Poland**. In addition, after a 12-month transition period, sanctions on Russian LPG, long-awaited by POPiHN members, came into force on 21 December 2024. The ongoing war across our eastern border underlines the importance of Poland's fuel security. From this perspective, it is worth appreciating the Ministry of Industry's efforts towards reforming the oil and fuel stock system. For years, the industry has advocated shifting responsibility for this area from businesses to the Governmental Strategic Reserves Agency (RARS). Work on the reform started

in mid-2024. The solution proposed by the government (equalising responsibility between RARS and businesses for up to 45 days, to be implemented within three years) is a step in the right direction. Ultimately, however, the obligation to maintain physical fuel stocks per Agency should be at least 60 days. This is needed to make optimal use of the potential of Polish storage tanks. However, this does not change the fact that the steady growth of the fuel market and the imminent increase in the share of finished fuels in agency stocks (from 2029) imply the need for investment in new fuel storage tanks. The industry looks forward to working with the government to improve Poland's fuel security. In contrast, the fate of national regulations also testifies to how challenging it is to implement the provisions of the European Green Deal into the national legal order.

There is another important regulatory matter for which the Ministry of Industry should be commended. Following last year's change in customs nomenclature for pure ON, there was a threat of a loophole from 1 January this year, which was prevented thanks to efficient government-parliamentary cooperation. At POPiHN's request, the fastest legislative procedure of this term (Sejm print 897 – in 3 days the Sejm and the Senate) was carried out, i.e. the Act of 18 December 2024 amending certain laws to adapt to the Combined Nomenclature. The absence of legal changes would significantly burden public administration authorities due to the need for creative interpretation and legal disputes while also resulting in a lack of certainty regarding financially significant public-law obligations.

In the past year, it has also been possible to clarify the rules for marketing HVO, a low-carbon fuel made from hydrogenated vegetable oils, through interpretation so that its sale in Poland could begin. In addition, in cooperation with the Ministry of Climate and Environment, the Ministry of Industry has drafted a regulation clarifying this fuel's quality requirements. The European Commission has been notified of this as a technical regulation and will come into force in 2025. In this way, the regulatory changes are intended to dispel doubts about the sale of HVO.

Despite the challenges posed by the non-implementation of Directive 2018/2001 of 11 December 2018 on promoting energy from renewable sources (commonly known as RED II), the industry has remained proactive. Its provisions, among other things, set increased levels for the proportion of advanced bio-components and introduce rules for documenting compliance with sustainability requirements. Note that the directive was expected to be implemented by mid-2021, with some provisions to come into force on 1 January 2025. Entrepreneurs have not been able to comply with the obligations imposed by the EU rules without corresponding changes to national law. Regulatory changes were eagerly awaited, and the fuel market situation became increasingly tense. An optimal solution to this situation has been found through the efforts of the Ministry of Climate and Environment. The case did not end happily until February when Parliament passed legislation to implement RED II. Despite these challenges, the industry's proactive approach to regulatory changes instils confidence in its ability to adapt and thrive.

The division of 'fuel' competencies between seven ministries does not help ensure the smooth implementation of energy and climate policy. The situation has not changed despite the transfer of the responsibility for the fuel market (including the hydrogen economy) to the newly created Ministry of Industry, based in Katowice, far from Plock or Gdansk. The Ministry of Climate and Environment remains competent in biofuels in the broadest sense, as well as e-fuels, electromobility, and hydrogen technologies.

Despite the numerous challenges, the Polish liquid fuel market is on a growth trajectory. In the absence of a stable regulatory framework and dynamic changes in fuel volumes exported to Ukraine, the situation in the domestic fuel market was much more balanced than in 2023. Thanks to the general improvement in the economic situation over the past year, **sales of the three main fuels (ON, BS, and LPG) have increased by more than 1.5% y-o-y**. Though seemingly modest, this growth is significant considering the high benchmark set in 2023 when fuel sales in Poland reached a record level. The industry's growth despite the challenges is a testament to its resilience and potential for further development.

Energy transition, including the decarbonisation of transport, remains a strategic challenge. Developing e-mobility and low-carbon liquid fuels requires large amounts of funding for research and development, technical solutions, new vehicle fleets and infrastructure. At the same time, Russia's aggressive actions impose significant spending on defence in countries in our region. Achieving everything in one go is not possible. Integrating security policy broadly with energy and climate policy is important. A new quality of dialogue is needed at inter-industrial and intergovernmental level in Central and Eastern European countries. This is a process that should accelerate under the current Polish Presidency of the EU Council.

We are now in a key period for the fuel and transport industry. The prevailing concept in EU policy of ever more ambitious targets to be implemented under the threat of ever higher penalties for lack of progress in achieving them may prove ineffective. The excessive pace of change and the emphasis on full electrification of transport run the risk of failing to achieve the real goal of rapidly reducing greenhouse gas emissions in transport.

With the election of a new European Parliament and College of Commissioners, the first half of 2025 is an excellent time to reflect on collective security, the competitiveness of the EU economy and the coherence of the EU's climate and energy policy. Decisions on possible revisions and adaptations of EU legislation to be made over the next few years will determine whether many European companies, especially in Central and Eastern Europe, remain viable and whether we, as a society, can live prosperous and relatively secure lives.

The POPiHN "Oil Industry and Trade 2024" report describes the Polish fuel market's situation in 2024.



LESZEK WIWAŁA
President – Director General



BOGDAN KUCHARSKI
Chairman of the Board of Directors

01

SELECTED REGULATORY CHALLENGES 2025+

ETS2 – a pivotal and strategic challenge for the transport sector

One key tool of EU climate policy to decarbonise transport is bringing the sector into the Emissions Trading Scheme (ETS2). It was established by Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023, amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 on the establishment and operation of a market stability reserve for the Union's greenhouse gas emission allowance trading scheme.

The deadline for implementing ETS2 was 30 June 2024. Only Germany succeeded in implementing this legislation, highlighting the urgent need for action. The remaining Member States, including Poland, did not implement the directive on time, prompting the European Commission to launch an infringement procedure against EU law.

The introduction of ETS2 is a highly intricate process. Despite the auctioning of emission allowances in the ETS2 set to commence on 1 January 2027, the scheme was initially planned to launch at the start of 2025. Before this date, Member States were required to establish procedures for monitoring emissions and identify the authority competent to grant permits. Businesses subject to this regulation were to obtain such a permit and report their emissions for 2024. Unfortunately, the directive does not clearly define the obligated entity, adding to the complexity.

In contrast to ETS1, ETS2 emphasises the upstream entities subject to excise duty (not the consuming entity but more so the producer or first marketer). In principle, the regulated entity was to be a tax warehouse, and the obligation to pay the emission charge should arise at the end of the excise duty suspension procedure. The problem is that the directive has left the Member States free in this respect. Consequently, each country can decide who the obligated entity is and when this obligation will arise. Without national legislation, entrepreneurs are helpless. They are supposed to report the streams of emissions they generate, but they don't quite know how to do it.

Undoubtedly, the entry into force of ETS2 will translate into higher fuel prices. It is difficult to determine the exact amount of the emission fee. Forecasts vary widely in this respect. Experts are in no doubt that in the long term, the hedge provided for in the legislation in the form of a price stabilisation mechanism provides for the transfer of a limited volume of allowances from the Market Stability Reserve if allowance prices exceed EUR 45/t CO₂e (approx. 0.15 EUR)¹. Therefore, an increase in the price of fossil fuels is highly likely, making sustainable renewable fuels more economically attractive. The main winner, however, is expected to be electricity, as regardless of how many emissions power plants generate, an electric vehicle is considered zero-emission from the perspective of ETS2.

¹ KOBIZE "GO250, Climate Society. Economy Report, No. 4/2023, p. 23.



https://www.kobize.pl/uploads/materialy/materialy_do_pobrania/aktualnosci/2024/GO250/GO250-2023-4-PL-00-maketa-2024-02-03_final.pdf

However, Poland's average passenger vehicle user cannot afford an electric car. Support programmes may slightly improve the situation, but they will not meet the enormous social needs. These risks increasing the problem of transport exclusion. For the electrification of transport, we need stable, low-carbon electricity generation capacity, an efficient and flexible transmission network, and an extensive infrastructure for fast vehicle charging. The electricity system needs gigantic investments.

ETS2 will also impact the cost of road transport, which is the economy's lifeblood (or bloodstream). Significant increases in fuel prices will translate directly into the cost of providing transport services, affecting businesses and consumers. Hydrogen and electric trucks are very expensive, as are operating costs, not to mention the early development of hydrogen refuelling infrastructure or fast chargers adapted to electric tractors.

Optimal implementation of ETS2 is a very difficult task. Not only does it require the reprocessing of laws, but many parallel changes in various levels of economic life are necessary. The problem is that such changes require a lot of money and time to deliver the investments. Furthermore, it seems advisable to include mechanisms in the ETS2 legislation protecting against excessive fuel price spikes and providing systemic support for the poorest citizens.



Fot. ANWIM S.A.

RED II has crossed the finish line – what about RED III?

6 March 2025. The President of the Republic of Poland, Andrzej Duda, signed the Act on Amending the Act on Bio-components and Liquid Biofuels and Some Other Acts, implementing the RED II Directive into the Polish legal system. The Act was to determine how to implement the European Green Deal in using renewable energy sources, particularly biofuels and bio-components, by 2030. The directive set ambitious targets for EU member states, including the requirement to achieve a 14.9 per cent share of energy from renewable sources in transport. However, with a long delay, Poland has barely adopted a law implementing the RED II Directive, so national legislators will have to face an even greater challenge – the RED III Directive.

As part of the Fit for 55 Package, 2023, the EU Council decided that the previously set CO₂ reduction targets were not ambitious enough and should be not 40% but 55% by 2030. Therefore, it was assumed that the RES share in the European energy mix should go up from 32% to a minimum of 42.5% to achieve it. From the point of view of the fuel sector, the requirements for the share of RES in transport are crucial. Here, the possibility of meeting the climate targets

is envisaged in two ways – achieving a minimum 14.5% reduction in greenhouse gases by 2030 or reaching at least a 29% share of RES in final energy consumption in transport by 2030.

In addition, RED III assumes the use of min. 5.5% of advanced biofuels (non-agricultural) and renewable fuels of non-biological origin (RFNBO), such as renewable hydrogen or hydrogen-based synthetic fuels. As part of this target, there is an additional requirement to use at least 1% of RFNBO fuels in the share of green energy used in transport by 2030. Many analysts deem such a radical increase in ambitious targets impossible to achieve. Scepticism is beginning to surface at the strategic level of individual companies, including Orlen S.A., particularly regarding Poland's ability to achieve a 29 per cent renewable energy share in the final energy consumption of transport within just five years. National politicians, including government representatives, are also increasingly declaring their desire to revise the provisions of the European Green Deal. It remains to be seen whether it will be possible to get the European Commission to buy into these ideas of rationalising the path to the ambitious Net Zero target. However, POPiHN assumes that the legislative work on implementing the RED III Directive in Poland will begin in 2025.



Fot. ADOBE STOCK

ReFuelEU Aviation, FuelEU Maritime – delay is extending every day

Another element of the Fit for 55 package, which Poland is implementing with a delay, is sectoral regulations concerning aviation and maritime transport. They assume that aircraft operators at EU airports are guaranteed the availability of sustainable aviation fuels (SAF) and synthetic fuels or that the greenhouse gas intensity of fuels used by the shipping sector is reduced – by 2% by 2025 and by as much as 80% by 2050. Although the European regulations – ReFuelEU Aviation and FuelEU Maritime – are directly applicable, certain elements require implementation in the national legal order. Unfortunately, this is also the case where the EU rules have already entered into force (1 January 2025), and the national legislator has not adopted the relevant provisions. It was not until the last quarter of 2024 that the fuel industry was able to familiarise itself with the Draft Act on Amendments to the Aviation Law and Certain Other Acts (UC68) and the Draft Act on Amendments to the Act on Prevention of Pollution from Ships and Certain Other Acts (UC61). The proposed legislation was to include, first and foremost, standards setting out basic definitions of the entities obliged to fulfil the obligations under the Regulations, the authorities competent to verify the fulfilment of these obligations and the manner of reporting. POPiHN is, therefore, counting on the swift adoption of the pending draft legislation so that entrepreneurs can operate with a sense of legal certainty and the obligations incumbent upon them.

Reform of mandatory oil and fuel stocks – halfway to the target

POPiHN hopes that the positive changes to the system of mandatory stocks, provided for in the draft Act on amending the Act on stocks of crude oil, petroleum products and natural gas and the principles of dealing with threats to the state's fuel security and disturbances on the oil market and some other acts (UC50) – will be implemented. The responsibility of RARS for holding emergency stocks will increase to the envisaged 45 days in the perspective of the next 3 years.

The reform of crude oil and liquid fuel stocks should continue, with the aim of further increasing RARS's responsibility over the storage of emergency stocks from the current 37 days to 60 days in the next few years. The remaining share that falls onto entrepreneurs in subsequent years should be successively reduced. Such a division of responsibilities was envisaged when the national emergency stock system for crude oil and liquid fuels was set up, but it was not translated into legislative changes.

Fot. ORLEN S.A.



Changes to the Energy Law – will the dream of a 'Fuel Law' come true?

The "2025 Activity Plan of the Minister of Industry for the Government Administration Department: Energy Resource Management", published at the end of November, included a proposal to separate the 'Gas and Hydrogen Law' from the Energy Law. Therefore, should the regulations of liquid fuels remain in the Energy Law once the gas industry has been divested of its even greater dominance by electricity market institutions? In POPiHN's view, the liquid fuels market should also be separated from this legislation. It is a return to the organisation's demands made a decade ago – and this time, it may well come true. And this time, its implementation is even more necessary.

Indeed, due to the changes that have occurred over the years in the markets for gaseous fuels, electricity, heat, and liquid fuels, the Energy Law has lost its original value as an act that created a common framework for the energy sector. As each of the markets differs in terms of development, infrastructure needs and regulatory requirements, including those created by the European Union, successive amendments to the Energy Law dedicated to particular sectors or sub-sectors of the energy markets, each time represent a significant legislative challenge and an attempt to integrate the new regulations into procedural regulations common to all sectors. For this reason, legislative solutions often awaited by the liquid fuels market, despite receiving governmental approval, have not been finalised. Furthermore, in many cases where regulatory gaps have been identified for a long time, it is the President of the Energy Regulatory Authority, as the regulator, who must take responsibility for specifying the requirements in the administrative acts issued (licences, inspection results) by indicating which way of doing business complies with the law.

Currently, the liquid fuels market is facing enormous challenges. Firstly, it shows an upward trend, reflecting the role of road, air and rail transport in Poland's GDP growth. Several thousand operators are in the market with minimal manufacturing, warehousing, and turnover activities and use critical infrastructure. In addition, the liquid fuels sector has been subjected to multiple challenges over the past 15 years that have threatened its stability – the 'grey market', a pandemic or the war in Ukraine. The transformation of the fuel sector and the decarbonisation of transport, in turn, are challenges associated with the projected increase in demand

for low-carbon sustainable fuels. To ensure Poland's fuel security, counteract attempts at destabilisation and the stability of the sector's transformation, the above-mentioned events and processes require effective oversight of the liquid fuels market, predictability of the regulator's decisions and the ability of the legislator to react quickly to emerging threats or opportunities for development.

The specific nature of this sector makes creating a 'Fuel Law' seem extremely necessary for the market today. POPiHN will certainly fight for concrete legislative solutions so that the change is not limited to replacing one law with three but also results in more transparent regulations, ensuring conditions for fair competition, befitting the ongoing energy transition, and increasing the degree of fuel security.



Fot. ADOBE STOCK



Fot. UNIMOT S.A.

Technological requirements for the fuel industry

Above anything else, proper operation of the entire fuel market infrastructure requires compliance with the technological requirements set out in the implementing regulation of the Construction Law. In this respect, the Minister of Climate and Environment regulation of 24 July 2023 on the technical conditions to be met by liquid fuel depots and stations, liquid gas depots and stations, and long-distance transmission pipelines for transporting crude oil and petroleum products and their location applies. Unfortunately, nearly all the provisions in this executive Act are directly transposed from the regulation of the same name, which the Minister of the Economy issued on 21 November 2005. Technology has changed dramatically over almost 20 years, while the regulation requirements have remained unchanged. These regulations call for a comprehensive review.

In POPIHN's view, the regulation should be adapted as soon as possible to modern technological solutions and construction requirements for infrastructure serving the liquid fuel and LPG market. One must also account for new standards for safety, environmental protection or fire safety requirements, and the growing market for alternative fuels. There is also a great need to clarify the current

legislation, which raises doubts about interpretation and causes great difficulties for entrepreneurs, considering the approach of public administration bodies in administrative proceedings. The discrepancies in interpreting the applicable technology-related regulations in different regions of Poland have been brought to the attention of POPIHN members for years.

Fuel companies have repeatedly addressed the problem of non-adherence to technical requirements and new standards. Consequently, while still in the Ministry of Energy and then in the Ministry of Climate and the Environment, working groups were active for years and managed to develop proposals for modernised legislation. Unfortunately, continuously changing scopes of competencies prevented the proper procedural handling of the project from amending the aforementioned requirements. This was primarily because the issues are complex and, in addition, require notification to the European Commission, which successive ministries lacked the time to do. A recent change of competencies in government departments has transferred responsibility for fuel issues to the Minister of Industry. The industry hopes that this time, officials will be able to fight the clock before the subsequent reorganisation of ministries responsible for the broader energy sector, already announced by Prime Minister Donald Tusk, takes place. Changes to the legislation on technical requirements for fuel infrastructure are simply essential.

Combined nomenclature – still temporary solutions; what about systemic ones?

Commission Implementing Regulation (EU) 2024/2522 of 23 September 2024 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff has resulted in a change in the CN code for pure diesel with effect from 1 January 2025. This is a purely technical change, but the amended code was explicitly referred to in numerous Polish legislative and executive acts. As a result, a minor change in EU law gave rise to very serious legal uncertainties for the diesel market, including the emission charge (Environmental Protection Law), obligations under the Energy Efficiency Act, diesel concessions or mandatory stockholding obligations.

As already mentioned in the introduction to the Report, the regulatory crisis caused by the revision of the Combined Nomenclature was overcome in record time thanks to the involvement of the Ministry of Industry and several other institutions. Unfortunately, the problem of using CN codes explicitly in laws remains. In the case of tax laws with corresponding stand-still clauses (so-called anchors), the presence of numerous technical trademarks, although undesirable, is a secondary issue. In contrast, as a result of CN codes remaining in acts such as the law on Environmental Protection, the Law on Energy Efficiency or the Law on the System for Monitoring and Controlling Fuel Quality – there is still a risk that further urgent amendments will have to be made in the event of another revision of the liquid fuel designations. „Hindsight is always twenty-twenty”, so, to be eventually on the safe side, POPiHN proposed to the Ministry of Industry and several other ministries to either introduce appropriate anchors in the indicated laws or to replace CN codes with descriptive definitions of goods or to use references to regulations, clarifying the description with the relevant CN codes.

The second fundamental demand of POPiHN is to exempt hydrorefined vegetable oil (HVO) from the emission charge and the obligations arising from the Energy Efficiency Act. This is why the EU legislator distinguished the CN code for HVO (or min. 80% blend with conventional diesel) to be able to otherwise impose legal burdens on the use of clean and non-organic fuels. According to the fuel industry, HVO, as a low-carbon fuel, should not be subjected to the levies imposed on fossil fuels. Significantly, exempting HVO from the emission charge and energy efficiency requirements will boost its uptake and not result in a loss to the state budget, as the fuel is currently used in tiny quantities.

Sanctions on Russian LPG

The 12th sanctions package targeting Russia, adopted on 18 December 2023 (EU Council Regulation 2023/2878) and entering into force with a one-year vacation legis, i.e. on 20 December 2024, would close Europe to hydrocarbon imports from the East. Many market experts have predicted a crisis in the domestic market caused by logistical difficulties in the supply of the propane-butane mixture, which is consumed in 2.5 million tonnes primarily by the transport sector but also by industry and households for heating purposes. This was avoided, but it soon became apparent that the tightness of the restrictions put in place left much to be desired. Indeed, the supply of substances such as isobutane and n-butane, which are used in industry, is excluded from the sanctions. The problem, however, is that the same isobutane and n-butane, mixed with propane, become LPG. Since January 2025, the fuel industry has been facing competition, which has not ceased trading with Russian entities and has gained a price advantage. According to preliminary data, imports could be as high as several tens of thousands of tonnes per month. According to POPiHN, it will therefore be necessary for the Polish and EU administrations to take action to seal the sanctions imposed on Russia.



More SENT changes, just around the corner?

The SENT system, introduced in 2017 to monitor road and rail transport of goods and trade in heating fuels, significantly contributed to reducing the 'grey market' for liquid fuels. Although introduced in full cooperation with the fuel industry (and with its strong involvement), it needs further modification as rogue operators adapt to the restrictions introduced. Hence, in 2024, the Ministry of Finance proposed, as part of the draft law, amending the law on monitoring road and rail transport of goods and trade in heating fuels and specific other laws (UD109) to tighten the concrete market. At the same time, however, among the assumptions of the draft were demands to include all inter-warehouse transfers in the SENT system, which have so far been excluded from monitoring. Implementing these ideas will be a major challenge for the fuel industry. Hence, POPiHN immediately signalled to the Ministry of Finance the need for an appropriate min. 18 months of vacation legis.

