

Industry Report Petroleum

2023/24

KEY FACTS AT A GLANCE



AT A GLANCE

THE AUSTRIAN PETROLEUM INDUSTRY

		2023	2022	2021	2020	2019
Member companies, sold production, employees						
Number of association companies		26	26	26	27	27
Sold production	€ mn	10,451	10,875	8,529	6,145	9,688
Total employees		4,335	4,221	4,180	4,625	4,402
Of which blue-collar		887	833	789	833	828
Of which white-collar		3,405	3,337	3,328	3,719	3,493
Of which apprentices		43	51	63	73	81
Production, import, transport						
Domestic oil production (incl. NGL)	tons mn	0.48	0.53	0.57	0.61	0.64
Domestic natural gas production	m ³ n bn	0.55	0.61	0.65	0.74	0.89
Crude oil import	tons mn	7.51	5.13	7.64	7.46	8.59
Natural gas import ¹	m ³ n bn	6.75	11.43	4.51	6.13	10.74
Oil transport ²	tons mn	7.55	5.28	7.74	7.48	8.75
Oil refining ³	tons mn	8.0	5.8	8.3	8.7	10.0
Consumption, products						
Domestic oil consumption ⁴	tons mn	9.68	9.73	9.97	9.76	11.46
Petroleum imports – products ⁴	tons mn	5.81	6.99	6.06	6.22	6.64
Petroleum exports – products ⁴	tons mn	2.83	2.17	3.43	3.26	3.33
Domestic gas consumption (end consumers)	m ³ n bn	6.59	7.50	8.51	8.00	8.34
Filling stations, vehicles						
Number of filling stations ⁵		2,751	2,759	2,748	2,733	2,733
Of which major branded		1,310	1,316	1,322	1,352	1,353
Approved vehicles		7,340,150	7,269,414	7,214,970	7,098,814	6,996,222
Of which cars and station wagons		5,185,006	5,150,890	5,133,836	5,091,827	5,039,548

¹ Physical imports minus physical exports (import-export balance)

² Adria-Vienna pipeline

³ Until 2020 including semi-finished products

⁴ Without petrochemicals or in part without sole biofuels

⁵ Excluding 273 agricultural diesel outlets (2022: 273; 2021: 273; 2020: 273; 2019: 286)

THE SPECTRE OF RECESSION

AUSTRIA'S ECONOMY

State expenditures in Austria reached a record level thanks to adjustments in salaries and old-age pensions, as well as measures to fight the energy crisis. Nevertheless, the deficit dropped below the Maastricht threshold. Public debt rose and the debt ratio continues to be above European targets.

Geopolitical tensions and an abating energy crisis characterised the year 2023. The **Economic development** varied between regions. While the US grew by 2.5%, the European Union stagnated at 0.4%. Austria experienced a recession, with its GDP declining by 0.8%, and manufacturing and several parts of the service sector particularly affected. High inflation further impacted on the purchasing power and consumption foundered. Net wages and salaries rose by just 0.8%, and inflation, at 7.8%, was markedly above that of the euro zone.

Real GDP was lower than in the previous year by 0.8% (nominally +6.7%). Economic performance lagged as of April, following a momentum provided at the start of the year by the production, trade, hospitality and gastronomy sectors. Until autumn, services provided some positive accents, but at the start of 2024 most sectors showed only weak activities.

Exports rose by 3.1% while imports declined by 5.8% in 2023, mostly due to lower gas prices. As a result, Austria's trade deficit was reduced to € 2.02 billion (versus € 20.59 billion in 2022).

In 2023, **inflation** was 5.4% in the euro zone and 8.6% in the US. At 7.8% in Austria (8.6% in 2022), inflation was substantially above the euro zone rate,

driven mainly by rentals (+7.9%), natural gas (+55.2%), thermal energy (+50.5%), gastronomy (+12.0%) and package tours (+10.0%). Dampening effects came from fuel prices (-8.7%) and electricity (-2.5%).

