International Association of Oil & Gas Producers

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IOGP Europe's views on the revision of the Oil Stocks Directive

Since its establishment, the Oil Stocks Directive (2009/119/EC) has provided a robust and effective framework for emergency oil stocks management in the EU. **Recent crises have confirmed how existing market mechanisms, logistical arrangements and emergency stockholding obligations ensure continuity of crude oil and fuel supply**. Any revision of the Directive should therefore avoid jeopardizing a framework that has broadly delivered on its core objective, and should instead focus on targeted improvements that strengthen resilience without creating unnecessary regulatory burden or additional financial burden.

Key recommendations for the revision of the Oil Stocks Directive:

- **Preserve the legal basis of the Directive** without turning it into a Regulation, as excessive harmonization could weaken its flexibility and constrain Member States' ability to respond to country-specific security of supply needs.
- **Recognize the refining and fuel manufacturing sectors as strategic** and provide targeted support to maintain and modernize critical infrastructure, production capacity and asset availability.
- **Recognize domestic crude oil production as a strategic component** of the wider EU's energy security framework.
- **Review the composition of emergency oil stocks to ensure it reflects current security risks**, recognizing the strategic importance of jet fuel for civil and military aviation while preserving Member States' flexibility to determine the most appropriate stockholding arrangements according to national circumstances.
- **Preserve and further facilitate the existing cross-border ticketing and storage framework**, as it reflects the reality that oil and fuel logistics already operate across borders and can ensure an optimal allocation of stocks in existing facilities, without forcing Member States to invest in new storage facilities.
- **Ensure full coherence with existing horizontal resilience frameworks** such as the Critical Entities Resilience Directive (CER) and Network and Information Security Directive (NIS2) by conducting a preliminary risk-assessment to avoid duplication of security-related requirements.
- **Preserve the distinction between mandatory emergency oil stocks and dedicated military fuel stocks or defense logistics arrangements** and engage appropriate NATO and Member State forums where any NATO or military-related considerations are addressed, rather than expanding the scope of the Directive.

In addition to the key recommendations outlined above, we would like to further elaborate on the following key points.

1. Preserve the legal basis of the Directive

One of the main features that makes the Oil Stocks Directive an effective cornerstone of the EU's energy security framework is its flexibility. Different Member States face diverse security challenges related to geography, infrastructure, import dependency, market structure, storage availability, refining capacity and geopolitical exposure. **This flexibility should therefore remain a defining feature of the revised framework, allowing Member States to determine the most appropriate means of meeting their stockholding obligations in close consultation with industry**. At the same time, **greater harmonization of reporting methodologies, calculation rules and the promotion of bilateral stockholding agreements could reduce administrative complexity, improve transparency and strengthen cross-border cooperation** without undermining national flexibility. Any changes to stockholding requirements should remain risk-based and reflect national circumstances, rather than introducing a one-size-fits-all approach that could disadvantage certain Member States.

2. Recognize the refining and fuel manufacturing sectors as strategic

In the context of the EU's transition to climate neutrality, the refining fuel and manufacturing industry remains a strategic sector for Europe's economy, contributing to security of energy supply, affordability and defense readiness. The legislative framework should therefore be proportionate and fit for purpose. Additional obligations that create administrative complexity and increase costs could accelerate the erosion of Europe's refining footprint and oil infrastructure, reducing the flexibility and optionality that the Directive is intended to protect. **The EU should urgently recognize refining and fuel manufacturing as strategic sectors and provide targeted, long-term support to maintain critical infrastructure, production capacity and asset availability**. Such a recognition shall also be upheld across the legislative framework underpinning the competitiveness and transition of the sector and the industries related to it, such as transport and chemicals.

3. Recognize domestic crude oil production as strategic

Ensuring resilience of the refining sector also requires **safeguarding access to secure crude oil supplies**. In this context, domestic crude oil production should be recognized as a strategic resilience asset. While it accounts for only around 5% of total EU crude oil consumption, its importance is much greater at the MS level, where it can cover a substantial share of annual demand – up to 45% in some MS. Finally, there is potential to increase domestic production with the right policy support and enabling conditions.