On the occasion of the amendment prepared by the MF, the industry proposed modifications consisting, among other things, of raising the minimum size of unit packages of lubricating oils, raising the limit below which shipments would not be subject to monitoring, which would allow the current process of supplying these goods to be optimised without the risk of abuse. In addition, POPiHN calls for excluding the shipment of excise goods based on eDD documents from the SENT system, thus avoiding double registration of the same deliveries and excessive bureaucracy. The Ministry of Finance is expected to present proposed changes to the legislation soon. The fuel industry hopes that these changes will include the demands made by POPiHN.

KSeF

The National e-Invoice System (KSeF), centralising the process of issuing electronic invoices, was intended to further tighten tax enforcement, with its initially approved implementation to take place gradually in 2024 and 2025. To relieve many entrepreneurs, the law of 9 May 2024 amended the law on the change of the Value Added Tax Act and certain other laws, and these revolutionary measures were postponed until 2026. This does not change the fact that appropriate technical preparation for such a new system of invoice operation is necessary, all the more so in relation to entrepreneurs with turnover reaching not millions but billions of zlotys. Unfortunately, despite promises from the Ministry of Finance that technical documentation and technical environments will be created to enable implementation work on the side of fuel companies' IT systems and testing – the industry is still waiting for this opportunity. Therefore, POPiHN hopes that the legislative work on the technical details of the implementation of the KSeF will be completed as a matter of urgency so that such a large and important change is not implemented at the last minute. Let's hope it is not the, voice of one crying in the wilderness.

Krajowy System
e-Faktur

KSeF

02

OIL

PROCESSING

Domestic refineries processed around 27.6 million tonnes of crude oil in 2024, an increase of 3.4% in 2023. Nearly 90% of the crude to be processed came to Poland from Saudi Arabia, Norway and the USA. Nigeria and Guyana were also important supply routes.

Oil produced in Poland accounted for a small part of the supply to Polish refineries. However, it was larger than supplies from the UK or Algeria. 2024 was the first in which no crude oil was delivered to Poland from Russia, highlighting the key role of infrastructure for handling maritime deliveries: Naftoport, PERN's storage tanks on the coast, and the Pomeranian pipeline from Gdansk to Plock.

As of 2023, Saudi Arabia was the main supplier of refinery feedstock. With a volume of nearly 14.1 million tonnes alone, it met more than half of the country's oil demand. 2024 saw noticeably less crude than in 2023 entering Poland from Norway; however, it is still the second most important supply direction with a volume of 8.7 million tonnes of oil. Deliveries from the USA increased by 56% year over year to 2.2 million tonnes.

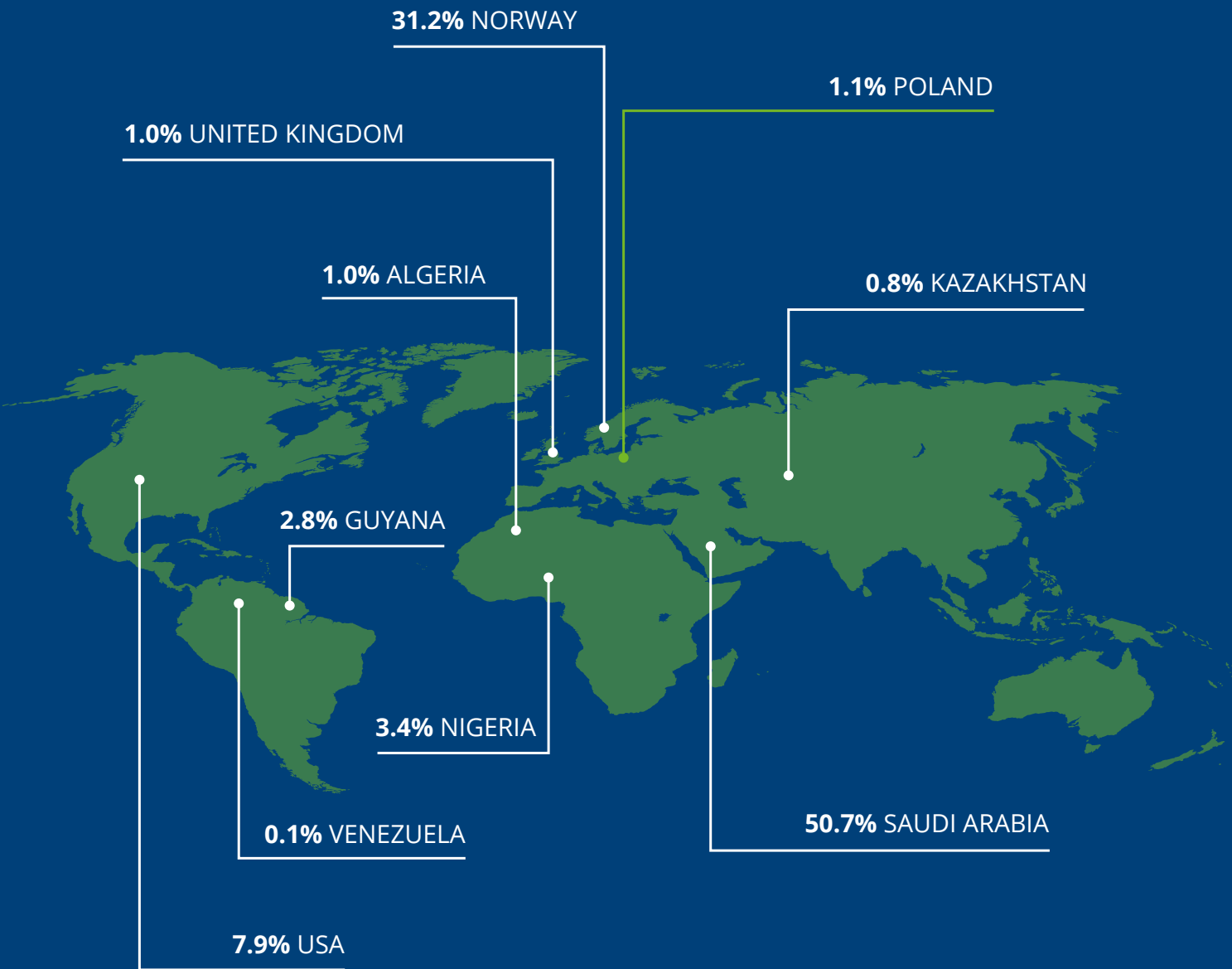
FIG. 1 OIL THROUGHPUT – DATA FOR 2023 AND 2024. [IN MILLION TONS]

Source: POPiHN own data



FIG. 2 SHARE OF CRUDE OIL SUPPLY TO DOMESTIC REFINERIES IN 2024. [%]

Source: POPiHN own data, share in total weight of raw material delivered



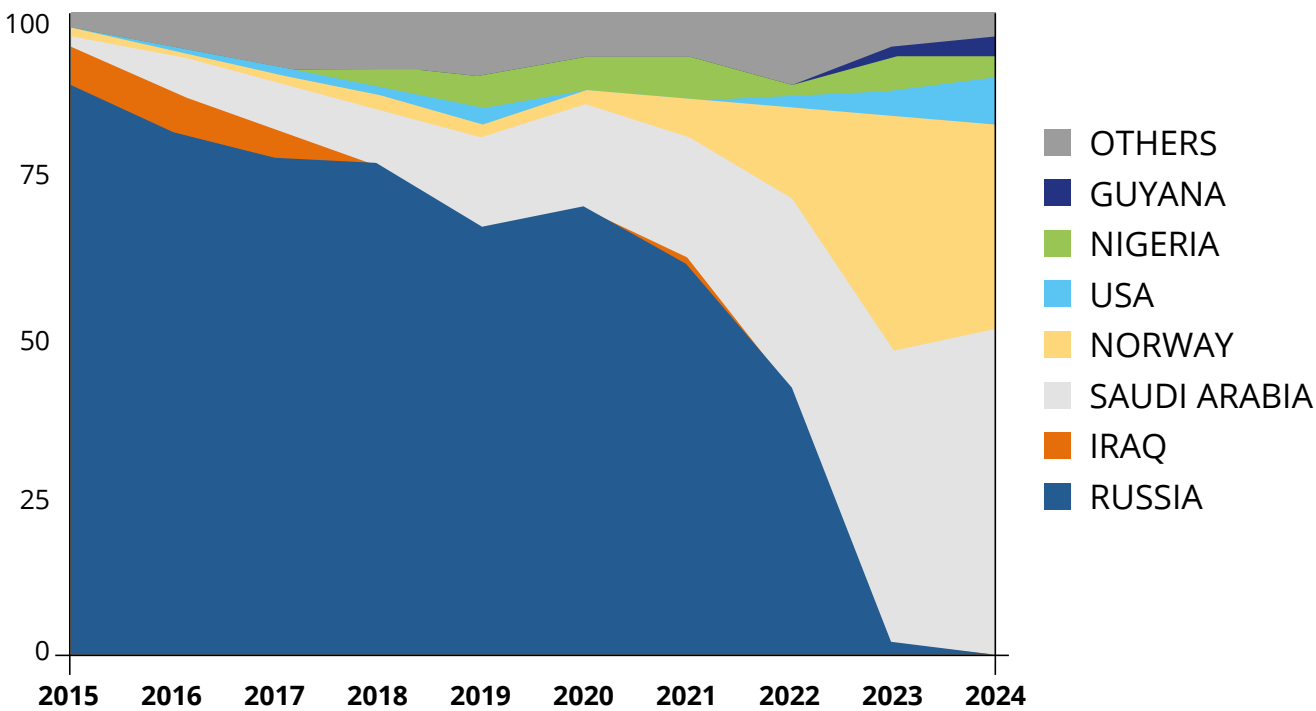
MOVING AWAY FROM OIL FROM RUSSIA

Poland’s oil supply structure has completely changed over the past decade. As recently as 2014, Russian REBCO oil accounted for 91% of crude supplies to Polish refineries. The preponderance of purchases of this grade of crude oil was determined by long-term contracts, an attractive price, the technological adaptation of the refineries and the use of pipeline transport, which is the cheapest means of supply logistics. The illegal annexation of Crimea by Russia in 2014 initiated a shift in Poland away from Russian oil through supply diversification. This process is illustrated in **FIG. 3**. At the initial stage, Iraq was the most important supply route from outside Russia. In subsequent years, the role of Saudi Arabia, Norway and Nigeria increased. An unexpected test of the system’s resilience when Russian oil supplies were cut off via the Druzhba pipeline was the ‘chloride crisis’ in 2019 when no oil flowed to Poland for 46 days due to severe product contamination. In 2021, the last period before Russia’s full-scale invasion of Ukraine, the share of Russian crude oil in supplies to Polish refineries has been reduced to 61%.

In response to continued Russian aggression against Ukraine, the European Union has imposed successive packages of sanctions on Russia. The sixth package included an embargo on the supply of Russian crude oil by sea, which came into effect on 5 December 2022. When the unannounced suspension of supplies by pipeline from Russia took place on 25 February 2023, there was no turmoil in the Polish market, and the share of REBCO crude in the throughput of Polish refineries decreased to 2% for the year as a whole. Thanks to the commitment of the staff of the purchasing, logistics, and technical divisions at the refineries, in 2024, Polish consumers will have access to high-quality fuels produced in Poland without using even a drop of crude oil from Russia.

FIG. 3 OIL SUPPLIERS TO POLAND 2015-2024 [%]

Source: POPiHN own data, share in total weight of raw material delivered



03

PRODUCTION
OF LIQUID FUELS

The increase in the volume of crude oil processed at refineries, mentioned in the previous chapter, directly impacted domestic liquid fuel production. Also note that, in the Polish legal order, liquid fuel production is understood more broadly than refinery production; it also includes the blending of bio-components. In 2024, a total of 30.8 million m³ (FIG. 4) of liquid fuels were produced: petrols (P), diesel (D), liquefied petroleum gas (LPG), JET aviation fuel, and light heating oil (LHO) and heavy fuel oil (HFO). This represents a production increase of 2.6 million m³ (9.4% year-on-year) compared to 2023. The largest growth (12.3% year-on-year) was recorded for diesel oil and aviation fuel, with motor gasoline production also significantly increasing (7.9% year-on-year). LPG was produced in a similar quantity to 2023. Only light heating oil (4.6% y-o-y) and heavy fuel oil (5.8% y-o-y) saw a decrease in production.

The structure of fuel production in 2024 is shown in FIG. 5.

Several factors contributed to the observed increase in domestic fuel production. The much improved economic climate had a significant impact, evident in the 2.9% year-on-year increase in gross domestic product (GDP) in 2024, compared to a 0.1% year-on-year increase in 2023². The fuels produced were almost entirely destined for the domestic market; however, exports of petrol and diesel, the vast majority of which were directed to Ukraine, should be taken into account. A particular aspect of the increase in JET jet fuel production is discernible – in 2024, for the first time, it reached a value greater than before the pandemic outbreak³.

¹ Art. 3. point 45, letter b of the Energy Law Act of 10 April 1997. (Dz. U. of 2024, item 266, 834, 859, 1847, 1881.)

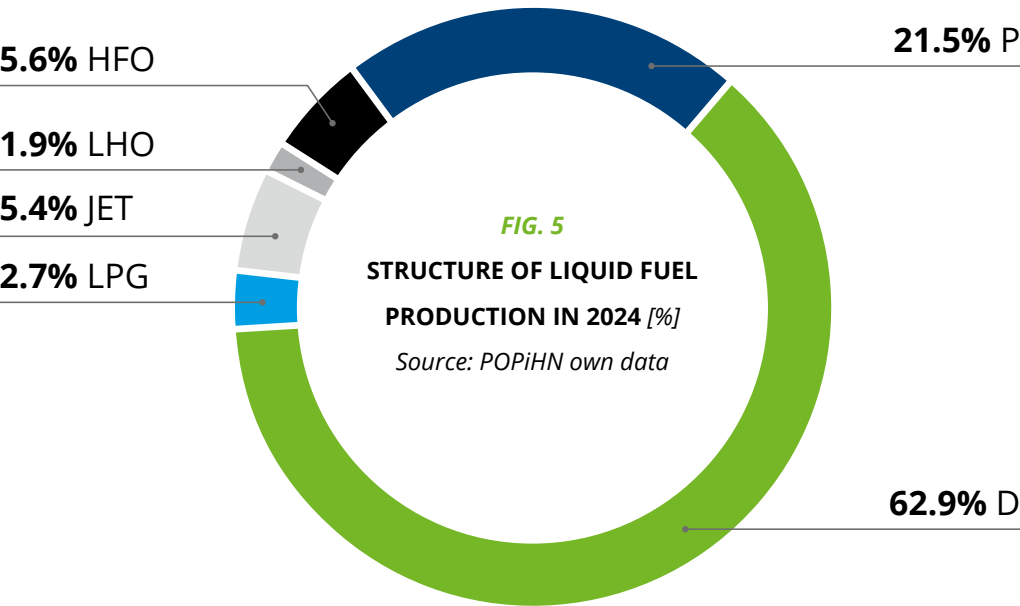
² CSO: Gross domestic product in 2024 - preliminary estimate.

³ In 2019, domestic production of JET jet fuel amounted to 1,659,000 m³ (POPiHN Oil Industry and Trade Report 2019)

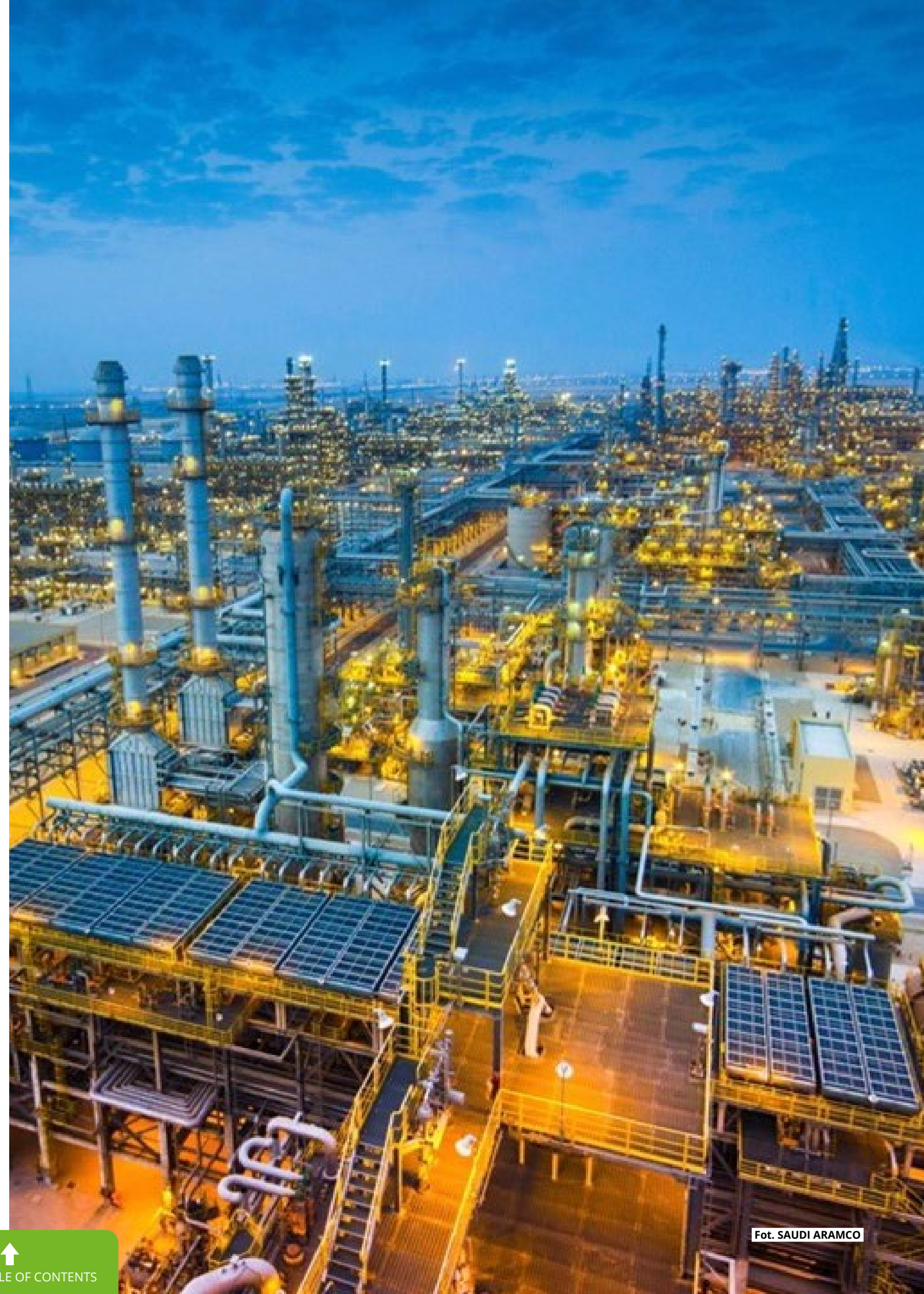
FIG. 4 COMPARISON OF LIQUID FUEL PRODUCTION IN 2023 AND 2024 [M³ '000]

Source: POPiHN own data

Specification	2023	2024	Reference 2023 = 100
Petrol	6 141	6 626	107.9
Diesel	17 223	19 338	112.3
LPG	816	820	100.5
JET aviation fuel	1 499	1 673	111.6
Light heating oil	609	581	95.4
Heavy fuel oil	1 825	1 719	94.2
TOTAL	28 113	30 757	109.4



About blending, understood as the production of liquid fuels, the process of blending traditional fuels with biocomponents and additives, consideration should be given to the obligation to meet the National Indicative Target (NIT), which increased from 8.9% to 9.1% in 2024. Also, this year, a 95-octane E10 petrol, containing more bio-components than the previously offered E5 petrol, which remained on the market in a 98-octane variant, was introduced to the general public. Thus, there was a significant increase in the amount of ethanol that was used in the blending process. According to POPiHN estimates, in 2024, the largest market operators added around 519,000 m³ of ethanol (calculated together with ethers) to motor gasoline, 41.2% more than in 2023. More than 1.3 million m³ of methyl esters were used for blending with diesel, 3.8% more than a year earlier. The implementation of NCW was supported by the sale of esters as a fuel in their own right, known as B100. POPiHN members supplied the domestic market with approximately 209,000. m³ of B100 fuel, plus nearly 100,000 m³ directed directly outside the country. Because of the domestic market conditions, it is estimated that most B100 fuel finds its final consumer outside Poland.



