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Phasing Out Leaded Fuel The role of the Oil Industry

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IPIECA's Mission

To develop and promote scientifically sound, cost-effective, practical, socially and economically acceptable solutions to global environmental issues pertaining to the oil industry



Company Members

Amerada Hess

BHP Billiton

BP

ConocoPhillips

ExxonMobil

Maersk

Metasource Pty Ltd (Woodside)

NOC Libya

Norsk Hydro

Petronas

Repsol YPF

Shell

Total

BG Group

Bitor

ChevronTexaco

ENI SpA

KPC

Marathon

Nexen

Encana

PDO

Saudi Aramco

STATOIL

Unocal



Association Members

API

AIP

CPPI

EUROPIA

OGP

RECSO (ex Gaocmao)

ARPEL

CAPP

CONCAWE

IFP

PAJ

SAPIA



IPIECA in Profile



- Founded 1974 - Global Membership: national & multinational petroleum companies / associations
- Interaction/cooperation with UN & other international organizations (Consultative Status with UN ECOSOC)
- Secretariat based in London
- Focus on key global issues:
 - ◆ Oil Spill Preparedness & Response
 - ◆ Fuels & Vehicles
 - ◆ Health
 - ◆ Global Climate Change
 - ◆ Biodiversity
 - ◆ Social Responsibility



IPIECA's Role in Fuels & Vehicles

Our Objectives:

- ◆ *Support the worldwide elimination of lead as an additive in transportation fuels*
- ◆ *Act as a forum to bring oil companies together on this issue*
- ◆ *Work with governments and others to encourage prompt action to mandate its elimination*

What we have done:

- ◆ *Helped plan and participate in World Bank SSA SubRegional Conferences*
- ◆ *Collected country data on Leaded Gasoline with World Bank*
- ◆ *Worked with Autos on Lead Phase-Out & Fuel Harmonization*
- ◆ *Supported the UN PCFV*



Some General comments

- IPIECA's role has so far been limited to facilitating industry input into the CAI SSA Lead removal process
- Since Dakar, we have had a number of workshops and seminars which were designed to stimulate discussion, planning and action
- Through all of this, we have encouraged stakeholders to recognize that Urban Air Quality - not just emissions - is the goal



Some General comments

- The impact:
 - ◆ Fuels & Vehicles has fully emerged as GLOBAL issue
 - ◆ Changes to fuel specifications represent a large potential impact to our industry – and in some cases our host government partners
 - ◆ Ultimately, there is only one person who pays: the consumer
 - ◆ A 'case by case' basis provides the most cost effective means for Lead phase out
 - ◆ Regional harmonization in fuel specifications and duties is helpful in preventing adulteration and smuggling and enables trade between countries and regions



Regional Observations



- Partially Unleaded countries:
 - ◆ 'Trickle' approach may actually slow down the adoption of ULG
 - ◆ Concerns over contamination
 - ◆ Many retail infrastructures in SSA cannot accommodate dual grades – Leaded / Unleaded
 - ◆ Flexibility is key
 - ◆ Communication with consumers is essential to maintain public confidence



Regional Observations

- Key agents of change for basic Lead removal are the governments in the region, but refiners also need help
- We realise that you have competing priorities
- The World Bank CAI and UN PCFV programs help to overcome these obstacles and provides a common framework for Lead removal



Recommended Next Steps

- For governments, in association with refiners and importers, and car manufacturers, to agree on – to the extent possible - harmonized specifications
 - ◆ Octane
 - ◆ Additives
 - ◆ Dyes

- Planning, communication, and tax policy





Thank You