Therefore, a resilient crude oil value chain – from domestic extraction through transport infrastructure, refining and distribution – is a strategic pillar of the EU's energy security architecture. Domestic crude oil production provides European refineries with a secure source of supply, ensuring the continued availability of fuels essential for defense, emergency services, and other critical sectors. Crude oil extraction should therefore be **recognized as a strategic component of the EU's security, preparedness, and energy resilience framework**.

4. Composition of emergency oil stocks to reflect current security risks

Recent supply disruptions have highlighted the strategic importance of jet fuel for both civil and military aviation. The revision of the Directive should assess if the current composition of emergency stocks adequately reflects today's security risks and operational requirements. In particular, consideration could be given to **strengthening the role of jet fuel within the specific stocks regime, recognizing its strategic relevance during emergencies**. Any evolution of the required product mix should remain proportionate and risk-based, taking into account each Member State's refining capacity, storage infrastructure, domestic demand and security profile. **Where national storage capacity is limited, the Directive should continue to facilitate practical solutions through bilateral stockholding agreements and cross-border cooperation**, thereby enhancing security of supply while preserving the Directive's flexibility.

We support maintaining alignment with the IEA emergency stockholding framework, and the current setup in the Directive. The current **90 days** of net imports or **61 days** of inland consumption (depending on the calculation) captures one of the main sources of oil security risk: exposure to external supply disruptions. This approach also implicitly recognizes **the resilience value of domestic crude oil production, which reduces net import dependency, and contributes to the effective use and refilling of emergency stocks**.

In this context, any revision of the stockholding methodology should **preserve the link between obligations and import exposure, consider the overall net security of supply benefit and the related costs**, rather than move towards requirements that would weaken the recognition of indigenous crude oil production. In particular, any potential adjustments to the "90 days of net imports" stockholding requirement should be preceded by a comprehensive assessment of their logistical, operational and cost implications, including impacts on storage capacity, refining capacity required, ticketing arrangements and inventory financing across different Member States. Any changes should also be accompanied by a clear allocation of the associated costs between stockholding entities, industry and public authorities. The Commission should also take into account the structural changes that have affected the EU refining sector since the entry into force of the Directive in 2009. Around **30 refineries have closed across the EU during this period**, representing approximately 20% of the Union's refining capacity, with a corresponding reduction in available storage and logistics assets, which has a direct impact on the capacity to meet stockholding requirements within the EU.

5. Ensure full coherence with existing horizontal resilience frameworks

Establishing a separate EU crisis data reporting mechanism or an EU-wide exercise should be carefully assessed to avoid duplication, where these functions are already carried out through the IEA. **Risk assessments and emergency procedures should remain primarily the responsibility of Member States, with military and industry involvement**. The EU's added value should be to support visibility and readiness beyond fuel stocks and across the broader supply chain. Monitoring activities should cover pipelines, storage infrastructure, transport routes, production and refining capacity.

In doing so, the revised Directive should ensure full **coherence with existing horizontal resilience frameworks, notably the Critical Entities Resilience Directive (CER) and Network and Information Security Directive (NIS2)**. The OSD can play a useful role in identifying oil-related assets that are strategically relevant for energy security, such as refineries, storage sites, terminals, pipelines and central stockholding entities. However, **it should not create parallel or duplicative physical security, cybersecurity or resilience obligations where these are already addressed under CER and NIS2**. The revised framework should therefore support a risk-based identification of critical oil infrastructure, while leaving detailed protection, cybersecurity, incident reporting and resilience requirements to the relevant horizontal legislation.

6. Preserve distinction between mandatory emergency oil stocks and dedicated military stocks

The revised framework should **preserve the distinction between mandatory emergency oil stocks governed by Directive 2009/119/EC and dedicated military fuel stocks or defense logistics arrangements**. Article 20(1) already enables Member States, in the event of a major supply disruption, to prioritize the allocation of petroleum products to specific categories of users, which may include the Armed Forces and emergency services. **Any NATO or military-related considerations should therefore be addressed through appropriate engagement between EU institutions, NATO and Member States**, while ensuring industry involvement where relevant, rather than by expanding the scope of the Directive to regulate military stocks directly.

Overall, a targeted revision should therefore be risk-based, preserve the Directive's proven foundations to mitigate economic harm during times of crisis, reduce unnecessary administrative burdens, s"support and protect domestic upstream and downstream crude oil value chains and related infrastructure.

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