Fot. SAUDI ARAMCO

04

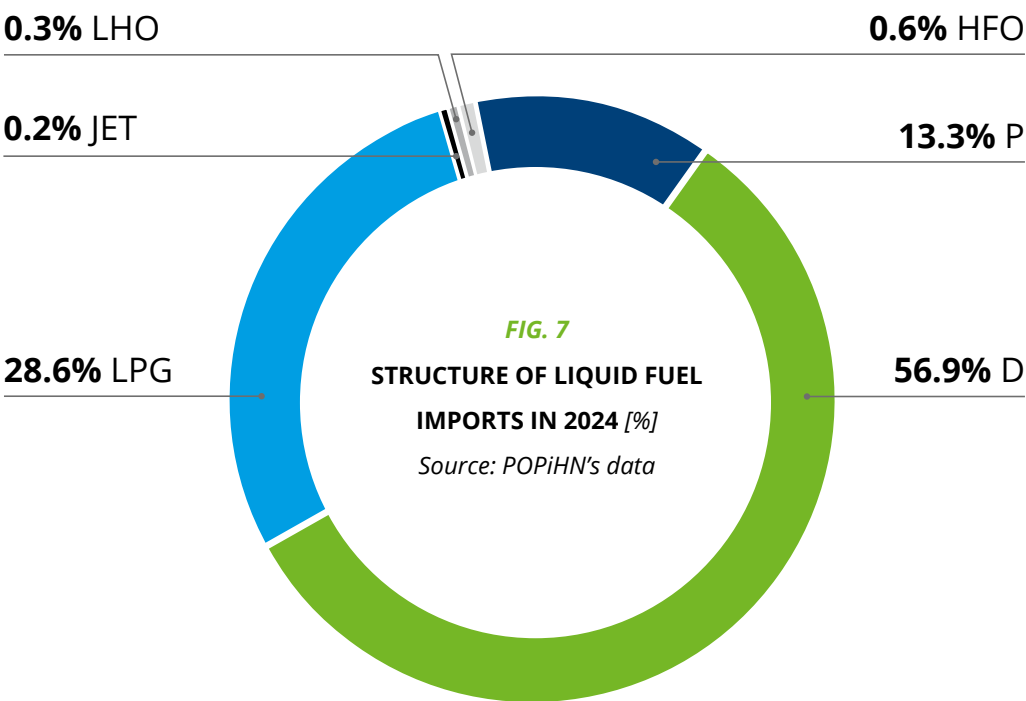
IMPORTS
OF LIQUID FUELS

As in previous years, Poland was not self-sufficient in meeting the demand for liquid fuels with domestic production in 2024. Imports of liquid fuels, defined as the sum of imports proper and intra-Community acquisitions, are shown in [FIG. 6](#).

In 2024, some 17 million m³ of liquid fuels were imported into Poland, 1.2% more than in 2023. This result is the product of varying changes in imports of individual liquid fuels. Petrols recorded the most significant increase in import volumes, with around 210,000 m³ more product entering the country than a year ago. Diesel imports were at similar levels to those seen in 2023, in which case the key change was the slow formation of the main supply lines. Nevertheless, the effect of the fragmentation of import destinations into multiple countries, resulting from the EU embargo on fuel imports from Russia, is still evident. Unlike petrol, which came to Poland mainly from neighbouring countries, diesel was imported from several continents, translating into logistical costs. In 2024, LPG was imported in slightly smaller quantities than the year before, while significantly more of this fuel remained in the country due to a steep decline in re-exports. Four times more JET aviation fuel entered Poland than a year ago, but the volume of foreign deliveries of this fuel remains small, as domestic production overwhelmingly meets the growing consumption at Polish airports. The situation is similar in the case of light heating oil, where the increase in imports in 2024, calculated in hundreds of per cent relative to 2023, is due to a low base effect. The largest decrease, both in terms of volume and about the previous year's level, was recorded for heavy fuel oil.

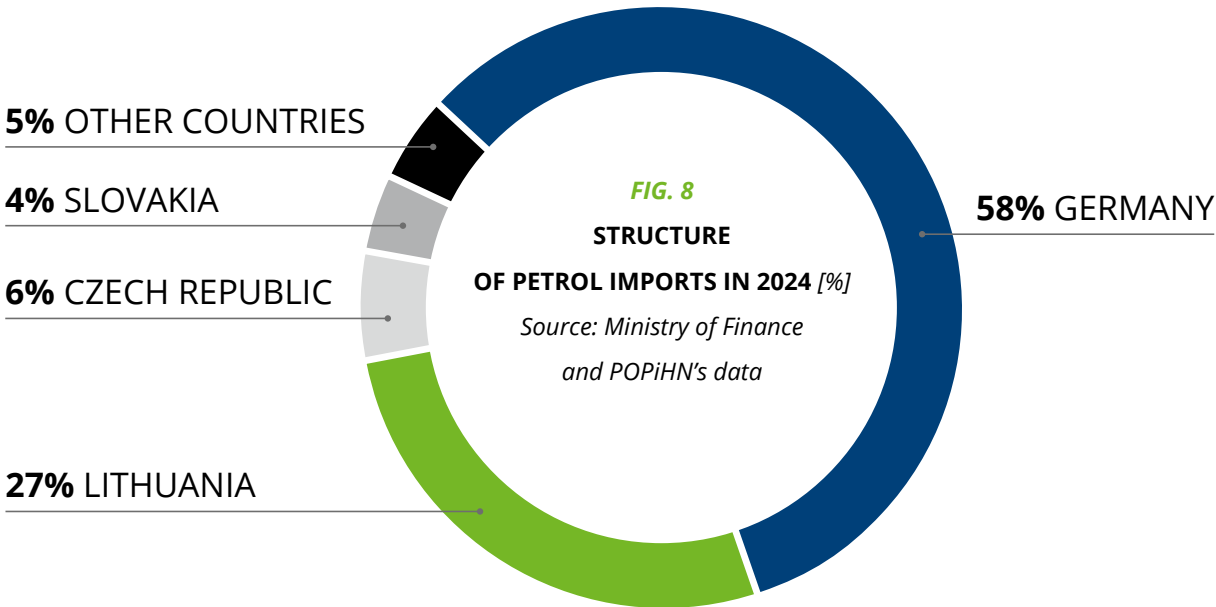
**FIG. 6 COMPARISON OF IMPORTS AND PURCHASES
OF THE ABOVE LIQUID FUELS IN 2023 AND 2024. [‘000 M³]**
Source: Ministry of Finance and POPiHN's data

Specification	2023	2024	Reference 2023 = 100
Petrol	2 047	2 258	110.3
Diesel	9 548	9 622	100.8
LPG	4 907	4 841	98.7
JET aviation fuel	9	36	400.0
Light heating oil	7	57	814.3
Heavy fuel oil	201	104	51.7
TOTAL LIQUID FUELS	16 719	16 918	101.2

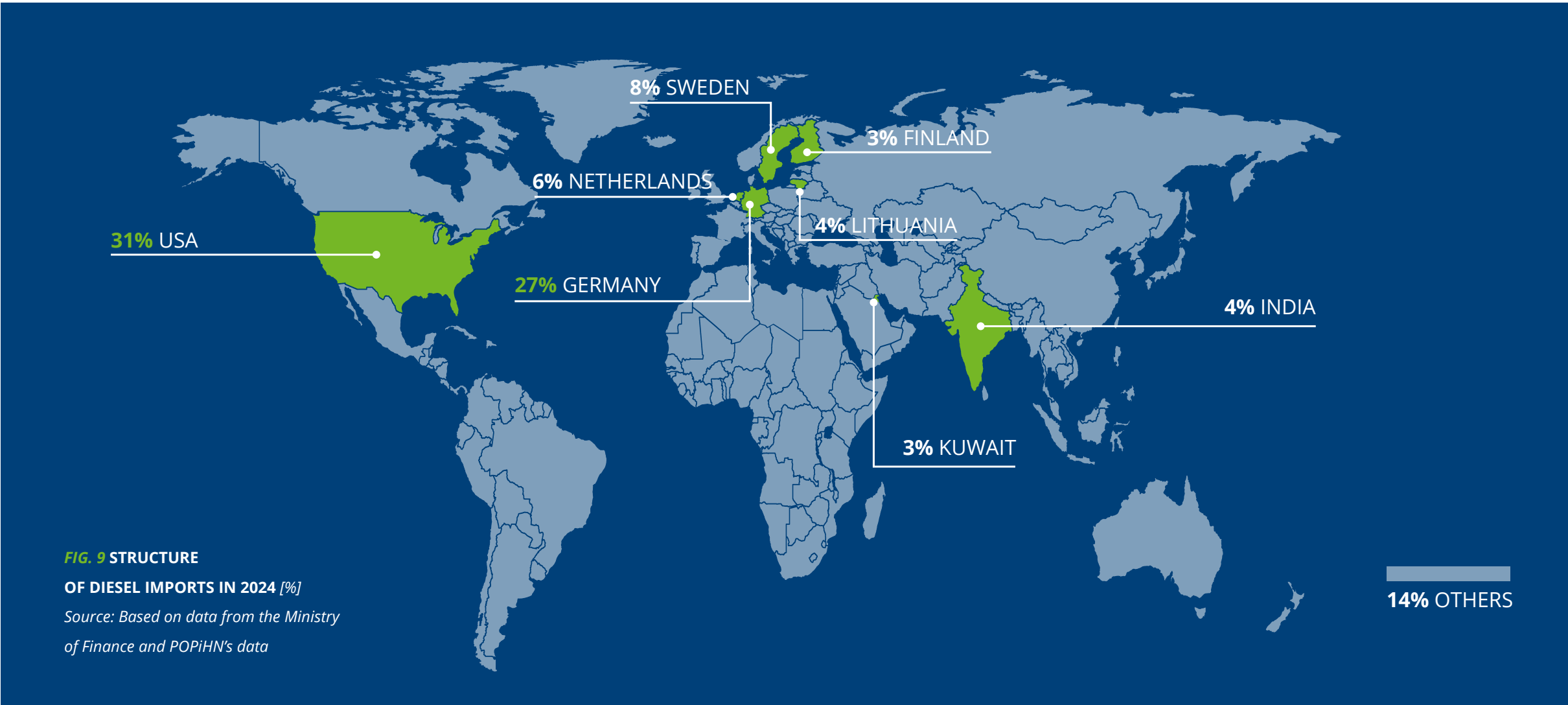


In the structure of purchases from abroad in 2024, shown in [FIG. 7](#), petrol increased its share by 1.3 p.p. against 2023 at the expense of diesel and LPG. Together, the other fuels account for around 1% of total imports.

The volume of imports realised in 2024 increased for POPiHN members and other operators in the Polish liquid fuels market. Within the group of the 3 main fuel types (P, D, LPG), POPiHN member companies imported around 10.2 m³ of fuels from abroad, more than 0.1 million m³ more year-on-year. As in previous years, they accounted for most petrol and diesel imported into Poland. Imports by other operators amounted to around 6.5 million m³, less than 0.1 million m³ above the imports in 2023; companies outside POPiHN reported a larger share of LPG imports.



The directions of petrol imports in 2024, shown in [FIG. 8](#), remained similar to those in 2023. The most enormous volumes were imported from Germany and Lithuania - these two countries alone account for around 85% of the volume of imported petrol. The importance of these destinations increased by 6 p.p. and 5 p.p., respectively, relative to their shares in 2023. Supplies from Poland's next-door neighbours also balanced the market: the Czech Republic and Slovakia. Smaller quantities of the product came to Poland from, among others, Hungary and the Netherlands.



As a result of the entry into force of the EU restrictions on procuring diesel from Russia from 5 February 2023, the supply directions of this fuel to Poland have become significantly fragmented. This effect was still felt in 2024 as well, as can be seen in **FIG. 9**. In contrast to the situation in 2023, two major supply lines were clearly formed: the USA and Germany, which together accounted for around 58% of foreign supplies. Further large shipments came to Poland mainly from European countries such as Sweden, the Netherlands, Lithuania and Finland, while diesel was also imported from India and Kuwait. The list of suppliers is much longer, making the aggregate direction 'Other countries' the third largest share of total diesel imports to Poland.

Last year, an important market regulation came into force – from 20 December 2024, importing LPG from Russia is impossible. The fuel industry is concerned about the identified loophole in the sanctions legislation, from which n-butane (CN code 2901 10), among others, has been excluded. Under normal market conditions, this product is not competitive with LPG due to its higher price. However, exploiting the sanction loophole and the dumped price can be a significant market distortion and harm legitimate traders who have made significant financial outlays to comply with sanction regulations and secure LPG supplies from other sources.

05

EXPORTS

OF LIQUID FUELS

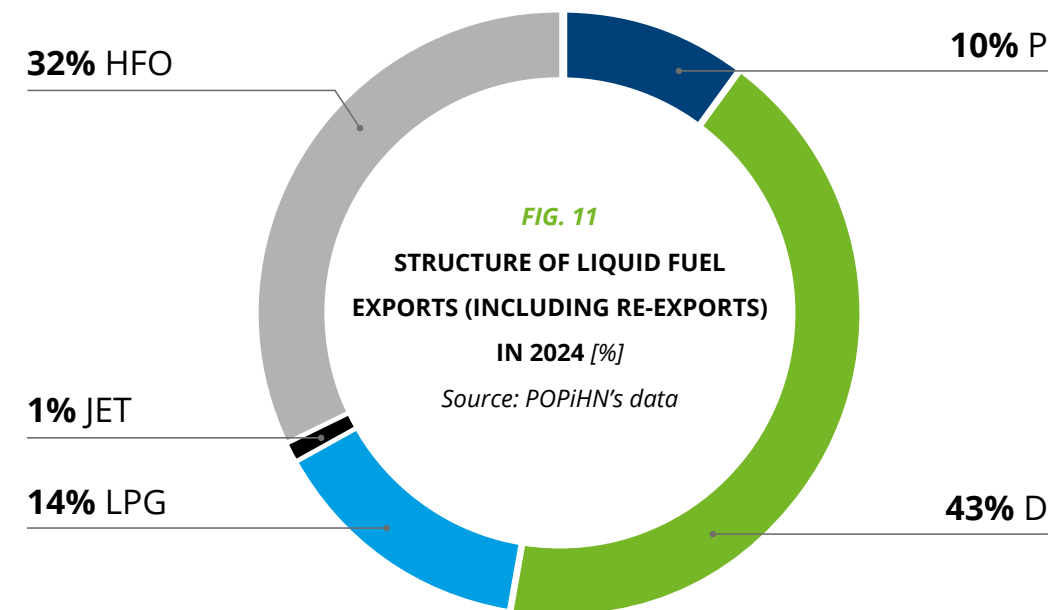
Exports, defined as exports proper and intra-Community deliveries considering re-exports, reached 5.0 million m³ in 2024, a decrease of 3.1% from 2023. The observed result is a combination of increased exports of petrol and diesel fuel and a collapse in the re-export of liquefied petroleum gas (LPG).

Last year, as in 2023, most fuels from Poland ended up in Ukraine. The continuing war situation in Ukraine sustains a strong demand for liquid fuels, making the market in our eastern neighbour extremely receptive and, therefore, profitable for producers and intermediaries supplying Ukraine.

The volume of exports of individual liquid fuels is shown in **FIG. 10**. Last year's petrol exports of around 0.5 million m³ and diesel of around 2.2 million m³ clearly indicate how much Poland's role in liquid fuel logistics has increased. However, total exports recorded a worse result than in 2023, mainly due to LPG. After record increases in recent years, LPG re-exports have seen a steep decline of up to 40%, or around 430,000 m³. A broader look at the balance of the LPG market – a slight decrease in imports, maintaining domestic production at a level similar to that in 2023 – leads to the conclusion that the aforementioned volume of LPG has remained in Poland. It is consistent with the measures taken in preparation for the embargo on Russian LPG supplies coming into force in December 2024. Exports of JET aviation fuel have increased slightly, but the volume of deliveries abroad is still marginal in the scale of domestic production, the vast majority of which has gone to domestic airports. As in the previous years, there were no light heating oil exports, all of which domestic production is consumed domestically. Heavy fuel oil remained an export-oriented product, but shipments abroad decreased.

FIG. 10 EXPORTS OF LIQUID FUELS (INCLUDING RE-EXPORTS) AND INTRA-COMMUNITY DELIVERIES IN 2023 AND 2024 [’000 M³]
Source: Ministry of Finance and POPiHN's own data

Specification	2023	2024	Reference 2023 = 100
Petrol	374	511	136.6
Diesel	1 875	2 193	117.0
LPG	1 145	699	61.0
JET aviation fuel	25	31	124.0
Light heating oil	0	0	–
Heavy fuel oil	1 788	1 612	90.2
TOTAL	5 207	5 046	96.9



When analysing the structure of liquid fuel exports shown in **FIG. 11**, consider the considerable changes reported for the past year. As recently as 2023, LPG and heavy fuel oil accounted for more than half of Poland's exports, while in 2024, petrol and diesel accounted for the majority of Poland's foreign supplies.

There has been an interesting development in the export of petrol. Growing volumes of supplies to Ukraine continue to be the mainstay of exports of this fuel (with a share of around 78%), but in parallel, a new export product has emerged – RON93 petrol, which was shipped outside the country in 2024 more than 100,000 m³. The Netherlands and Belgium received it.

Ukraine was also the main customer for diesel, receiving nearly 72% of Poland's deliveries. Apart from the leader, the other export destinations have changed significantly. The United Arab Emirates and Estonia received significant volumes of diesel. No change was reported for customers buying B100 fuel, which is included as diesel in POPiHN statistics. B100 fuel travelled mostly to the Netherlands and Belgium. Heavy fuel oil went almost entirely to customers in the Netherlands, with small deliveries also going to Denmark, Lithuania, and other countries. Foreign customers for JET fuel were the Czech Republic and Denmark.



06

DOMESTIC CONSUMPTION
OF LIQUID FUELS IN 2024

The consumption of liquid fuels in Poland is not just increasing, but it’s on a long-term upward trend. This steady growth, as indicated by the data analysis for 2024, is a positive sign for the fuel market in Poland. **FIG. 12** presents a summary of the estimated¹ volume of consumption of individual fuels compared to 2023.

Generally, the market stabilised last year. A favourable economic environment, predictable prices at station pylons, and availability of fuel despite the ongoing war in our eastern neighbour have provided the conditions for further growth in fuel consumption in Poland. The growth rate was not as impressive as in recent years, as economic factors drove demand. There were no anomalies such as panic buying and a sudden surge in the number of vehicles refuelling, as observed in 2022, nor intense shopping tourism and purchases for garage fuel storage due to artificially low prices at fuel station pylons in the third quarter of 2023. Only the liquefied petroleum gas (LPG) market experienced an oversupply of the product, resulting from preparations for entering the embargo on LPG from Russia into force. Note the excellent work done by fuel industry entrepreneurs; thanks to their engagement in activities securing the directions of supply of finished fuels and raw materials for refinery production, consumers can forget that for several months, the fuel industry has been operating under a strict regime of sanctions against Russia, which has been a long-standing main supplier of petroleum products to Poland. Today, the Polish liquid fuel market operates without Russian supplies, and domestic consumption is reaching new historic peaks.

¹ POPiHN continues to use preliminary data from the Ministry of Finance for its market analysis, as it has in previous years. The final version, which includes the fiscal administration's 2024 settlement, will be available in 2H2025.

FIG. 12 ESTIMATED VOLUME OF DOMESTIC LIQUID FUEL CONSUMPTION IN 2024 AGAINST THE VOLUME OF 2023

Source: Ministry of Finance and POPiHN's own data

Specification		2023		2024		Reference 2023 = 100
		'000 m³	share in consumption %	'000 m³	share in consumption %	
Petrol	Consumption	8 044		8 175		101.6
	of which imports (no re-exports)	1 933	24	2 231	27	115.4
Diesel	Consumption	23 141		23 118		99.9
	of which imports (no re-exports)	9 031	39	8 933	39	98.9
LPG	Consumption	4 632		5 049		109.0
	of which imports (no re-exports)	3 857	83	4 220	84	109.4
TOTAL FOR 3 FUEL TYPES	Consumption	35 817		36 341		101.5
	of which imports (no re-exports)	14 821	41	15 384	42	103.8
JET aviation fuel	Consumption	1 326		1 448		109.2
	of which imports (no re-exports)	9	1	36	2	386.9
Light fuel oil	Consumption	610		623		102.1
	of which imports (no re-exports)	7	1	57	9	829.5
Heavy fuel oil	Consumption	204		254		124.3
	of which imports (no re-exports)	201	99	104	41	51.5
TOTAL	Consumption	37 957		38 666		101.9
	of which imports (no re-exports)	15 039	40	15 581	40	103.6

Total domestic consumption, including the six grades of liquid fuels, amounted to about 38.7 million m³, about 0.7 million m³ higher than in 2023. To meet demand, which increased by 1.9% year over year, imports were required, the volume of which amounted to about 15.6 million m³, about 0.5 million m³ more than in the previous year. At the same time, it maintained nearly 40% of the total market share.