Following a peak in January 2023, inflation subsided, dropping to 3.3% in May 2024, the lowest value since October 2021. Nevertheless, the gap vis-à-vis the euro zone remained, albeit it will be narrower in 2024, and will continue to be a challenge for Austrian competitiveness.

Monetary policy has a direct impact on the economy, growth, employment and inflation. Due to the Ukraine crisis, the ECB for a long time hesitated raising interest rates in order to guard the economy from harm. The first increase (by 0.5%) did not take place until July 2022, followed by a total of nine further increases, by altogether 4.0%, up until September 2023. Further increases were stayed until April 2024. In early June 2024, the ECB for the first time in quite a while decided to cut interest rates by 0.25%.

In 2023 **public spending** in Austria reached a record value of € 248.8 billion, caused by adjustments in wages, salaries and pensions as well as measures against the energy crisis. The budget deficit declined, thanks to higher revenues and economic

growth, to € 12.7 billion (2.7% of GDP), managing to stay below the Maastricht limit. The public debt expanded by € 20.4 billion, to € 371.1 billion, the debt ratio receded slightly to 77.8% (2022: 78.4%), but was still definitely above European rules.

In the year under review, 4.48 million persons in Austria were gainfully employed (2022: 4.44 million). **Unemployment** rose by 0.4 percentage points, to 5.1%, while the employment rate went up to 74.1% (2022: 74.0%). The number of employed persons dropped to 3.94 million over the year (2022: 3.96 million), while 542,000 individuals were self-employed (+12.0%). The labour market showed a positive trend during most of the year, although the trend reversed towards the end of the year. The recession and tight economic situation showed through mostly in industry and tourism, which caused economists to continually correct their forecasts.

Negotiations for a collective bargaining agreement typically draw upon the inflation rate of the past twelve months as a basis for the wage round. In the past, Austrian businesses were wont to compensate wage increases by a growth in productivity. Yet, in view of the critical challenges ahead, it is uncertain whether this will continue to succeed in the future.

OUR TASKS



Hedwig Doloszeski, Managing Director

The Austrian Petroleum Industry Association (APIA, or FVMI to give it its proper German title) is the Austria-wide association of petroleum-based industries organised within the Austrian Economic Chamber, interacting in its capacity of statutory interest group between the industry and the public. Its members are companies that operate upstream (exploration and production of crude oil), midstream (transport in pipelines) and downstream (processing at their own or associated refineries and sale of petroleum products).

CORE ISSUES RANGING FROM THE ENVIRONMENT TO SOCIAL POLICY

The Green Deal was the foremost project during the EU parliamentary session ended in 2024. In order to achieve the environmental and climate targets, the petroleum industry contributed future-proof solutions and technologies, thereby proactively boosting the energy turnaround. During the year under review, many legislative proposals progressed to their finishing stages, and it is now up to politics to create the framework for their implementation. Considering the significant costs of investment and operation it is essential to push projects that aim at decarbonisation.

The petroleum industry perceives itself as a pivotal propellant of solutions for issues of future energy supply, and it is a reliable partner in forwarding the switch to alternative energy sources. The object is to cope with the challenges of ensuring uninterrupted supply, competitiveness, sustainability and affordability. To manage this, it is necessary to

have a clear statutory framework, to which APIA contributes through advisory opinions furnished to ministries and other government bodies within the industry-specific review of EU directives and national bills and draft ordinances.

APIA covers industry-relevant issues regarding environment and energy – such as strategies to cope with climate change, energy efficiency, emissions trading, regulations regarding (biomass) fuels, standards, waste water/garbage disposal and chemicals, as well as taxation, commercial law and social policy issues – within its working groups in coordination with its member companies and other experts.

Industry-specific information and reports on general business issues are passed on to its members in cooperation with the relevant departments of the Austrian Economic Chamber.

COLLECTIVE BARGAINING, COOPERATION AND MONITORING

Each January, a new collective bargaining agreement is negotiated between the Association on behalf of employers and the Union of Private Sector Employees, Journalism and Paper (GPA) and the Production Workers Union PRO-GE for over 4,300 employees in the petroleum industry, which usually enters into force in early February.

