



# **MINISTRY OF PETROLEUM INDUSTRIES**

## **2013 Annual Performance Report**

**“Let us make Sri Lanka as the most efficient Petroleum  
Energy Hub in the region.”**



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# Message from the Hon. Minister of Petroleum Industries



It gives me great pleasure to present this publication titled “2013 - Annual Performance Report” to Parliament on the activities carried out by the Ministry of Petroleum Industries together with the Ceylon Petroleum Corporation (CPC) and the Ceylon Petroleum Storage Terminals Ltd (CPSTL), two agencies coming under the purview of the Ministry. The report describes the services planned and rendered to fulfill the petroleum products requirements of the country during year 2013 by the Ministry and its entities.

The demand for the fuel consumption has increased due to rapid development in the country. However since Sri Lanka is not an oil producing country yet, the total oil requirement has to be met from imports. Although the dependence on oil importation is an economic challenge to the country, functions of importation, refining and distribution have to be managed properly as oil consumption has become a vital need for the day today lives of the people.

Ceylon Petroleum Corporation has been in operation for more than a period of half a century. At present, it has been able to maintain about 80% of market share through providing an efficient and effective service to the consumers. Ceylon Petroleum Storage Terminals Limited is contributing its effort to realize the above situation through storing and distribution of products island wide. Although the prices of petroleum products were high in the world oil market in the recent past, my Ministry together with two agencies has been able to maintain stable prices throughout the year.

Among major policy decisions taken during the last year, the introduction of Petrol of Octane 92 in place of Petrol of Octane 90 with effect from 1<sup>st</sup> January 2014 is significant. Arrangements were made by the two agencies, CPC and CPSTL under the direction of the Ministry to distribute this new product to the consumers by 31<sup>st</sup> December 2013. This policy decision will directly help sustain the nation economically and environmentally.

In addition, revision of specifications for petroleum products, upgrading of chemical laboratories, purchasing of petroleum products on term contract basis and market expansion have been implemented in order to realize “Sri Lanka- Emerging Wonder of Asia: Mahinda Chintana – Vision for the Future” which is the development policy framework of the country.

I wish to place on record my sincere gratitude for the commitment and the support extended by the Deputy Minister, Secretary to the Ministry and other officials, Chairmen and other officials of the Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Limited to make the performance of the Ministry during the period a complete success.

**Anura Priyadarshana Yapa, M.P.**  
**Minister of Petroleum Industries**



# Message from the Hon. Deputy Minister of Petroleum Industries



I am pleased to send this message for the publication titled “2013 - Annual Performance Report” of the Ministry of Petroleum Industries.

Sri Lanka depends fully on the imported petroleum products and has been facing number of challenges in the recent past in the context of instabilities of world oil supply and price fluctuations.

In this context, the Ministry of Petroleum Industries has ensured the uninterrupted supply of fuel in the country in collaboration with the Ceylon Petroleum Corporation (CPC) and the Ceylon Petroleum Storage Terminals Limited (CPSTL) which are the two entities coming under the purview of the Ministry.

The Ministry together with two agencies have adopted/ implemented several important policy decisions and projects not only to provide their services to the consumers in an efficient and effective manner but to develop the petroleum industry in the country as well.

The Ministry through the CPSTL has been able to make sure the smooth distribution of fuel throughout the country and successful functioning of bunkering operations with substantial profits. CPC has taken steps to upgrade the lubricants and bitumen production as well as to introduce high quality fuel. The actions have also been taken to upgrade the laboratories with the state of the art technologies in order to provide high quality products to the consumers in the country. I take this opportunity to congratulate Minister of Petroleum Industries, Hon. Anura Priyadarshana Yapa for being able to ensure delivery of a consumer-friendly, efficient and effective service in the petroleum industry.

Finally, I emphasize that the Ministry of Petroleum Industries together with its two entities, the CPC and the CPSTL is always ready to take any action to ensure the improvement of petroleum industry for the national development and prosperity even in the midst of facing many challenges.

**Sarana Gunawardana, M.P.**  
**Deputy Minister of Petroleum Industries**



# Preamble



It is the responsibility of all government agencies to submit an annual report on the progress achieved by the respective agencies during the reporting year to Parliament. The Ministry of Petroleum Industries as a major policy making body in respect of imports, exports, distillery, storage and distribution of petroleum products in Sri Lanka presents this report titled “ 2013 - Annual Performance Report” for above purpose.

The report consists of two major sections: Section-I of the report includes two sub sections which provide basic information and analysis on world and Sri Lanka petroleum industry. The information of Section-I was basically collected from the internet and agencies such as Department of Sri Lanka Customs, Ceylon Petroleum Corporation, Ceylon Petroleum Storage Terminals Limited, Lanka Indian Oil Company, Laugfs Gas PLC and Litro Gas Company.

Section-II of the report presents data and information about the planned development projects and performance of the activities carried out by the Ministry and two agencies (CPC and CPSTL) coming under its purview during 2013. The performance of the projects/activities has been presented this time as per the subject areas assigned to the Ministry by the government extraordinary gazette notification No. 1651/20 dated April 30, 2010.