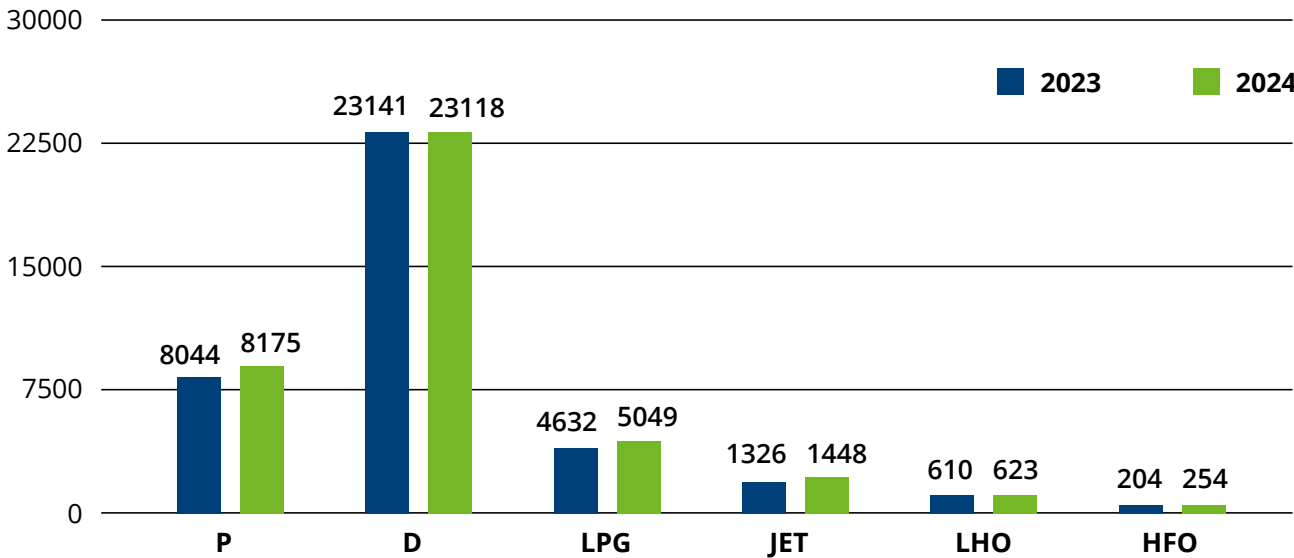
An analysis of the market limited to sales of the three main fuels (P, D, LPG) shows an increase in demand of 1.5% compared to 2023. The increase in consumption of around 0.5 million m³ was met by imports, which went up by a similar volume, thereby increasing their share in the total consumption by 1 p.p.

As shown in [FIG. 13](#), diesel remains the most important liquid fuel in Poland, but estimates based on the best available data indicate that it is the only fuel type with a recorded decline in consumption against 2023. Among the reasons for the decline is the progressive replacement of the car fleet in Poland, where diesel cars have an increasingly smaller share of new passenger car registrations. At the same time, intensifying problems experienced by the heavy road transport industry, a vital fuel consumer, must be considered. Diesel consumption remained at around 23.1 million m³ similar to 2023. As in the previous year, imports equivalent to 39% of the total consumption of this fuel were required to balance the market. POPiHN member companies remained the most crucial diesel suppliers, with a slight decrease of 1.1% in the dynamics of these supplies. Import supplies were also lower, reaching around 7.2 million m³, 4.2% less than in 2023. Imports by non-POPiHN entities increased by 18.7% and amounted to almost 2.5 million m³. Note that a parallel increase in diesel re-exports was observed.

In 2024, domestic demand for petrol increased again, but this was not as impressive as the year before and reached 1.6%. The demand of around 8.2 million m³ was almost entirely covered by the supplies from POPiHN member companies, including imports, which increased by as much as 38.1% and approached 2 million m³ Non-POPiHN activity in the petrol segment declined markedly, reflected in a 54.8% drop in foreign deliveries to less than 0.3 million; re-exports also shrank abruptly.

FIG. 13 DOMESTIC CONSUMPTION OF LIQUID FUELS IN 2023 AND 2024 [’000 M³]

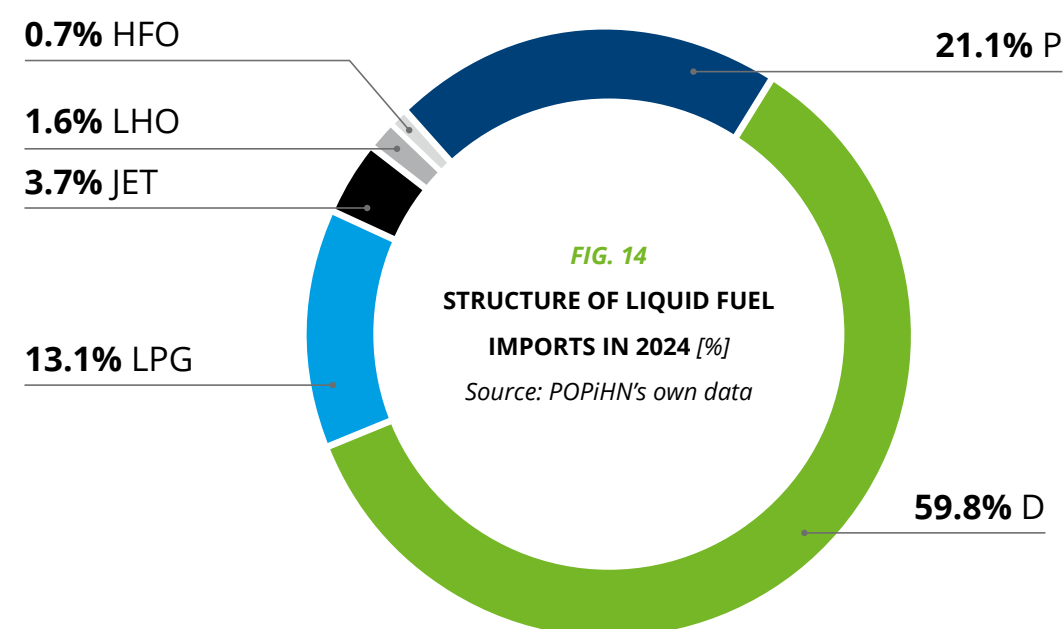
Source: POPiHN’s data



Regarding volume, the largest increase in demand was reported for LPG. The level of 5 million m³ was exceeded, with consumption increasing by more than 0.4 million m³ relative to 2023 demand. The Polish LPG market is based on imports. In this segment, entities outside POPiHN play a key role in reselling part of the imported product abroad. This phenomenon also occurred in 2024; however, LPG re-exports of approximately 0.6 million m³ were nearly 40% lower than the 2023 volume. When analysing the performance in the LPG segment, note that, in 2024, the market was preparing for the entry into force of sanctions on foreign LPG supplies from Russia. Intense purchases of the product at an attractive price caused a market oversupply, and measures were taken to ensure in-country storage of the maximum volumes of this fuel. In the absence of dedicated storage capacity, industrial consumers were encouraged to stockpile in the tanks of industrial installations, with some entrepreneurs storing surplus LPG in rail tankers.

The domestic JET jet fuel market has been restored. In 2024, demand for this fuel not only returned to the level recorded just before the pandemic², but also clearly exceeded it, with consumption recorded at over 1.4 million m³ for a 9.2% increase in demand over 2023. Most of the supply was met through domestic production, with only marginal imports recorded.

Demand for light heating oil remained close to demand in 2023. Domestic consumers took delivery of 623,000 m³ of the product, 2.1% more than a year ago. The supply came largely from domestic production. Imports of light heating oil were significantly higher than a year earlier but still accounted for a small share of domestic consumption.



Heavy fuel oil also saw an increase in demand. In 2024, domestic supplies reached 254,000 m³, an increase of 24.3% over 2023. This is an export-oriented product, with the majority of production from Polish refineries going abroad.

Of the 6 fuel types, only diesel did not see an increase in consumption, which was reflected in the structure of liquid fuel consumption in Poland, shown in **FIG. 14**. The share of diesel fell below 60%. The largest increase in share, by 1 p.p., was recorded for LPG. JET fuel and heavy fuel oil also reported some small increases in share. The petrol and light heating oil consumption increased proportionally to the total market. Hence, their share remained unchanged.

² In 2019, domestic production of JET jet fuel reached 1,358,000 m³
(POPiHN Oil Industry and Trade Report 2019)

07

FUEL STATIONS
IN POLAND

Monitoring the petrol station market is not an easy task. Discrepancies can easily be found when comparing the available studies for 2023. POPiHN reported 7915 fuel stations selling at least petrol and diesel, URE¹ published data on 7949 stations meeting this condition, and again, the Statistics Poland² identified 8539 stations; however, the applied definition of a fuel station as a retail point for selling gasoline, diesel fuel, LPG gas, other fuels, coolants, cleaning agents, etc., allows us to conclude that the condition adopted by POPiHN was not taken into account.

POPiHN continues to analyse the market based on available resources: information obtained from member companies, publicly available data of individual companies and the ERO's fuel infrastructure register. However, the identified technical inadequacies of the Fuel Platform, particularly in terms of the fuel infrastructure module, make it difficult to provide an accurate picture of the fuel station market in Poland. Despite these challenges, to the best of POPiHN's available knowledge, the domestic chain of fuel stations – including fuel stations open to the public, selling at least petrol and diesel reached 7937 points of sale, 22 more than in 2023, at the end of 2024. The fuel station market by group is shown in [FIG. 15](#).

FIG. 15 FUEL STATIONS OPERATED BY RETAIL OPERATORS IN 2023 AND 2024. [*'000 M³*]
Source: own report based on POPiHN, Energy Regulatory Office data and information published by chains on their websites.

Chains of fuel stations	2023 31.12.2023	2024 31.12.2024	Reference 2023 = 100
DOMESTIC CORPORATIONS	1 929	1 941	100.6
FOREIGN CORPORATIONS	2027	1 993	98.3
INDEPENDENT CHAINS (co-branded)	1 467	1 590	108.4
OTHER INDEPENDENT OPERATORS	2 295	2 240	97.6
HYPERMARKETS	197	173	87.8
TOTAL (approx.)	7 915	7 937	100.3

¹ „Sprawozdanie z działalności Prezesa URE w 2023 r.”, p. 264
² “Internal market in 2023”, p. 29

For years, ORLEN has been the largest retail operator. In 2024, it continued its expansion and closed the year with a total of 1941 service stations in its chain. The number of petrol stations operating in Poland in chains of foreign corporations fell below 2,000 facilities. BP remains the market runner-up with 577 stations, which is 2 more than in the previous year. Shell Poland's chain decreased by 4 stations to reach 456 sites at the end of 2024. Circle K reported a decrease in the number of stations in the chains by 14 outlets, closing the year with a total of 395 stations. In June 2024, MOL announced the completion of the rebranding of 273 stations of the acquired LOTOS PALIWA chain. The process will continue at the franchised stations. EOY, MOL had 386 stations in its chain; there are also 89 SLOVNAFT PARTNER stations within the MOL Group. The number of fuel stations owned by Amic Polska went up by 10 sites, operating at 128 locations at the end of 2024. TOTAL brand is disappearing from the market; on 31 December 2024, only one TOTAL branded franchised station was operating in Poland.

A distinctly different dynamic can be observed among independent chains³ At the end of 2024, the fuel station market in Poland saw a significant shift. The Moya brand, with 500 operating stations, successfully completed ANWIM's development plan announced back in December 2020. The expansion of the chain by 50 stations over the past year led to Moya becoming the third-largest retail network in Poland. The number of UNIMOT-owned stations operating under the international AVIA banner also saw growth, with an additional 10 stations expanding the chain to 140 locations. Operators such as Grupa Pieprzyk and WATIS also experienced dynamic growth among the independent chains, showcasing the industry's diversity and resilience.

The number of stations operating outside the conglomerate or independent chains consistently declined. For establishments operating independently under their own brand or as part of small chains with only a few locations, the appeal of joining a major brand is growing. POPiHN estimates that by the end of 2024, their number went down to 2240 stations.

Note that running a fuel station in Poland is becoming increasingly difficult. In addition to economic factors such as rising labour and energy costs, the volatile regulatory environment is a major challenge. Entrepreneurs are constantly burdened with new obligations, or debates continue about introducing additional costs, which also does not make business planning any easier. It had only just succeeded in introducing E10 petrol to the fuel stations, which required proper logistics and staff preparation to serve confused customers. A series of further challenges immediately followed. For instance, preparing businesses for the implementation of the National e-Invoicing System, a digital system for issuing and receiving invoices, or adapting to the new deposit system for used beverage packaging (there have been suggestions that petrol stations could act as waste collection points, a highly impractical solution), generate further costs that entrepreneurs will have to bear. At the same time, the proposal to restrict alcohol sales at fuel stations resurfaced in public debate. This would directly impact non-fuel sales and disrupt the entire convenience store business model.

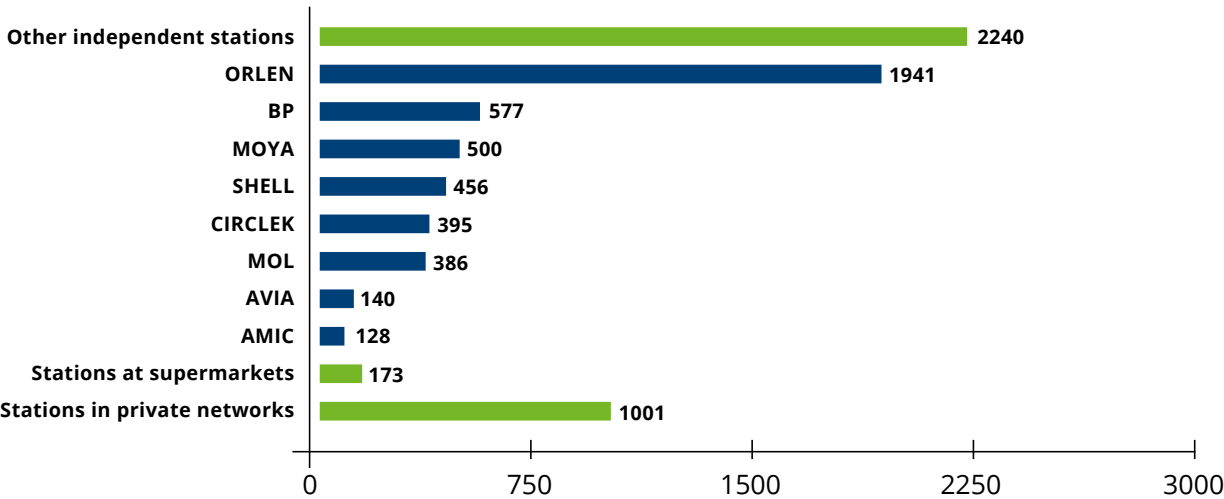
The problems mentioned do not apply to stations that do not have a non-fuel offer, as they themselves complement the store's offer. Fuel stations next to super and hypermarkets remain an attractive alternative for drivers, but their number and nature of operation depend on the strategy of the individual large-format shop chains. By the end of 2024, 173 publicly accessible stations were operating at large supermarkets. Intermarche remains the leader of this segment, with 72 stations. Among others, fuel is offered by Carrefour, Auchan and E. Leclerc.



Fot. AMIC POLSKA SP. Z O.O.

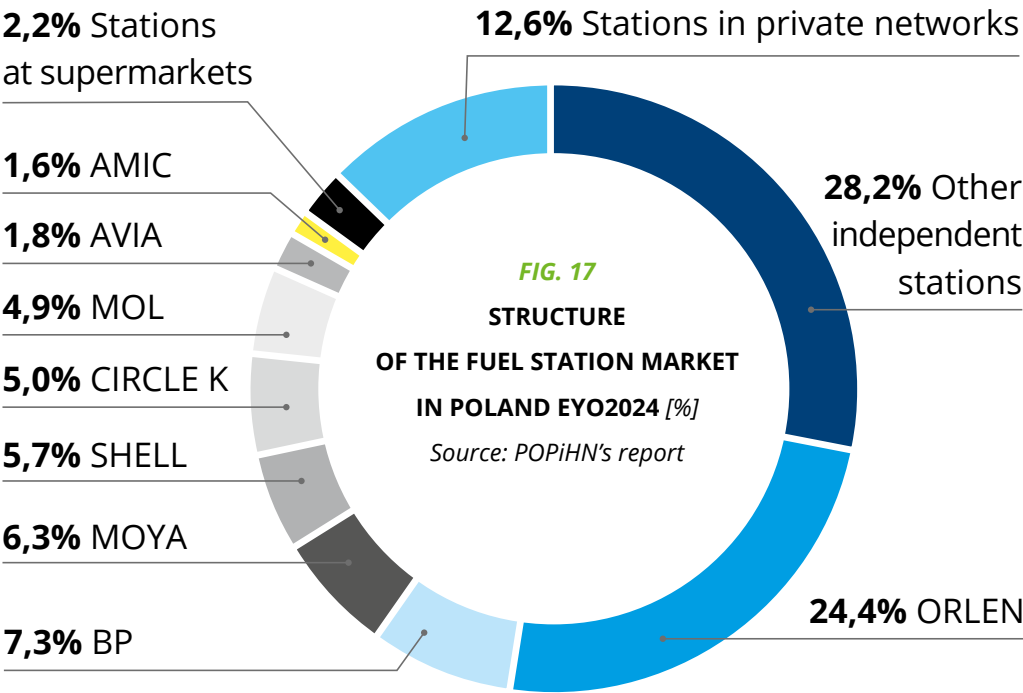
FIG. 16 summarises the size of the individual chains operating in Poland at the end of 2024. Their market share, expressed as a percentage, is presented in FIG. 17.

FIG. 16 FUEL STATIONS IN POLAND EYO2024
Source: own report based on POPiHN, Energy Regulatory Office data and information published by chains on their websites.



Stations in private chains and Moya increased their market share, while small increases were also recorded for the ORLEN, AVIA, and Amic chains. The remaining independent stations experienced the largest decrease in market share, and there was also a slight decrease in the share of individual large foreign concern chains, with the exception of BP, which retained its market position from a year ago.

Liquid fuel retailing is a large market. Based on the available data for 2024, POPiHN estimates it to be more than PLN 184 billion. This is a result of the observed fall in fuel prices and increasing retail sales, the volume of which for the three main fuels (BS, ON, LPG) was set at over 31 billion litres. The state budget injected more than PLN 83 billion from taxes paid on these sales (VAT, excise duty, fuel surcharge, emission fee) – estimated revenues to the public finance system generated by the fuel industry totalling nearly PLN 95 billion.



POPiHN’s fuel stations

POPiHN’s market analyses are based on the data obtained from its member companies. Their high precision and guarantee of source reliability allow POPiHN to accurately pinpoint the most important market trends. In 2024, POPiHN member chain fuel stations sold around 72% of the total retail sales of motor gasoline, 52% of diesel, and 41% of autogas in the country. Thus, POPiHN’s share of retail petrol sales increased by around 2 p.p., while diesel and LPG decreased by less than 2 p.o. and approximately 4 p.p., respectively, against 2023.

FIG. 18 presents the trends in key parameters for the POPiHN members’s chains as a whole.

With regard to the data in Figure 18, note the changes occurring in 2024 in the premium fuel segment. Refined diesel sales behaved similarly to total diesel sales, with a 3.5% year-on-year decrease in volume sold. In the case of premium petrol sales, the increase in sales was a staggering 113.2% year-on-year.

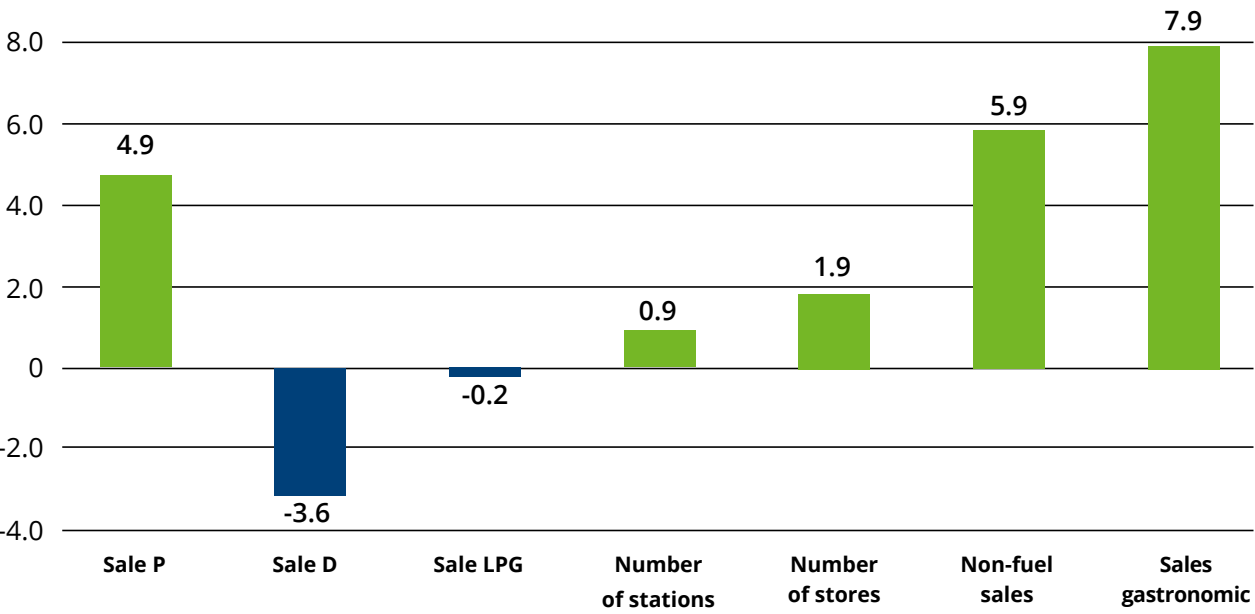
This is a consequence of the regulatory demand factor⁴. Fuel with up to 10% bioethanol content, labelled as E10 and offered as 95-octane petrol went on sale starting in 2024. Fuel containing up to 5.0% bioethanol remained on sale as 98-octane petrol labelled E5. It was mostly positioned as a premium product on offer.

Despite an information campaign launched by the Ministry of Climate and Environment⁵, and the commitment of fuel companies to inform customers as best as possible about the new fuel on offer, many consumers were doubtful whether their petrol car could use E10 fuel. This has resulted in a surge in premium petrol sales.