The APIA office organises working group meetings, closely cooperates with other organisations in the field and provides assistance to *Österreichische Gesellschaft für Energiewissenschaften* (Austrian Society for Energy Sciences; ÖGEW), the main office of *Grubenrettungs- und Gasschutzwesen GmbH* (mine rescue and gas protection services) and the sectoral committee for SCC (Safety Certificate Contractors).

Next to legally representing its members' interests, one of the Association's priority responsibilities is the weekly poll of fuel prices which is neutrally assessed by the APIA office and passed on to the EU Commission for an EU-wide comparison. Once a year, APIA produces statistics on petrol stations, which reflect the number of petrol stations broken down by brands and Austrian Länder (states).

The Association perceives itself and its PR work as the mouthpiece of the petroleum industry. Its website, press releases, newsletters, a LinkedIn link and fact sheets on the petroleum market in Austria are typical examples of its work. In a similar vein, APIA's annual report enables readers to track the development of the Austrian petroleum industry across many years.

BODIES OF THE INDUSTRY ASSOCIATION

OFFICIALS & EMPLOYEES

The Association Committee decides on the targets and strategies and is responsible for deciding on budgets and financial statements. Its members are appointed for a term of five years in the course of the elections for the Austrian Economic Chamber. The next election will take place in 2025.

APIA ASSOCIATION COMMITTEE

Chairman

Martijn Arjen van Koten
Board Director Fuels & Feedstock
OMV Aktiengesellschaft

Deputies

Rainer Klöpfer
Chairman of the Management Board
Shell Austria GmbH

Melanie Milchram-Pinter
Managing Director
BP Austria branch, BP Europa SE

Members

Ernst Burgschwaiger
Authorised signatory ONEO GmbH

Marco Damonte
Managing Director Enilive Austria GmbH

Erik GILLE
Managing Director
JET Tankstellen Austria GmbH

Heimo Heinzle
Managing Director
RED Drilling & Services GmbH

Michael Längle
Company representative
REP GmbH

Alessio Lilli
Managing Director
Transalpine Ölleitung in
Österreich Ges.m.b.H.

Nina Marczell
Authorised signatory
OMV Downstream GmbH

Markus Mitteregger
General Director RAG Austria AG

Christina Reichart
Authorised signatory
OMV Solutions GmbH

Wilhelm Sackmaier
Managing Director OMV Austria
Exploration & Produktion GmbH

Armin Springer
Managing director under commercial law
Enilive Marketing Austria GmbH

Alfred Stern
General Director
OMV Aktiengesellschaft

Stefan Tomann
Managing Director
Erdöl-Lagergesellschaft m.b.H.

Co-opted members

Martin Hussler
Managing Director
MOL Austria Handels GmbH

Peter Pirkner
Authorised signatory
OMV Aktiengesellschaft

APIA OFFICE

Hedwig Doloszeski
Managing Director

Susanne Gfatter
HSSE, SCC

Reinhard Thayer
Environment and energy

Alessandra Fabro
APIA secretariat, statistics

Katja Fuchs
APIA and SCC secretariats

Sabine Ravasz
ÖGEW secretariat

WE ENERGISE AUSTRIA

THE PETROLEUM INDUSTRY

The Austrian petroleum industry stands for individual mobility, contributes substantially to the performance of the Austrian economy and provides attractive jobs and future-proof training opportunities for the young generation. Thanks to ongoing developments and the application of new technologies, the petroleum industry actively helps achieve the climate targets.

In 2023, Austria's petroleum industry generated an annual turnover of about € 10.45 billion, a decline of 3.9% (2022: € 10.87 billion). Production was lower than in the previous year, but still markedly higher than in 2021. Even though fossil energy sources did not experience any massive price surges, prices still remained at their high level. Furthermore, inflation declined at a less rapid pace than expected. The petroleum industry is a fixed part of economic networks and, given its 11,000 staff, a major employer.