POPiHN has limited ability to analyse the activities of shops at member companies’ petrol stations because the cooperation formula of DOFO⁶ and DODO⁷. It allows a certain degree of freedom in purchasing fuels and shop items. Uniform sales rules operate only in the CODO+COCO formula⁸. Only a certain proportion of franchised stations are available; thus, the organisation does not have complete data on shop sales at facilities other than member companies’ stations. Sales in these shops over 2024 increased by 4.5%, or just under PLN 0.4 bn. However, note that the number of shops at stations in the CODO+COCO formula increased simultaneously. Thus, the statistical shop increased its turnover by an average of 3.2% against 2023, translating into average annual sales of PLN 2.8 million. This parameter, combined with the performance of the catering segment, is key to understanding how important non-fuel sales are to the profitability of a service station. In the situation observed in 2024 at stations within the chains of POPiHN member companies—namely, a decline in retail demand for diesel fuel and liquefied petroleum gas (LPG), coupled with rising labour and energy costs - it is the store and food service that determine whether a given location remains profitable. Entrepreneurs are aware of this and strive to make their offer as complete and attractive as possible, with new products and services appearing at the stations, aimed not only at customers who have come to fill up their cars. In this context, any sales restrictions imposed exclusively on retail establishments such as fuel stations will create unfair competition in the convenience store segment. This, in turn, will lead to higher fuel prices as stations strive to maintain profitability.

FIG. 18 CHANGE IN RETAIL FUEL SALES, NUMBER OF FUEL STATIONS AND STORES, AS WELL AS NON-FUEL AND FOOD SERVICE SALES AT STATIONS WITHIN THE CHAINS OF POPiHN MEMBER COMPANIES IN 2024 COMPARED TO 2023. [%]

Source: POPiHN’s data. The change in fuel sales refers to their volume. The change in non-fuel and catering sales refers to their value in PLN.



⁴ art. 14(2)(b) of the Act on Facilitating the Preparation and Implementation of Investments in Agricultural Biogas Plants, as well as Their Operation of 13 July 2023 (Dz. U. 2023 item 1597)
⁵ <https://www.gov.pl/web/klimat/paliwo-e10>
⁶ Dealer-Owned Franchisee-Operated fuel station.
⁷ Dealer-Owned Dealer-Operated fuel station.
⁸ Company-Owned Dealer-Operated fuel station / Company-Owned Company-Operated fuel station

08

FORECAST OF DEMAND FOR LIQUID FUELS IN POLAND TO 2035

The energy transition and the move away from fossil fuels are unstoppable. Beyond the climate policy needs, these changes are supported by the development of e-mobility and low-carbon fuels, which can enhance energy security. Reducing greenhouse gas emissions, decarbonising industry, and promoting 'green' investment are strategic priorities for POPIHN members, who are working towards the goals of the Paris Agreement. The audience's work in the energy sector is not just crucial, but pivotal in this context. Today, transport, the economy's lifeblood, is primarily powered by petroleum-based fuels. Replacing them with electricity and low-carbon fuels requires heavy business investment and increased consumer spending, and the audience's efforts are instrumental in making this transition a reality.

The implementation of **'green' technologies** on a massive scale, including improvements in the efficiency of electricity storage and the construction of flexible electricity grids, holds the potential to significantly reduce the costs of decarbonising industry

in the future. This optimistic outlook, however, is contingent on many political, economic, and social factors. Oil companies worldwide are turning into multi-utility conglomerates, but they raise funds to finance energy transition primarily from the sale of fossil fuels. The continued growth in energy demand in the global economy, the rising aspirations of consumers worldwide and the slowing pace of the energy transition mean that the peak in demand for fossil fuels is yet to come.

Since the COVID-19 pandemic, forecasting changes in the fuel market worldwide has been challenging. Russia's aggression against Ukraine has introduced additional difficulties, as it has permanently disrupted the situation in international energy commodity markets, including in the areas of oil and fuels. In addition, the great unknown is the impact of Donald Trump's presidency, which could considerably affect the global oil and fuel market, the economic situation of the European Union, and the level of security of countries in our region.

According to the latest data from the International Energy Agency (IEA), the growth of the Chinese economy continues to be a major factor in the growth of global oil demand, although its importance will gradually diminish, not least because of the rapidly expanding electrification of transport. At the same time, oil consumption is growing in India and other emerging Asian economies, and this process will intensify. In contrast, OECD countries saw a slight increase in oil demand last year, but a return to a structural decline is forecast in the long term¹.

Due to the start-up of the giant Dangote refinery in Nigeria, the stalling of African demand for petrol produced in Europe is another global factor of importance to Europe. Predicted declines in European petrol exports to Africa will translate into a deterioration in the economic health of EU fuel producers and the closure of more European refineries.

A further increase in oil production in the United States of America, which is already the world leader in oil produc-

tion, is expected. Implementing the 'Drill, baby, drill!' concept should reduce oil prices despite the continued increase in demand. Preliminary estimates show that it exceeded 103 million barrels per day at the end of last year. The IEA and the U.S. Department of Energy (DoE) forecast further increases in oil demand due to rising demand in Asia (mainly India and China). Publicly available forecasts vary widely as to when peak oil demand might occur. The new U.S. administration, with its potential policy changes, may make it necessary to revise most of the recent forecasts, in particular in the context of the U.S. termination of the Paris Agreement.

¹ MAE, *Oil Market Report – February 2025*,
<https://www.iea.org/reports/oil-market-report-february-2025>





Fot. UNIMOT S.A.

The latest forecasts from the DoE assume that despite the increasing oil demand, its prices will gradually decline due to an oversupply of the commodity, allowing for the expansion of U.S. reserves. Brent crude oil is expected to reach USD 72 per barrel in December this year, with an average price of USD 66 per barrel in 2026². The fall in oil prices could be a significant factor in driving down the price of petroleum-based fuels, further slowing the global pace of the energy transition. At the same time, the IEA assumes that the increased use of electric vehicles, the development of low-carbon technologies, improvements in energy efficiency and changes in consumer behaviour (e.g. increased use of public transport) will significantly slow the growth in oil demand, which will stabilise by the end of this decade³.

Fuel demand is largely correlated with economic development. From a Polish perspective, it is important to note that the Eurozone is mired in economic stagnation altogether, achieving modest growth in the fourth quarter of last year, with the GDP of its two largest economies (Germany and France) declining. This economic context is crucial in understanding the fuel demand situation. Against this backdrop, Poland's situation looks very well. The International Monetary Fund has updated its forecasts⁴ to show that our economy is expected to grow at a rate of around

3.5 per cent in 2025 and that the strong position of one of the fastest-growing economies in Europe is also expected to be maintained in the coming years. In practice, this translates into increased domestic demand for liquid fuels.

Until recently, fuel supply scenario planning was largely based solely on macro-economic assumptions. Changes in the economic situation relative to these assumptions made it necessary to adapt business plans to market needs. The latest versions of forecasts of fuel demand in Poland take into account not only trends in global oil markets, the European fuel market and the prospects for Poland's economic development but, above all, refer to various regulatory options and the estimated impact assessments of selected regulations developed on this basis.

² EIA, *Short-Term Energy Outlook*, February 2025, https://www.eia.gov/outlooks/steo/report/global_oil.php; *The U.S. The Energy Information Administration (EIA) is an analytical and statistical agency under the U.S. Department of Energy*

³ MAE, *Oil Market Report*, December 2024, <https://www.iea.org/reports/oil-market-report-december-2024>

⁴ *Global Growth: Divergent and Uncertain*, January 2025 <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>



BASELINE ASSUMPTIONS

According to the baseline scenario, over the next 10 years, the average GDP growth rate will remain stable (albeit below IFW forecasts), the USD exchange rate will oscillate in the range of PLN 3.75-3.97 and decarbonisation of the sector will be compliant with the adopted Fit for 55 regulations. These regulations, part of the European Green Deal, aim to reduce greenhouse gas emissions by 55% by 2030. The main issue is the implementation of ETS2, which will take effect from 1 January 2027, and energy prices will not be high enough to postpone its entry into force by 12 months (as allowed by the current legislation). It was also assumed that the safety net was a price stabilisation mechanism involving a one-off release of allowances from the Market Stability Reserve⁵ (if allowance prices exceeded €45 per tonne of CO₂, i.e. around 50 gr/l of conventional fuels) would only work in the short term, and the emission price would already reach €68 per tonne of CO₂ in the first year of operation; averaged scenarios from external consultancies were used for the projected impacts of the entry into

force of ETS2. It is also assumed that the increased RES obligations under RED III will be adequately implemented by 1 January 2030 and that the level of penalties for non-fulfilment will be at the level adopted under the recent implementation of RED II into the national legal order.

Note that although Prime Minister Donald Tusk criticised the ETS2 mechanism during the presentation of the priorities of the Polish Presidency of the EU Council in the European Parliament, the position of the European Commission, so far, is unchanged. The directive introducing the ETS2 is legally binding, and failure to implement it in the national legal order is punishable by financial penalties from the European Commission. An infringement procedure has even been launched against Poland (and the other 25 Member States)⁶ It is theoretically possible to exclude individual Member States or amend the provisions of the Directive (e.g., by including stronger mechanisms to stabilise the price of emission allowances), but such a solution would have to be agreed to by a majority of Member States and the European Parliament. With this in mind, the baseline scenario assumes that ETS2 will enter into force in accordance with existing EU legislation.

[in million m³]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Diesel	23.1	23.4	23.6	23.9	24.3	24.4	24.5	24.6	24.6	24.5	24.3	24.1
Petrols	8.2	8.3	8.4	8.4	8.5	8.5	8.4	8.4	8.3	8.2	8.0	7.8
LPG	5.0	5.2	5.0	5.0	5.0	4.9	4.9	4.8	4.7	4.6	4.5	4.4
LHO	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
TOTAL	36.9	37.5	37.6	37.9	38.4	38.4	38.4	38.3	38.1	37.8	37.3	36.8

⁵ EU ETS Market Stability Reserve. Market Stability Reserve) was established by Decision (EU) 2015/1814 of the European Parliament and of the Council on 6 October 2015 on the establishment and operation of the Market Stability Reserve for the EU Emissions Trading Scheme and amending Directive 2003/87/EC (OJ EU L 264, 9.10.2015). It aims to adjust the annual volumes of emission allowances auctioned.

⁶ The deadline for implementing the ETS2 directive was 30 June 2024.

ACCELERATED DECARBONISATION SCENARIO

– KEY ASSUMPTIONS

In the accelerated decarbonisation scenario, the average GDP growth rate is expected to decline significantly over the next 10 years (more than 50% below the IMF forecasts), and the USD exchange rate will range from 4.20 to 4.60 PLN. Furthermore, it was assumed that energy taxation would be reformed in addition to implementing the Fit for 55 package’s adopted solutions (ETD revision). It has

been assumed that the implementation of tax changes will be phased in over three stages, starting on 1 January 2026, with the proviso that the transition period for introducing new LPG rates would be extended to such an extent that it falls outside the timeframe of the prepared forecast.

The entry into force of the ETS2 from 1 January 2027 was assumed, but a high-cost scenario (an increase from €74 per tonne of CO₂ in 2027 to €400 in 2035) was used for the projected impact of this regulation. It has also been assumed that the increased RES obligations under RED III will come into force on 1 January 2030 but that the level of penalties will be higher than is provided for in the current state of the law.

[in million m³]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Diesel	23.1	23.2	23.3	23.4	23.5	23.3	23.0	22.6	22.2	21.7	21.4	21.0
Petrols	8.2	8.3	8.3	8.3	8.4	8.1	7.9	7.8	7.5	7.3	7.1	6.9
LPG	5.0	5.2	5.0	4.9	4.9	4.8	4.7	4.5	4.3	4.1	4.0	3.8
LHO	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4
TOTAL	36.9	37.3	37.2	37.2	37.4	36.8	36.1	35.4	34.5	33.6	32.9	32.1

DELAYED DECARBONISATION SCENARIO

- KEY ASSUMPTIONS

In the delayed decarbonisation scenario, it is assumed that over the next 10 years, the average GDP growth rate will be slightly higher than the IMF forecasts, and the USD exchange rate will fall from 3.90 to 4.30 PLN. Adjustments to the Fit for 55 package were made as part of the regulatory assumptions. First and foremost, these measures mean the ETS2 system will be effective on 1 January 2028. Thanks to the expansion of the price stabilisation mechanism,

allowance prices will only slightly exceed the €45 per ton CO₂ cap in the initial years, in line with the low-price scenario. However, they will systematically increase to approximately €150 per ton CO₂ by 2035.

It is also assumed that RED III targets will be made more realistic by changing the system to calculate the degree to which RES obligations are met by introducing multipliers to support the development of low-carbon renewable fuels that meet sustainability requirements. Additionally, it has been assumed that the penalty levels for non-compliance with renewable energy obligations will remain as stipulated in the currently applicable regulations.

[in million m³]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Diesel	23.1	23.5	23.9	24.3	24.7	25.1	25.4	25.7	26.0	26.2	26.3	26.2
Petrols	8.2	8.3	8.5	8.6	8.8	8.9	8.9	8.8	8.8	8.7	8.7	8.6
LPG	5.0	5.2	5.1	5.1	5.1	5.1	5.1	5.0	5.0	5.0	4.9	4.8
LOO	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5
TOTAL	36.9	37.6	38.1	38.6	39.2	39.7	40.0	40.1	40.3	40.4	40.4	40.1

09

INFORMATION

ON PETROL PRICES

In 2024, the Polish market demonstrated remarkable stability in petrol prices, continuing a trend that began at the end of 2023. Despite challenges arising from sanctions on Russian fuels, the market remained resilient. Fuel industry representatives implemented several measures to ensure the product's availability at an attractive price, thereby preventing any unpleasant consequences for customers' wallets. This stability was largely due to favourable global factors.

Global factors

The primary global factors influencing fuel prices in Poland are the Brent crude oil prices and the USD/PLN exchange rate. The Exchange rate, in particular, plays a significant role as oil is quoted in USD per barrel. This interplay between the two factors is reflected in the prices at filling stations. Notably, the average USD/PLN exchange rate from 2023 through 2024 showed a distinct weakening of the dollar relative to the zloty, which compensated for the increase in Brent crude prices above the 2023 average, particularly in the second and third quarters of 2024.

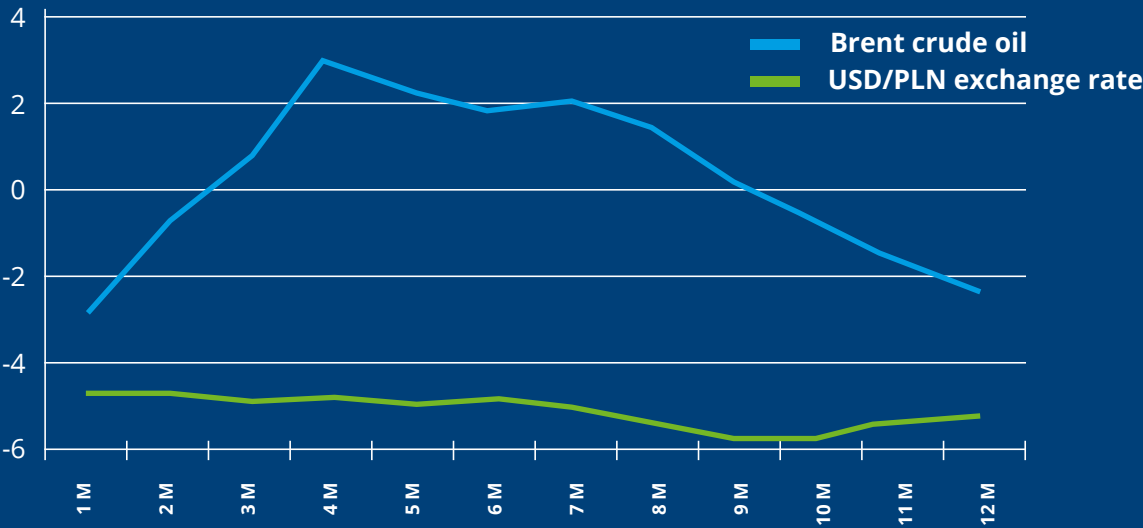
FIG. 19 COMPARISON OF ANNUAL AVERAGE CRUDE OIL PRICES AND USD/PLN EXCHANGE RATES IN 2023 AND 2024.

Source: U.S. Energy Information Administration, NBP

Specification	2023		2024		Reference 2023 = 100
	Unit	value	Unit	value	
Brent crude oil prices	82.66	USD/bbl	80.52	USD/bbl	97.4
USD/PLN exchange rate	4.2011	zł	3.9812	zł	94.8

FIG. 20 THE TREND OF CHANGES IN THE CUMULATIVE AVERAGE BRENT CRUDE OIL PRICES AND USD/PLN EXCHANGE RATE IN 2024 AGAINST THEIR AVERAGE VALUES IN 2023. [%]

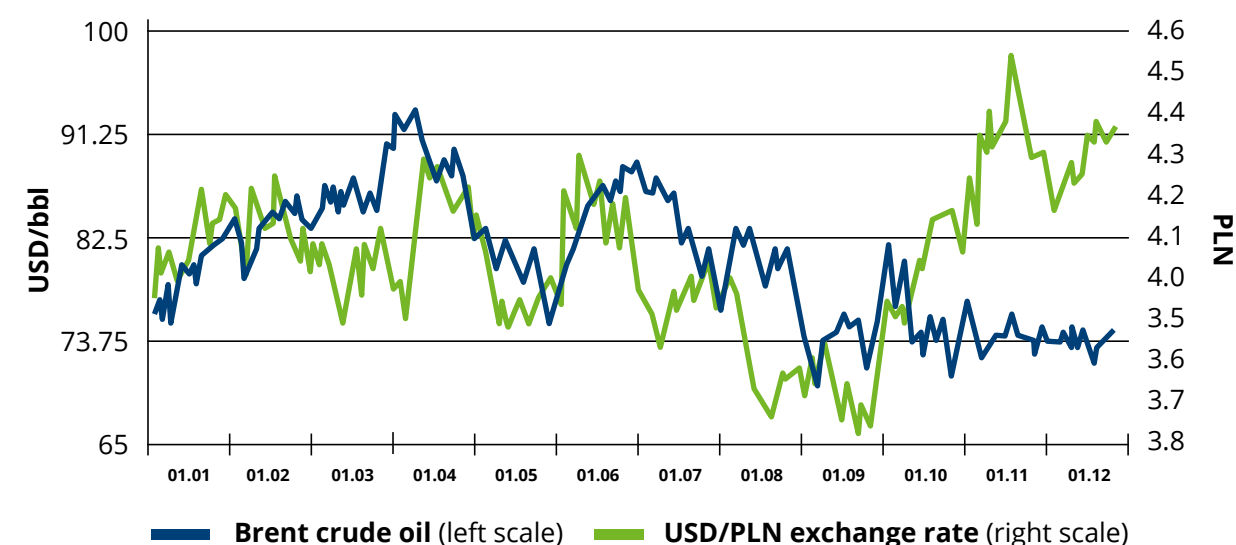
Source: POPiHN's report based on data from the U.S. Energy Information Administration and NBP



In the oil market, there was a distinct tug-of-war: on one side, OPEC+ countries were pushing a „high-priced barrel” policy by limiting supply, while on the other, the United States increased production. In March 2024, OPEC+ countries decided to extend the voluntary oil production cut by a total of 2.2 million barrels per day (bpd) into the second quarter of 2024¹) Pending an increase in Chinese oil demand, the cut was further extended, eventually until the end of March 2025², but it should be noted that not all OPEC+ countries reliably complied³. The high-priced barrel policy did not yield results since accumulating factors decisively drove down oil prices. Declining demand for oil in China, reports of progress on working out a ceasefire in Israel’s war with Hamas and Donald Trump’s victory in the U.S. presidential election meant that oil prices fell consistently in the year’s second half. Considering the increasing crude oil exports by the United States, the global oil market will be less susceptible to geopolitical factors, such as tensions between Israel and Iran or Houthi attacks on ships in the Red Sea. Consequently, the risk of supply shocks is significantly lower than in previous years, and oil prices should be more predictable. In the December Oil Market Report⁴, the International Energy Agency presented a forecast for a market oversupply of oil in the first quarter of 2025.

FIG. 21 BRENT CRUDE OIL PRICES AND USD/PLN EXCHANGE RATE IN 2024

Source: POPiHN's report based on U.S. Energy Information Administration and NBP data.



In 2024, Brent crude oil's average annual spot price was USD 80.52/bbl, 2.6% lower than one year earlier. The annual average USD/PLN exchange rate published by the National Bank of Poland at PLN 3.9812 is 5.2% lower than in 2023. **FIG. 21** shows the development of these prices. The failure of the 'expensive barrel' policy is apparent - since the beginning of the second quarter, Brent crude oil quotations gradually declined. In the first half of the year, the USD/PLN exchange rate oscillated between PLN 3.90 and PLN 4.05 until the summer vacations, when it significantly depreciated against the zloty in the third quarter. There was a strong rebound in Q4, but the annual average price did not bounce back above PLN 4.00.



¹ https://www.opec.org/opec_web/en/press_room/7305.htm

² https://www.opec.org/opec_web/en/press_room/7420.htm

³ https://www.opec.org/opec_web/en/press_room/7369.htm

⁴ <https://www.iea.org/reports/oil-market-report-december-2024>

**FIG. 22 AVERAGE WHOLESALE PRICES OF PETROL AND DIESEL FUEL
WITH A SULFUR CONTENT OF 0.001% FROM DOMESTIC FUEL PRODUCERS IN 2023 AND 2024**

Source: ORLEN S.A., Aramco Fuels Poland Sp. z o.o., POPiHN

	Petrol EU95			Diesel with 0.001% of S		
	PLN/1000 l		Reference	PLN/1000 l		Reference
	2023	2024	2023 = 100	2023	2024	2023 = 100
Gross price excluding VAT	5128	4899	95.5	5234	5026	96.0
Excise	1529	1529	100.0	1160	1160	100.0
Fuel surcharge	173	196	113.3	373	422	113.1
Emission charge	80	80	100.0	80	80	100.0
Net price	3346	3094	92.5	3621	3364	92.9

Wholesale prices

The relatively strong zloty mitigated the impact of unfavourable global events on the Polish market. This, combined with falling oil prices, was reflected in lower wholesale fuel prices from domestic producers. **FIG. 22** shows changes in average annual prices for spot purchase transactions at Polish refineries.

The impact of global factors manifests itself in the change in net prices. The average wholesale price of petrol in 2024 decreased by 7.5% compared to 2023. For diesel, the decrease was slightly smaller, with the product being sold at wholesale on average 7.1% cheaper than a year earlier.

Retail prices

In 2024, users of each of the three main types of transport fuels experienced lower fuel prices at the pump. Consumers of 95 petrol paid an average of 21 gr/litre less than in 2023, while drivers of diesel cars saved an average of 22 gr per litre. In the case of autogas, fuel expenditure fell by an average of 13 gr/litre. A comparison of the average retail prices of petrol 95, diesel and autogas in 2023 – 2024 is shown in **FIG. 23**.

FIG. 23 AVERAGE RETAIL FUEL PRICES 2023 AND 2024

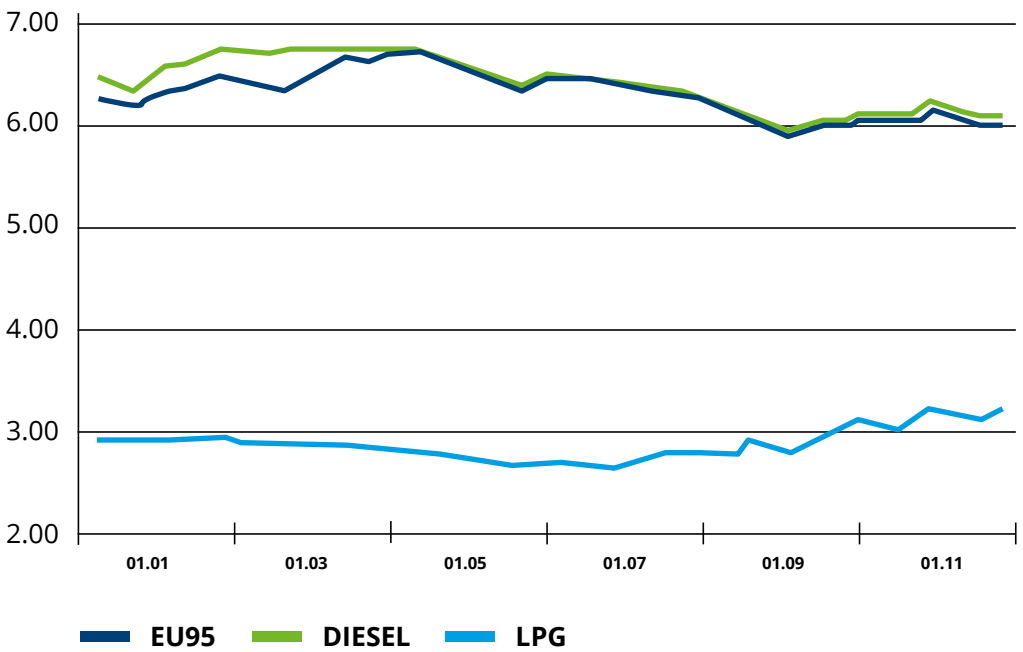
Source: own report based on data from e-petrol.pl, CIS

Specification	2023		2024		Reference 2023 = 100
	Unit	value	Unit	value	
Average retail price of EU95 petrol	6.51	PLN/litre	6.30	PLN/litre	96.8
The average retail price of ON	6.61	PLN/litre	6.39	PLN/litre	96.7
The average retail price of autogas	3.01	PLN/litre	2.88	PLN/litre	95.7

Throughout 2024, there was little difference between the retail prices of petrol EU95 and diesel, averaging PLN 0.09 over the whole year. In Q2 and Q3, the average prices of these fuels differed by no more than PLN 0.03. The largest price gap was recorded in February, when diesel was, on average, PLN 0.26 more expensive than EU95, while in July, the difference was a symbolic PLN 0.01. **FIG. 24** shows EU95, DIESEL, and LPG retail prices in 2024.

Relatively stable prices were reported for all fuels in 2024. EU95 could be purchased for PLN 5.89 – 6.66 per litre, while diesel fuel prices ranged from PLN 5.93 – 6.72 per litre. The price of autogas was close to PLN 3/litre, with extremes of PLN 2.67 and PLN 3.19/litre.

FIG. 24 RETAIL PRICES OF EU95, DIESEL, LPG IN 2024. [PLN/LITRE]



Taxes on the price of fuel

Taxes imposed on liquid fuels account for a significant proportion of their price. The average amounts of the various tributes paid per litre of motor fuel are shown in [FIG. 25](#).

Analysing the changes in the individual components of the price of EU95 and diesel fuel, note that lower net prices from domestic producers and favourable global factors allowing for cheaper imports have allowed retailers to improve their margins. Part of this margin improvement space was taken up by an increase in the fuel surcharge by 13.2% year-over-year in 2024 for individual fuels. The rates of other taxes remained unchanged. The margin improvement does not apply to autogas, which usually allows for a better profit. This results from preparations for sanctions on LPG from Russia to come into force. An oversupply of the product emerged in the market, forcing retailers to engage in price competition to secure their market share at the expense of their margins.



Fot. BP EUROPA SE

FIG. 25 AVERAGE RETAIL PETROL PRICES 2023 AND 2024 [PLN/L]

Source: POPiHN's data

	Eurosuper 95 petrol							Diesel							Autogas (imports eastern border)					
	Retail price	Excise	VAT	Fuel surcharge	Emission fee	Margin	Net price	Retail price	Excise	VAT	Fuel surcharge	Emission fee	Margin	Net price	Retail price	Excise	VAT	Fuel surcharge	Margin	Net price
12M2023	6.51	1.53	1.23	0.17	0.08	0.15	3.35	6.61	1.16	1.25	0.37	0.08	0.12	3.63	3.01	0.35	0.57	0.11	0.62	1.36
12M2024	6.30	1.53	1.20	0.20	0.08	0.21	3.08	6.39	1.16	1.21	0.42	0.08	0.19	3.33	2.88	0.35	0.55	0.13	0.48	1.37
% change	-3.2	0.0	-2.4	17.6	0.0	40.0	-8.1	-3.3	0.0	-3.2	13.5	0.0	58.3	-8.3	-4.3	0.0	-3.5	18.2	-22.6	0.7

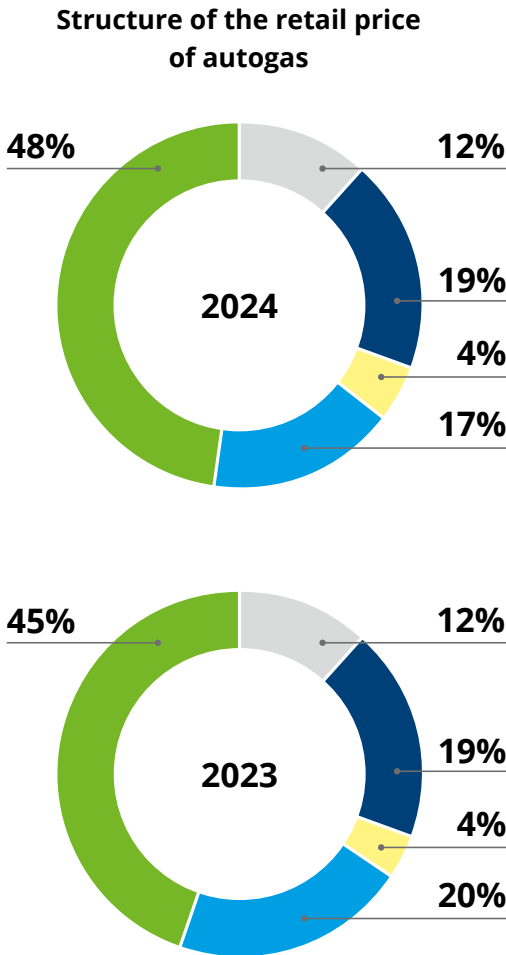
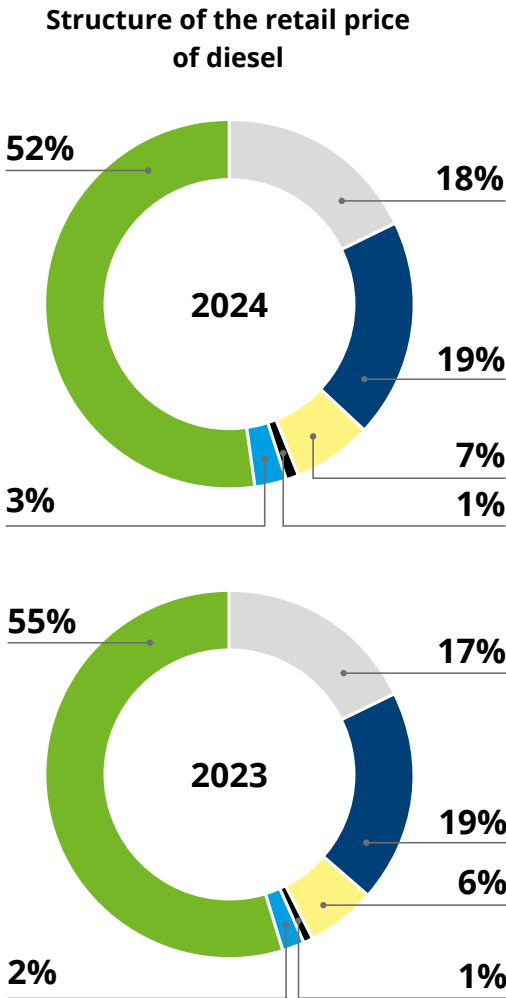
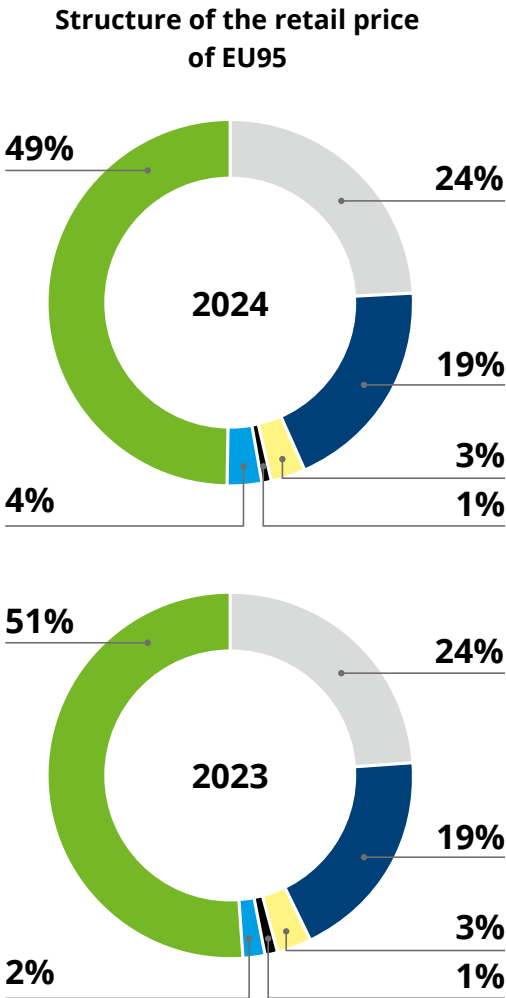
A comparison of the contribution of the various elements included in the fuel price is shown in [FIG. 26](#).

Lower retail prices, combined with an increase in the fuel surcharge, resulted in a larger share of taxes on the fuel price. In 2024, public tributes represented, on average, 48% of the price of EU95 petrol, 45% of the price of diesel, and 36% of the price of autogas. In each case, this increased on the 2023 fuel tax level.



FIG. 26 AVERAGE RETAIL PETROL
PRICES IN 2023 AND 2024 [%]
Source: POPiHN's own data

- EXCISE
- VAT
- FUEL SURCHARGE
- EMISSION FEE
- MARGIN
- NET PRICE



Fuel prices in the EU

FIG. 27 RETAIL PRICES AND TAXES IN EU COUNTRIES EO122024 [EUR / 1000 LITRES]

Source: POPIHN's report based on data from the European Commission

1 EUR = 4.2714 PLN

The table FIG. 27 compares the price level of patrols and their components in EU countries with domestic prices at the end of December 2024.

EurosUPER 95 petrol					Diesel (EN 590)				
	Selling price	Price before taxes	Excise*	VAT (amount)		Selling price	Price before taxes	Excise*	VAT (amount) VAT [%]
Austria	1 517.0	671.4	592.7	252.8	Austria	1 553.0	775.0	519.1	258.8 20
Belgium	1 597.2	719.8	600.2	277.2	Belgium	1 695.1	800.7	600.2	294.2 21
Bulgaria	1 281.1	704.5	363.0	213.5	Bulgaria	1 294.1	748.1	330.3	215.7 20
Croatia	1 518.0	702.1	512.3	303.6	Croatia	1 538.0	824.3	406.1	307.6 25
Cyprus	1 391.9	730.0	439.7	222.2	Cyprus	1 469.6	824.2	410.7	234.6 19
Czech Republic	1 415.5	660.8	509.0	245.7	Czech Republic	1 391.6	755.6	394.4	241.5 21
Denmark	1 941.0	868.3	684.5	388.2	Denmark	1 678.3	866.1	476.5	335.7 25
Estonia	1 630.0	795.3	563.0	271.7	Estonia	1 540.0	911.3	372.0	256.7 20
Finland	1 757.0	694.5	722.4	340.1	Finland	1 712.0	870.1	510.5	331.4 24
France	1 770.7	784.3	691.3	295.1	France	1 655.4	770.6	608.9	275.9 20
Greece	1 790.0	728.2	715.3	346.5	Greece	1 574.0	845.0	424.3	304.6 24
Spain	1 525.1	787.7	472.7	264.7	Spain	1 442.7	813.3	379.0	250.4 21
Netherlands	1 942.0	807.9	797.1	337.0	Netherlands	1 719.0	896.4	524.3	298.3 21
Ireland	1 752.0	715.6	708.8	327.6	Ireland	1 714.0	777.8	615.7	320.5 23
Lithuania	1 397.6	689.0	466.0	242.6	Lithuania	1 437.9	778.3	410.0	249.5 21
Luxembourg	1 489.0	724.0	548.6	216.4	Luxembourg	1 468.0	813.8	440.9	213.3 17
Latvia	1 570.7	719.3	578.8	272.6	Latvia	1 531.5	775.5	490.2	265.8 21
Malta	1 340.0	586.2	549.4	204.4	Malta	1 210.0	553.0	472.4	184.6 18
Germany	1 741.0	705.9	757.1	278.0	Germany	1 617.0	776.4	582.4	258.2 19
Portugal	1 719.0	763.2	634.4	321.4	Portugal	1 611.0	805.8	504.0	301.2 23
Romania	1 422.6	716.7	478.8	227.1	Romania	1 401.1	738.6	438.8	223.7 19
Slovakia	1 524.0	716.4	553.7	254.0	Slovakia	1 474.0	820.7	407.7	245.7 20
Slovenia	1 500.4	633.2	596.6	270.6	Slovenia	1 573.8	718.4	571.6	283.8 22
Sweden	1 513.3	713.6	497.1	302.7	Sweden	1 554.0	878.2	365.0	310.8 25
Hungary	1 489.3	794.0	378.7	316.6	Hungary	1 530.1	849.6	355.3	325.3 27
Italy	1 756.7	711.5	728.4	316.8	Italy	1 656.0	740.0	617.4	298.6 22
POLAND	1 414.1	722.9	422.5	268.7	POLAND	1 430.4	769.5	389.1	271.8 23
European average	1 581.7	724.7	576.4	280.7	European average	1 536.0	796.2	467.3	272.5
Price in Poland to average European price	89%	100%	73%	96%	Price in Poland to average European price	93%	97%	83%	100%

* - in the case of Poland,
excise duty = excise
+ fuel surcharge
+ emission fee

* - for other
countries excise duty
= Indirect Taxes

Comparing fuel prices expressed in the Euro, Poland has some of the lowest prices in the European Union. This creates the potential for fuel tourism, as was the case during the anti-inflation shields and in Q3 2023. As shown in [FIG. 28 and 29](#), the profitability of this practice is currently limited - among our neighbours, the Czech Republic and Lithuania are together with us in the bottom half of the price stakes; the relatively small difference in prices in Slovakia undermines the economic sense of such a practice. Traditionally, Polish fuel prices are particularly attractive for German drivers.

As of the end of 2024, our price level has moved away from the European average. The national average retail price of EU95 was 11% lower and diesel 7% lower than average prices in the European Union. For December 2023, the price differential in Poland relative to the European average has increased by 3 p.p. for EU95 and by 1 p.p. for diesel.



Fot. ANWIM S.A.

FIG. 28 EU 95 RETAIL PRICES IN EU COUNTRIES AT THE EO122024 [EURO / 1000 LITRES]

Source: Weekly Oil Bulletin, European Commission

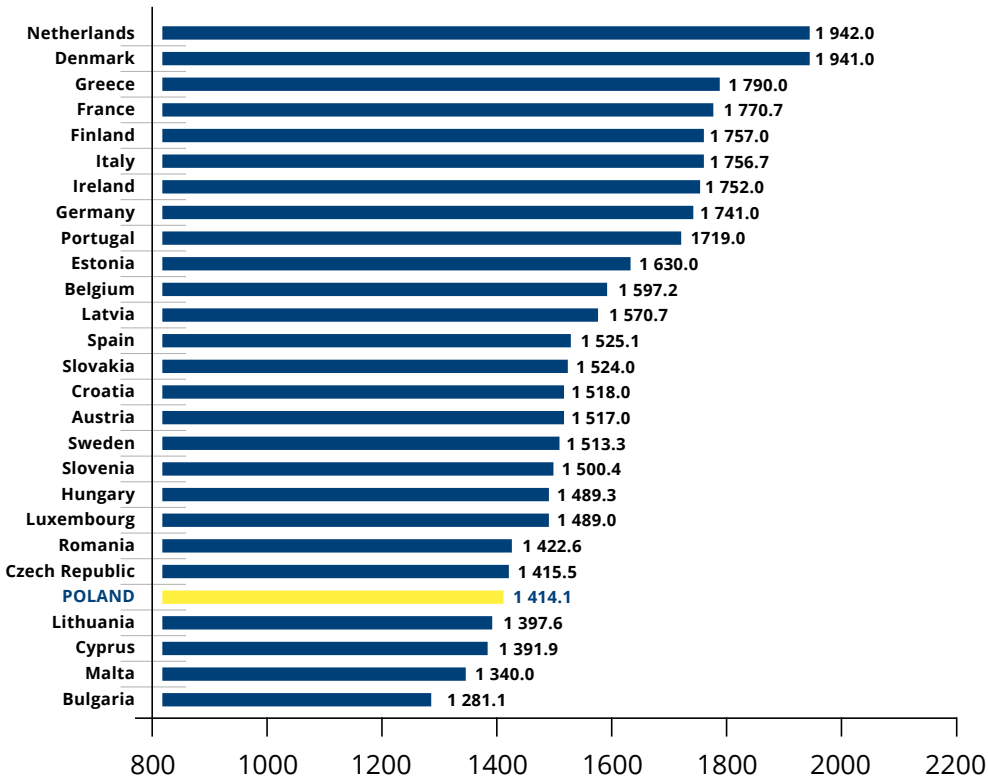


FIG. 29 DIESEL RETAIL PRICES IN EU COUNTRIES EO122024 [EURO / 1000 LITRES]