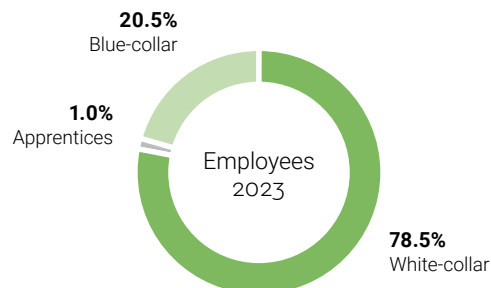
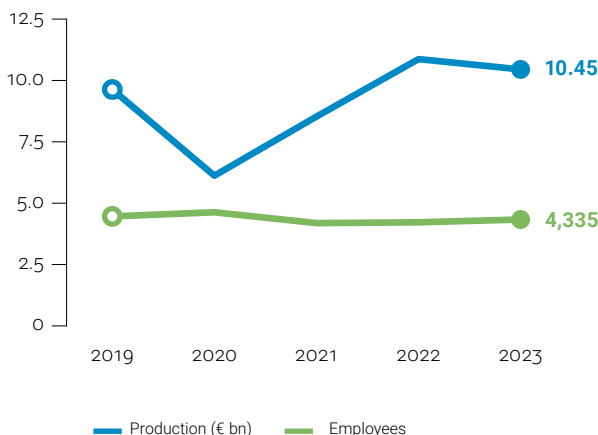
The petroleum businesses ensure sustainable supply security for all of Austria, year-round and 24 hours a day. In addition to supplying urban areas they cover peripheral places which require managing long transport routes and extensive storage capacities. The petrol stations sell much more than just fuels – they have turned themselves into regional service centres that offer a large range of products and services.

In the reporting year, domestic crude production delivered about 6% of the processing volume generated by the Schwechat refinery (2022: 9%). Despite this relatively small share, the local petroleum companies rank among the top European players in terms of exploration and production. In 2023, the Schwechat refinery processed 7.6 million tons of crude oil (compared to 5.8 million tons in 2022), covering about 73% (2022: 54%) of the domestic consumption of petroleum products. The Schwechat refinery doubles as a major petrochemical location.

Supply security is the top issue of tomorrow's energy market, especially when considering the ongoing transformation of energy systems. The petroleum industry has a dense Austria-wide network of storage tanks for petroleum products and natural gas at its disposal, thereby ensuring that seasonal variations and temporary supply shortages can be compensated. In view of declining fossil energy sources and the changeover to renewables, these systems need to be redesigned in order to continue to secure country-wide supply.

Sold production and employees

APIA-associated companies



TRANSFORMATION OF ENERGY SYSTEMS

Over the past decades, the European energy industry has undergone a large-scale transformation towards renewable energy systems. Key issues are energy efficiency, reduction of greenhouse gas emissions and the use of regenerative energy sources. Notable progress and growth have been achieved in the field of renewables. Nevertheless, in the medium term their contribution to the primary energy mix will remain below that of fossil energy sources.