Source: Weekly Oil Bulletin, European Commission

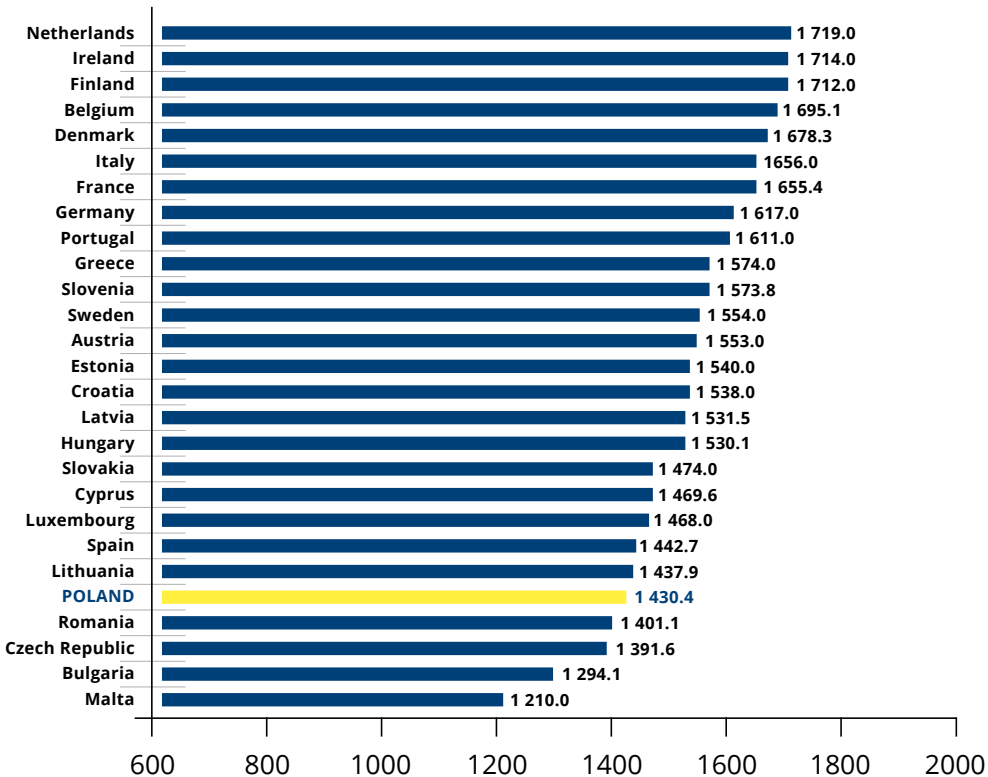


FIG. 30 SHARE OF TAXES IN THE EU95 RETAIL PRICE
IN EUROPEAN COUNTRIES EO122024 [%]

Source: POPiHN's report based on data from the European Commission

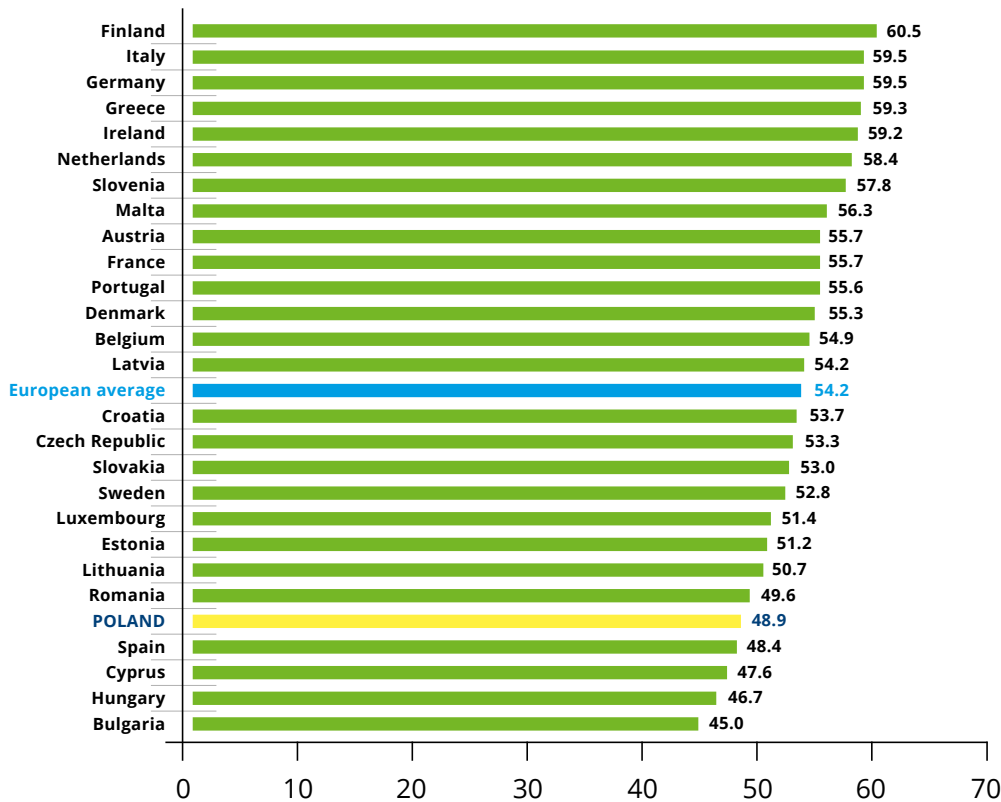
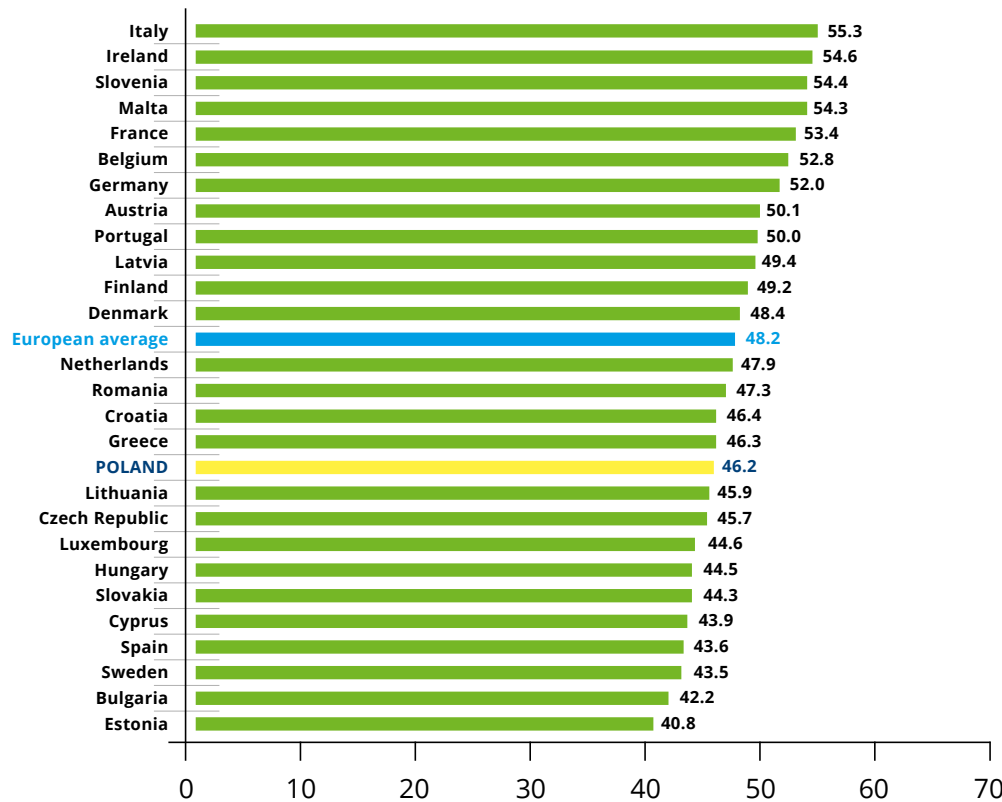


FIG. 30 and 31 show the share of the fiscal component in the retail price of EU95 and diesel in EU countries in December 2024. Poland was among the six countries where the share of taxes in the retail price of EU95 did not exceed 50%. The group is steadily narrowing; eight countries met this condition the year before. This is due to the systematic increase in the average share of taxes in the retail price. At the end of 2024, public tributes represented,

FIG. 31 SHARE OF TAXES IN THE DIESEL RETAIL PRICE
IN EUROPEAN COUNTRIES EO122024 [%]

Source: POPiHN's report based on data from the European Commission



on average, 54.2% of the price of EU95 and 48.2% of the price of diesel in the European Union (up from 52.5% and 45.0%, respectively, in the same period of 2023). The gap between the most and least taxed prices is narrowing: in the case of EU95, between Finland and Bulgaria, the difference is 15.5 p.p. Regarding diesel prices, the taxed prices of Italy and Estonia are only 14.5 p.p. apart.

10

LUBRICATING OIL MARKET

The Polish economy saw a marked rebound in 2024 against a stagnant 2023. According to estimates from the Central Statistical Office, Polish GDP grew by 2.9% last year, a significant improvement from the 0.1% recorded in 2023. This growth places Poland among the European growth leaders, as the preliminary GDP growth for last year for the EU as a whole was estimated at 0.8%¹. The domestic demand for lubricating oils did not follow the index for the Polish economy. It stems from the fact that the aggregate GDP growth figure does not reflect the problems of individual sectors, hence the need to verify the situation in segments that consume significant amounts of lubricants. A special case in point is the automotive industry², painfully affected by the economic downturn in Germany, whose GDP is estimated to have contracted by 0.2% in 2024. The problems in the Transport, Forwarding, and Logistics industry are worsening. In the opinion of entrepreneurs operating in the road transport industry, the current situation is „the most serious market crisis in over 20 years.”³. This is also where the deteriorating condition of the German economy is felt, as it is Poland's most important trading partner.

New perspectives are emerging in the industry. September 2024 saw the presentation of the „Draghi Report.”⁴, which addresses the competitiveness of the European economy. The documentary sparked a wide discussion about how Europe is losing economically to China and the US. The European Commission took note of the study and then declared that it would consider

its recommendations in a new plan for sustainable prosperity and European competitiveness. In January 2025, the European Commission presented the „Competitiveness Compass”. The Clean Industrial Deal was presented in February. Both documents envisage using the decarbonisation process of the EU economy to stimulate economic development. If the measures taken at the EU level are successful, this will also impact the health of the lubricating oil sector.

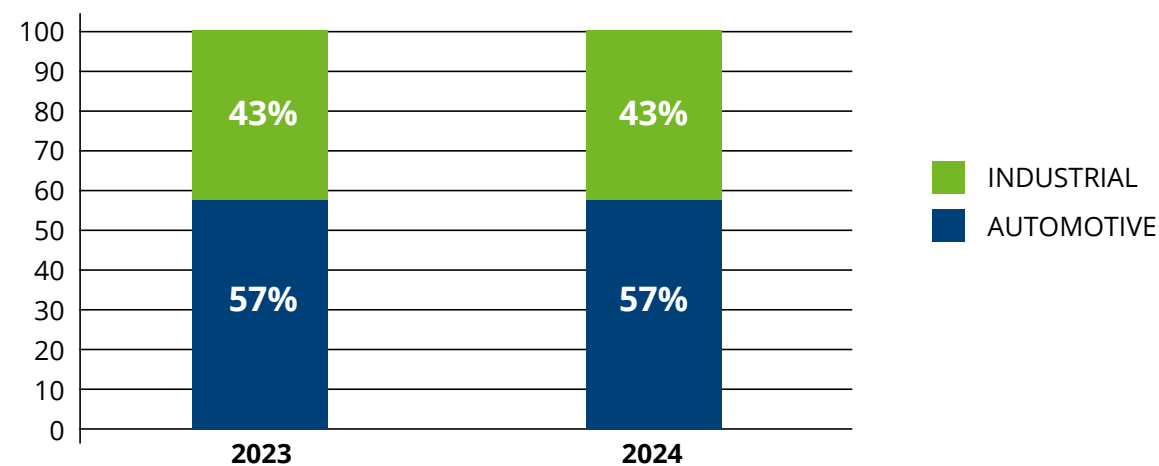
Returning to the situation in Poland, entrepreneurs placing lubricating substances and lubricating oils on the market are increasingly signalling difficulties in meeting their recovery and recycling obligations⁵. Recovery organisations and recyclers also face ongoing problems obtaining raw materials from the market. This, in all probability, implies that the practice of illegally burning waste oils, which POPiHN has repeatedly informed the relevant state authorities and services about, is continuing.

The Polish market for lubricating oils reached a volume of 231 839 tonnes in 2024, a decrease in sales of 2.3% y-o-y compared to 237 394 tonnes in 2023⁶. The structure of the market is shown in **FIG. 32**.

In 2024, the structure of the lubricating oil market remained unchanged from 2023, indicating a certain level of stability and predictability in the market.

FIG. 32 THE STRUCTURE OF THE LUBRICATING OILS MARKET IN 2023 AND 2024 [%]

Source: POPiHN's data



⁵ The 'act of 11 May 2001' on the obligations of entrepreneurs about the management of certain waste and on the product fee (Dz. U. of 2020, item 1903, 2361, 859 877 877)

⁶ Methodological note: The volume of industrial oils sold has been adjusted as a result of POPiHN's additional analysis of the lubricating oil market in 2023. POPiHN, a reputable industry research organisation, has conducted in-depth analysis and research to provide accurate and reliable data on the lubricating oil market.

¹ <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30012025-ap>

² <https://www.pb.pl/dwucyfrowy-spadek-w-motoryzacji-ciazy-polskiej-produkcji-1232680>

³ <https://tbp.org.pl/raport-transport-drogowy-w-polsce-2024-2025/>

⁴ https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en



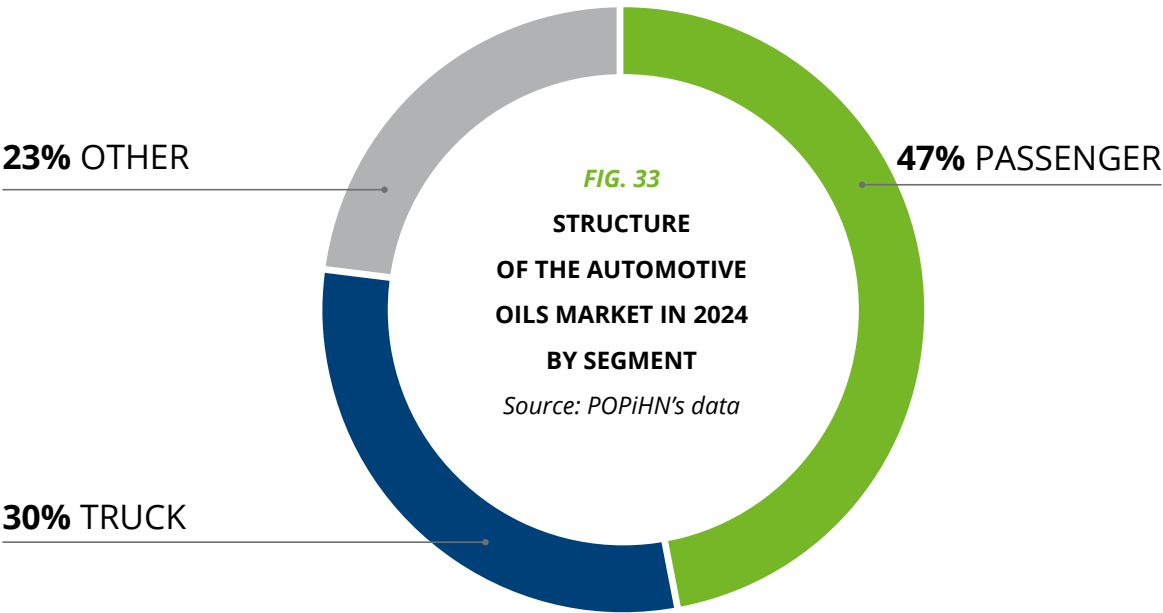
Oils for the automotive industry

Domestic demand for automotive oils 2024 was 131,849 tonnes, 2.9% less than in 2023. The share of each segment is shown in [FIG. 33](#).

The sales in the various segments vary. In 2024, 62,335 tonnes of passenger car motor oils were sold, representing a 9.0% year-on-year decrease in sales. This segment reported some declines in demand for each category: 0W-X, 5W-X (-5.9% y/y), 10W-X (-19.3% y/y), 15W-X, 20W-X (-42.4% y/y).

Demand for truck engine oils increased by 4.5% year-on-year, with 39,407 tonnes of engine oils entering the market last year. This is the result of increased sales in each category: 0W-X, 5W-X (+13.6% y/y), 10W-X (+4.9% y/y), 15W-X, 20W-X (+0.8% y/y).

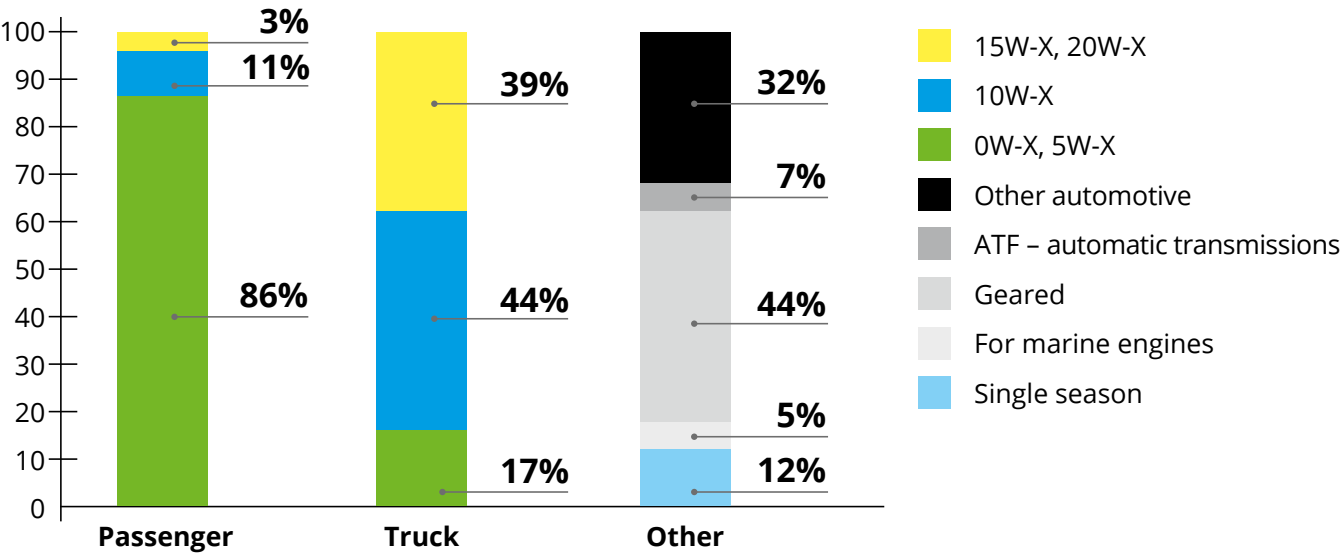
Among other automotive oils, there was an increase in sales for gear oils (+5.8% y/y), ATF (+5.5% y/y) and the general category of other automotive oils (+8.3% y/y). Demand declined for monograde oils (-19.9% y/y) and marine engines (-7.0% y/y).



[FIG. 34](#) presents the structure of the automotive oil segments.

Given the observed problems of the road transport industry, the increase in demand for truck motor oils in 2024 may seem surprising. The likely cause of last year's sales increase is the performance of the heavy-duty segment in 2023. Even then, a decrease in the number of transports carried out was signalled, resulting from a drop in demand for transport services and very low rates for them. Part of the fleet was not in service at the time. This resulted in lower vehicle mileage than usual. Due to declining business profitability, entrepreneurs have been forced to look for savings – fleet reductions, redundancies, or deferring periodic servicing of vehicles, especially those stationary in yards. This translated into a very large drop in sales of truck engine oils, down by as much as 9.7% y/y. These service backlogs from 2023 have arguably just been made up for in 2024, which can explain the growth in each oil category in the truck segment.

FIG. 34 AUTOMOTIVE OILS IN 2024 – SEGMENT STRUCTURE BY PRODUCT CATEGORY [%]
Source: POPiHN's data. The passenger segment (motor oils for cars) and the heavy-duty segment (motor oils for trucks) were classified according to their viscosity classes.

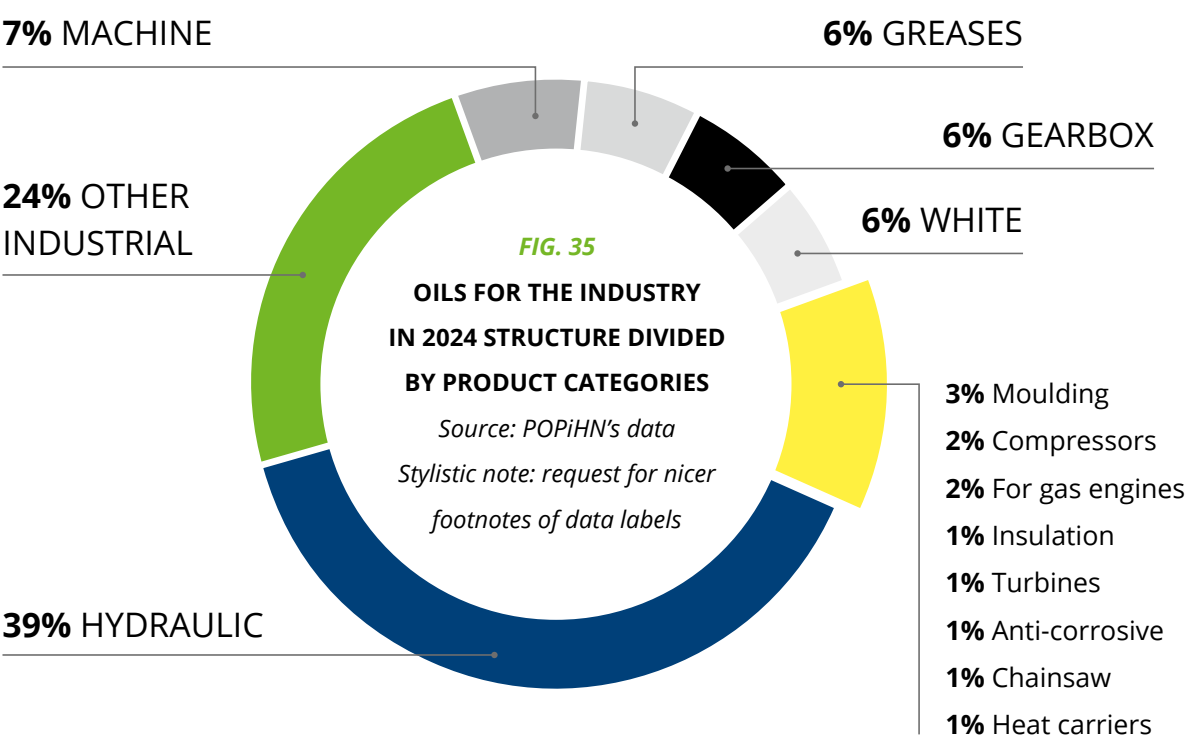


Oils for industry

In 2024, 99 989 tonnes of lubricating oils for the industry were sold in Poland, a decrease of 1.6% from the 101 645 tonnes.⁷ sold in 2023. The structure of the various segments of oils for industry is shown in [FIG. 35](#).