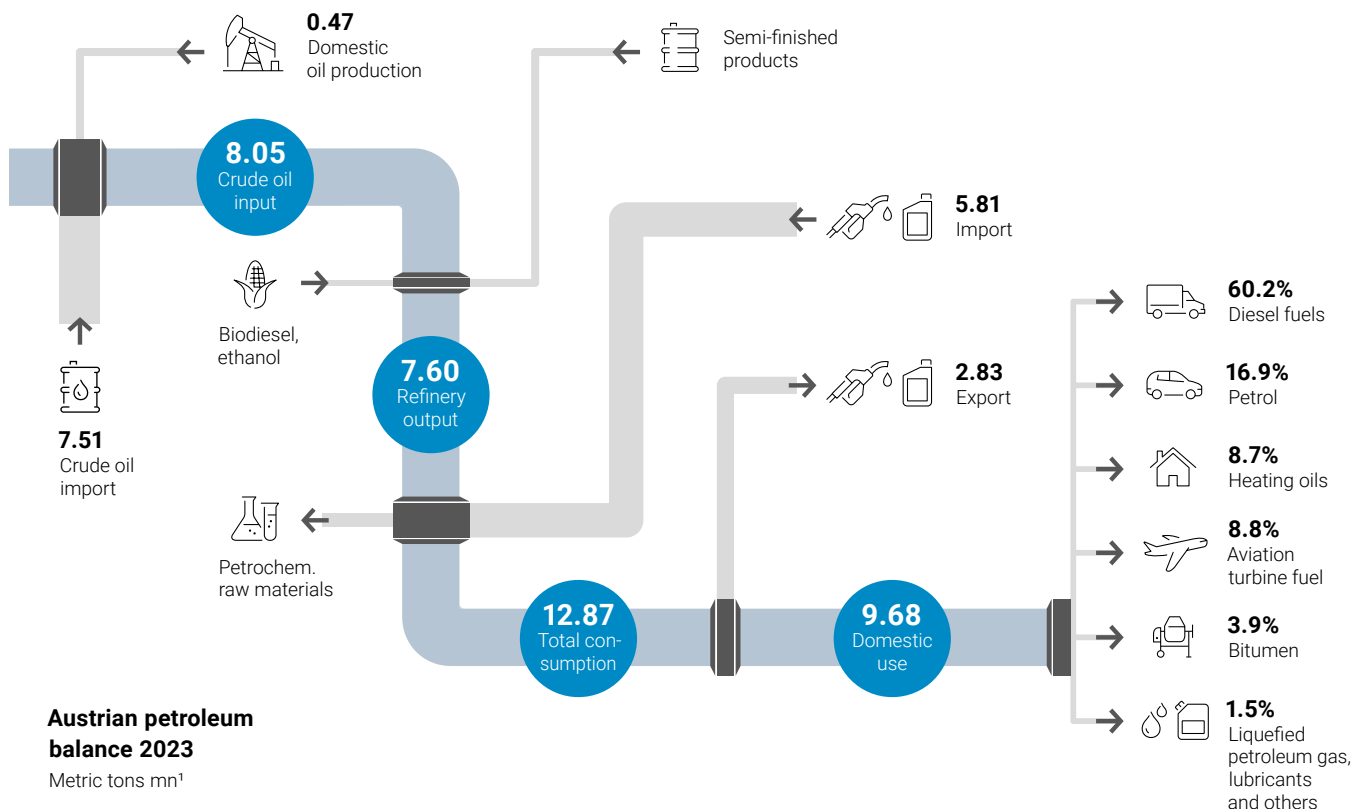
Fossil fuels, and especially natural gas and coal, will continue to be the main primary energy sources over the next decades. Still, North America and Europe, and particularly Germany after its exit from nuclear energy, experience a strong expansion of renewables, whereas coal will for the foreseeable future remain the central energy source in newly industrialised countries such as India and the South-east Asian countries.

In this debate, central issues are energy efficiency, climate-friendliness and cost. The share of fossil fuels used to heat human dwellings is declining, and people are changing their mobility habits. As a result, demand for fossils is shrinking in many European countries while the importance of electricity as an energy source is soaring.

The petroleum industry is increasingly affected by large-scale transformation processes. Over the next years, wind power and solar energy will inexorably gain momentum. Similarly, grid stability, volatile availability of renewables and a spread of small decentralised energy systems will pose new challenges to the sector.

Electric mobility, hydrogen, biofuels and e-fuels, as well as geothermal energy, carbon capture, use and storage (CCU/CCS), innovative storage technologies, growing awareness of the need for climate protection and more stringent climate targets, coupled with state-of-the-art measures to improve efficiency – they all combine to change the market environment. Furthermore, declining production costs will make the generation of alternative energy a more attractive proposition, propelling a pervasive transformation process away from traditional energy generation.

Fossil fuels will continue to be the mainstay in the emerging countries for a long time to come. In Europe, however, the ongoing change towards more renewables as a component of the energy mix will intensify, a trend that will be reflected in North America and, weaker and with a time gap, also in China and the Far East.



¹ Simplified chart; rounding errors from delimitation differences, double counts, release of contingency reserves and refinery consumption

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