In categories with significant market share, declines predominated. Sales of the largest industrial oil category, hydraulic oils, decreased by 3.2% y/y. An even larger decrease was recorded for the general category 'Other industrial', down 4.8% y/y. Last year, demand for plastic lubricants (-2.9% y/y), gear oils (-1.9% y/y), and white oils (-1.0% y/y) fell. Among the high-volume categories, only machining oils increased sales by 2.7% y/y. Demand grew mainly for oils belonging to categories with a small market share: mould oils (+9.4% y/y), compressor oils (+3.3% y/y), gas engine oils (+11.2% y/y), insulation oils (+145.4% y/y), anti-corrosion oils (+44.6% y/y) and heat transfer fluids (+11.9% y/y). Turbine oil products (-31.7% y/y) and chainsaw oils (-5.5% y/y) were also affected by the drop in sales in 2024.

The European Commission's declared shift towards a policy of competitiveness offers hope for a return of European industry to its glory days. One of the biggest challenges in this context is the high energy price of both electricity and gas. At the same time, an additional factor has emerged that could act as a demand driver for the heavy industry. After the sudden turnaround in the continued commitment of the USA to Europe's security, a consensus emerged quickly among European political leaders on the need to significantly increase defence spending. Of course, not all of the money from the declared gigantic arms funds will be spent on heavy weapons and vehicles, but it is hard to imagine that as a result of the new arms policy, there will not be an increase in the number of orders going to heavy industry, and thus in the medium term demand for oils for the industry can be expected to increase.



⁷ Methodological note: The volume of industrial oils sold has been adjusted as a result of POPiHN's additional analysis of the lubricating oil market in 2023.



TOUR D'EUROPE PROJECT

The Tour d'Europe is an initiative of the European automotive value chain that will showcase the decarbonisation potential provided by renewable fuels, raise awareness about their availability in Europe, and underline their role in reaching the EU's objective of climate neutrality by 2050.

As part of EU's Green Deal, Europe has set itself the important goal to become climate neutral by 2050. GHG emissions from road transport are addressed through the revision of EU's fleet targets, resulting in a de-facto ban on the Internal Combustion Engine (ICE) for cars in 2035 and introducing a -90% target for ICE trucks.

European citizens and businesses support the EU's climate neutrality ambition. However, we can observe that questions remain on the means to achieve climate neutrality in road transport and what this means for the future of the EU automotive and supplier industry, its industrial leadership and the associated 13.8 million jobs.

Importantly, there are additional solutions that can be used beyond just electrification and fuel-cell vehicles. Renewable fuels (liquid and gaseous) are already helping accelerate transport decarbonisation today – and could do more if EU policies took a more technology-open approach.

These renewable fuels reduce GHG emissions from ICEs. Currently, technologies are being assessed for how the use of renewable fuels can be certified in the future on a well-to-tank basis, thereby serving as a sustainable solution even beyond 2035.

Although these renewable fuels are already available on the market, awareness of their benefits across Europe is low. The Tour d'Europe – whose partners include vehicle manufacturers, fuel and component suppliers and industry associations – aims to address this situation and help inform the public, policymakers and media.

During the Tour d'Europe, ICE light-duty and heavy-duty vehicles will travel throughout Europe between end-February and early May 2025, with a number of stops in selected cities. Local events hosted by policymakers (European, national or local) will be organised in strategic places to promote the role of renewable fuels and engage with relevant media.

These events will gather local and EU stakeholders, and media, to demonstrate to citizens in the constituency of the hosting policymaker, but also to the broader population in the Member State, that there are alternative technologies that can already contribute to the reduction of the CO₂ intensity of transport. This is of particular importance in regions where the automotive industry is at the heart of the economy, playing a key role for employment.

Together, partners will share information about what renewable fuels are, feedstock options, production processes, carbon content and cycle, as well as ease of use to elaborate on renewable fuels as a GHG emission reduction option. We will furthermore demonstrate the potential provided by a tool (e.g. by dft – digital fuel twin), proving that the use of renewable fuels can be monitored, verified, measured and certified.

Support for this project will help safeguard the freedom of mobility for passenger cars and the potential of renewable fuels for light-duty and heavy-duty vehicles, secure competitiveness of EU industries, win the support of the population and increase visibility at local level.

The Tour will conclude by the end of June with the presentation of a report detailing the project's findings at a final event in Brussels.

PARTNERS:

AVIA – BMW – Bosch – DAF Trucks – Daimler Truck – EBB – Enilive – EWABA – Eurogas – ePURE – Ford Trucks / TJA – FuelsEurope – Hyundai – Iveco – IRU – Moeve – Neste – PRIO – Repsol – University Darmstadt – University Karlsruhe – VDA – VW



FROM LAYING THE FOUNDATIONS OF THE POLISH FUEL MARKET **TO FIGHTING FOR FAIR COMPETITION**

December 1995. – after a 5-year presidency, former Solidarity leader Lech Wałęsa will soon hand over the office to the left-wing representative, Aleksander Kwaśniewski. The economy continues to struggle with the inflation approaching 28% in total for the year, although after the radical reforms of Leszek Balcerowicz, it is now much lower than it was 5 years earlier. Freed from the communist yoke, the economy is beginning to grow rapidly, reaching growth of 7% in 1995.

Along with the entrepreneurial spirit, social mobility is also awakening, and fleets of trucks and cars are growing. The booming economy needs more and more fuel. State-owned entities remain their main supplier, led by Centrala Produktów Naftowych „CPN”, recently transformed into a one-person state-owned joint-stock company, CPN S.A. It has the largest chain of service stations, with approximately 1,400 sites. The domestic fuel market attracts the attention of local Polish entrepreneurs and global giants such as Amoco, BP, Shell or Texaco, who need an entity to represent their interests, especially in front of government authorities. And it was in such circumstances of political and economic transformation that 30 years ago, the Polish Organisation of Oil Industry and Trade (POPiHN) was born.



8 grudnia 1995 r.

On 8 December 1995, 12 company representatives gather to set up POPIHN: Agip, Amoco, Aral, BP, Ciech, Conoco, Du Pont, Esso, PERN, 'Przyjaźń' SA, Shell, Statoil and Texaco. Except for PERN and Ciech, these are international entities.

They took advantage of the opportunity to form employer associations under the Act of 23 May 1991 on Employers' Organizations to lobby the government and local administration for their interests. The designated companies have set the organisation on the task of ensuring a more competitive and transparent market environment. But in the mid-90s, things were not going well when it came to it. In addition to the burdensome queues for drivers at fuel stations, the market was struggling with the plague of fuel „dilution”. On the other hand, from the perspective of entrepreneurs, the challenge was to develop principles for dialogue between private entities and administrative bodies and entities controlled by the state, particularly in the era of privatisation of state property.

Today, 30 years after POPIHN was founded, the domestic fuel market looks radically different, and although many of the founding companies have left the Polish market, the objectives set at the time have been achieved. What the domestic fuel market picture looks like is also described in the pages of this report. In the meantime, however, POPIHN member companies faced further challenges. Polish Petroleum Industry and Trade Organisation (POPIHN) initiated many positive, sometimes even revolutionary, changes. It is, therefore, worth exploring what that journey was like.



'MILESTONES' IN POPIHN'S ACTIVITIES

OVER THE LAST 30 YEARS INCLUDE:

Equal market access:

1. Abolition of import licences

In the 1990s, regardless of the need for a licence, import licences were required to import fuels, effectively blocking the possibility of free competition and fuel price reductions. Thanks to POPiHN's involvement, these licenses were abolished.

2. Creation of an oil and fuel stock system

Following Poland's accession to the European Union and the International Energy Agency, it became necessary to introduce a system of crude oil and petroleum product stocks, corresponding to 90 days of demand – in case of emergency situations. According to the

regulations adopted in 2011, this obligation was divided between a state institution (the Material Reserves Agency, now the Governmental Strategic Reserves Agency) and entrepreneurs operating in the fuel market. With POPiHN's involvement, it was agreed that the responsibility for maintaining physical fuel stocks would gradually be transferred to the Agency. This allowed for optimising the national storage capacity and improving the cost-effectiveness of the stock system. Unfortunately, the oil and fuel stock system reform was put on hold at the end of 2017. POPiHN has continually called for an increase in the state's stockholding involvement, so the Agency is responsible for 60 days and traders for 30 days of fuel demand.

Consumer safety and convenience:

1. Self-service refuelling

Customers have initiated the possibility of self-service refuelling, which has significantly improved the accessibility and capacity of fuel stations. The need for special training and protective clothing for refuellers has also been eliminated. Since 2012, after many years of efforts by POPiHN, the possibility of self-fuelling LPG has been introduced.

2. Safe refuelling of LPG

The introduction of modern technical solutions for the safety of autogas refuelling in Poland, including a new type of refuelling gun that, in practice, eliminates the risk of gas leaks, has resulted in Poland being one of the largest markets in Europe for LPG-used for transport, being a leader in terms of convenience and safety of LPG refuelling.

3. Development of filling stations at MOPs

Construction of a network of service stations at Motorway Service Areas and expressways – despite initially very unfavourable tender conditions.

4. Reduction of the interchange fee

Statutory reduction of card fees from the highest level in the EU (on average around 2% of the transaction value) to one of the lowest (0.2% for debit cards and 0.3% for credit cards) has contributed to a further increase in cashless payments to benefit businesses and consumers. By reducing the amount of cash turnover, the level of security for service station employees has also increased.

5. Improving fuel availability

Maintaining service stations as facilities that operate throughout the week, often 24/7, provides an uninterrupted opportunity to refuel vehicles and use the shop, restaurant or rest area while travelling.

6. Fuel stations with local service and shopping centres

Expansion of a comprehensive non-fuel offer at fuel stations, including the availability of essential goods and over-the-counter (OTC) approved medications. In response to customers' needs, several convenience stores have been established next to petrol stations, catering outlets, small repair centres, parcel collection and delivery points or car washes.

Modern and safe technological solutions:

1. Co-creation of the sector's standardisation framework by providing opinions on draft standards within the Polish Committee for Standardization.
2. Amendment of the requirements on technical supervision requirements for equipment for filling and emptying transport tanks. The amendment has greatly facilitated the fuel logistics business.
3. The introduction of environmental protection requirements for fuel stations, which imposed an obligation on owners of stations built before 2005 to upgrade tanks and equip stations with equipment to monitor fuel leakage into the ground, surface water, and groundwater, fostering improved environmental protection and equal competition among entrepreneurs operating fuel stations.

Introduction of European standards:

1. Taking action at the European Commission, such as changing the CN classification for lubricating oils to favour the sector.
2. Create opportunities to use modern bio-components, including the co-HVO method for diesel production.
3. Developing legal solutions that define the quality of fuels using bio-components to the extent that they meet European standards.
4. Advocating for the possibility of including electricity for transport purposes in implementing the National Indicative Target.

Fighting "the grey economy"

1. 2011-2015 saw a significant growth in the 'grey market' for liquid fuels. In 2014, the value of tax extortion was estimated at PLN 10 billion per year, from 15% to 25% share in the sales in 2010-16. The problem has been raised by POPiHN since 2010. In 2013, a report was commissioned by POPiHN entitled 'Scam zone on the Polish diesel market'. Thanks to the legal changes initiated by POPiHN (such as the introduction of accelerated VAT payment on intra-community acquisition of fuels, linking excise and licensing regulations, split payment, SAF-T, SENT system, e-DD, and stricter penalties), which have been in place since 2016, the problem has been largely mitigated, resulting in a significant increase in fuel sales and consequently in government revenue. In 2017 alone, the two Polish refineries recorded a 20 per cent increase in domestic fuel sales, with diesel sales increasing by more than 50 per cent between 2015 and 2019.
2. Measures to reduce the grey market in lubricating oils, including equalisation of excise duty on synthetic and mineral oils in 2019.
3. Since 2010, they have advocated the creation of a central register of petrol stations, enabling effective inspections by state services. The issue was resolved in 2023 when the Fuel Platform, run by the Governmental Strategic Reserves Agency, was established.



Crisis responses:

1. Contaminated oil crisis

In April 2019, due to contamination of Russian oil with chloride compounds, its delivery through the Druzhba pipeline was suspended. Within the Ministry of Energy, a crisis management team was established, which included representatives from POPiHN. Reserves were activated, oil deliveries through Naftoport were increased, and expanded reporting was implemented. Although Russia was at the time the leading supplier of crude oil to Polish refineries, the industry's fruitful cooperation with the government administration succeeded in maintaining the continuity of fuel supply to the market. Polish drivers were completely unaffected by this crisis.

2. Coronavirus

Within the Ministry of Climate, a fuel market crisis team was set up in relation to the COVID-19 outbreak, which included representatives from POPiHN. The team worked remotely, continuously monitoring the market situation. The POPiHN team conducted epidemiological reporting and developed recommended safety practices and procedures to maintain fuel supply and distribution continuity. POPiHN was actively involved in legislative work related to the state of the epidemiological emergency.

3. Russian aggression against Ukraine

The outbreak of war on 24 February 2022 and the accompanying disinformation activities caused a shopping panic at filling stations. As a result, fuel supply chains were significantly disrupted, resulting in short-term fuel shortages in many parts of Poland. POPiHN was actively communicating to calm the situation. At the organisation's request, drivers' working hours were extended urgently so that the scale of market supply disruptions decreased. Representatives of POPiHN participated in the work of the Crisis Staff set up at the Ministry of Climate, which was working on Poland's position on sanctions on Russia at the EU level. At the request of the Ministry, the organisation introduced additional monitoring of the market situation and assessed the risk of threats to fuel supply to the Polish market.

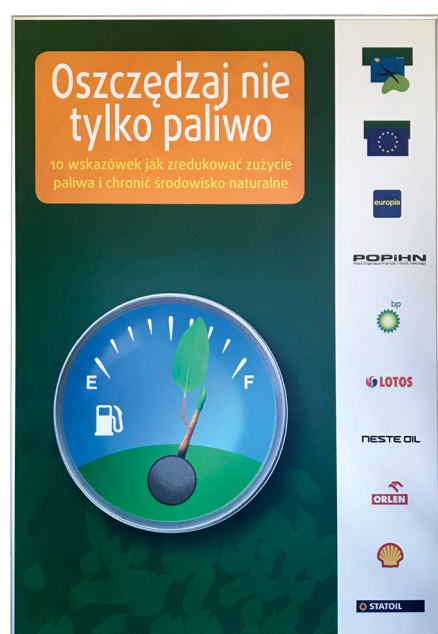
4. Development of fuel infrastructure

POPiHN supported the investment in infrastructure for storing and transporting liquid fuels by requesting relevant legal amendments. As a result, the Law on the Preparation and Implementation of Strategic Investments in the Petroleum Sector was passed in 2019. The legal changes facilitated the Megainvestment Programme implemented by PERN between 2018 and 2022 (worth more than PLN 1.5 billion). This enabled the acceleration of, among other things, the completion of the expansion of the oil terminal in Gdansk, an increase in Poland's crude oil storage capacity by 48% (from 2.1 to 3 million m³), the construction of almost 100 km of the Boronów-Trzebinia fuel pipeline and the construction of 20 tanks with a capacity of almost 600,000 m³ at seven fuel depots across Poland (an increase in fuel storage capacity by almost 30% from 1.8 million m³ to 2.4 million m³).

At present, 14 members of POPiHN, including AMIC POLSKA Sp. z o.o., ANWIM S.A. (owner of MOYA fuel station chain), Aramco Fuels Poland sp. z o.o., BP EUROPA SE, Circle K Polska Sp. z o.o., Fuchs Oil Corporation (PL) Sp. z o.o., PERN S.A., ORLEN S.A., Shell Polska Sp. z o.o., Slovnaft Polska S.A. – MOL Group, TanQuid Polska Sp. z o.o., TotalEnergies Marketing Polska sp. z o.o., UNIMOT S.A., W.A.G. Payments Solutions a.s. SA Branch in Poland (EUROWAG). .

Of these, only three have been consistently present since the beginning: BP, PERN and Shell. The market share of the organisation's affiliates increased significantly after the addition in 2003 of Grupa Lotos S.A. and PKN Orlen S.A. The latest change in POPiHN's membership was the addition of the Polish branch of the Czech company EUROWAG on 18 April 2024.

Currently, POPiHN members deliver 100% of domestic refinery production, over 60% of fuel retailing, 100% of pipeline transport of crude oil and petroleum products, 95% of storage capacity for petroleum products in Poland, as well as the vast majority of lubricating oil supplies. Entities in the sector contribute approximately 95 billion PLN in taxes (VAT, excise duty, fuel charge, emission charge) to the state budget – accounting for about 15% of all fiscal revenues. They play a vital role in ensuring our country's energy security.



Over these 30 years, POPiHN representatives have participated in developing national and European legal standards governing the fuel market. At the same time, POPiHN experts have developed a comprehensive analytical and statistical system that collects data on the liquid fuel and lubricating oil market. Consequently, POPiHN produces periodic analyses and reports, which are the main source of knowledge about the sector for analysts, entrepreneurs, the media and, above all, decision-makers responsible for creating the legal framework for the operation of the sector. Every year since 2005, the 'Oil Industry and Trade' report has been published, summarising the past 12 months in the domestic market. The annual conferences organised by POPiHN attract a multitude of experts interested in exchanging ideas and experiences on industry issues.

POPiHN has been involved in driver education with initiatives such as 'Fuel without risk' and 'Save more than just fuel'. In pursuing the ideas of corporate social responsibility, the organisation has supported driver sobriety activities, including the 'I never drive after alcohol' campaign. POPiHN is a supporting Partnership for Road Safety Association member and a partner in the "Friendly Motoring" programme implemented by the Polish Automotive Industry Association. In addition, to ensure the comprehensiveness of the fuel offer and the safety of fuel station customers – an agreement was reached with the Chief Pharmaceutical Inspector in December 2025 regarding the exchange of information on medicinal products available at non-pharmacy (OTC) outlets.



Moreover, POPiHN participates in providing opinions on legislation in Poland and the EU. The organisation represents the Polish fuel sector in the European Refining Industry Association FuelsEurope and the lubricating oil sector in the Union of the European Lubricants Industry (UEIL). At the national forum, POPiHN is also a member of the following bodies: Consultative Council for Intervention Stocks, acting under the auspices of the President of the Governmental Strategic Reserves Agency; the Council for Cash Circulation – under the Management Board of the National Bank of Poland, and the SAF Council, which brings together stakeholders in the introduction of sustainable aviation fuels in Poland. From 2013 to 2019, POPiHN also participated in the Consultative Council on Trade and Services of the Minister of Development and Technology.

The fuel offered by Polish filling stations meets very demanding European standards. Poland's refineries are among the world leaders in terms of technological sophistication, complexity of oil processing and environmental protection. Poland's pipelines and fuel depots were successively modernised and expanded, and they also ensured uninterrupted logistics for the fuel sector, which serves almost all sectors of the national economy within the single market of the European Union. The service stations that sell fuel to motorists are world-class in service, service and environmental protection.



On 23 March 2015, the Minister of Economy awarded the Polish Organisation of Oil Industry and Trade the Badge of Honour **"For Merits to the Oil and Gas Industry"** in recognition of his contribution to the development of the oil and gas industry. In turn, the **Golden Octane 2020 Statuette** awarded by the Polish Chamber of Liquid Fuels sealed the 25th anniversary of POPiHN and the cooperation during this time with the the two organisations.

Today, POPiHN faces very different challenges than it did 30 years ago, mainly corresponding to global challenges, particularly to security and the transition to carbon-free or low-carbon energy sources in both industry and the transport sector.

Russia's aggression against Ukraine, which has been ongoing since 2022, despite the country's attempts to destabilise the Polish market much earlier, has brought to the fore the need to ensure stable fuel supplies under all conditions – both in terms of import sources, storage and distribution. However, the shift away from fossil fuels, which is being programmed at the global and European Union levels, means that supply chains, process lines, and the fuel infrastructure must be rebuilt. In addition, the mounting legal requirements of the European Green Deal are raising concerns about the competitiveness of entire Member State economies and the well-being of their societies. Given these challenges, the fuel industry cannot remain indifferent. To meet these challenges, POPiHN must constantly move forward and undergo internal evolution. This particularly highlights the need to gain allies in the industrial and transport sectors, which can speak with one voice in many areas. In addition, the growing share of alternative fuels means that the organisation's business profile can no longer be just ,oil'. Without question, however, POPiHN's goal remains to have a fully competitive, customer-friendly market and to ensure the safe and sustainable development of companies operating in the production and distribution of liquid fuels and lubricating oils. In pursuit of this objective, POPiHN will continue its dialogue with all stakeholders, sharing its knowledge and experience with them.



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