In addition information on world and Sri Lanka petroleum industry are given in the Section-I, relevant data are provided as an appendix at the end of the report and it is expected to improve the presentation of these data further annually.

**R. H. S. Samaratunga**  
**Secretary**  
**Ministry of Petroleum Industries**



# MINISTRY OF PETROLEUM INDUSTRIES

## VISION

*“To be valued in the region for success and innovation in managing downstream Petroleum Industries”*

## MISSION

*“To become the most efficient Petroleum Energy Hub in the region, adopting appropriate policies and deploying innovative management techniques”*

## GOALS

*Formulation of appropriate policies to manage the Petroleum Industry activities in an efficient and effective manner*

*Adopting modern technology to meet the customer satisfaction of energy requirements*

## POWERS, DUTIES & FUNCTIONS OF THE MINISTRY

(As per the government extraordinary gazette notification No. 1651/20 dated April 30, 2010)

- ❖ Formulation of policies, programmes and projects with regard to the subjects of Petroleum Industry and all subjects based on the Mahinda Chintana-Vision for the Future and any other national policies adopted by the Government.
- ❖ Direction for the implementation of such policies, programmes and projects within the time lines with a view to achieve the objectives.
- ❖ Provision of all public services that come under the purview of the Ministry in an efficient and people-friendly manner.
- ❖ Reforming of all systems and procedures to ensure the conduct of business in an efficient manner, deploying modern management techniques and technology where applicable while eliminating corruption and waste.
- ❖ Import, refining, storage, distribution and sale of petroleum based products and natural gas.
- ❖ Producing and refining of petroleum products.
- ❖ Distribution and making of gas from sources such as petroleum products.
- ❖ Development of infrastructure facilities for supply and distribution of fuel.

## MAIN DIVISIONS OF THE MINISTRY

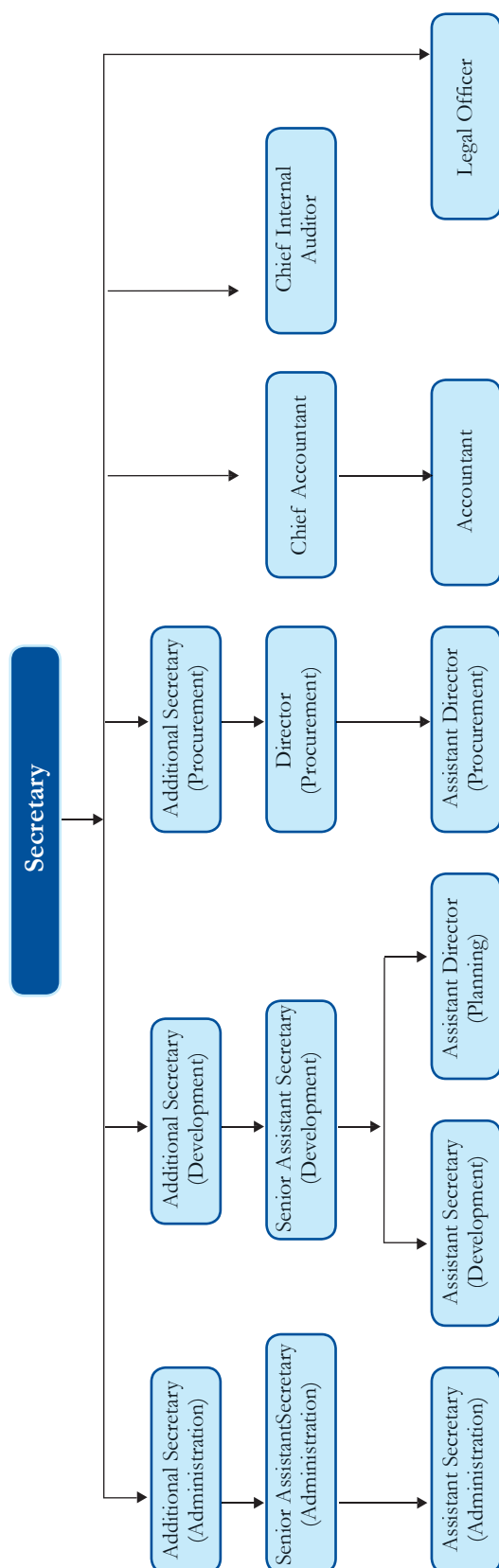
- ❖ Establishment & Administration Division
- ❖ Development Division
- ❖ Finance Division
- ❖ Procurement Division
- ❖ Internal Audit Division

## INSTITUTIONS UNDER THE PURVIEW OF THE MINISTRY

By virtue of government extraordinary gazette notification No.1651/20 of the Democratic Socialist Republic of Sri Lanka dated April 30, 2010, the following institutions have been assigned to the Ministry of Petroleum Industries.

- ❖ Ceylon Petroleum Corporation (CPC)
- ❖ Ceylon Petroleum Storage Terminals Ltd (CPSTL)

## ORGANIZATIONAL STRUCTURE



## MINISTRY CADRE - As at 31<sup>st</sup> December 2013

Position	Approved	Existing	Vacant
<b>Senior Level</b>			
Secretary	01	01	-
Additional Secretary	03	02	01
Chief Accountant	01	01	-
Senior Assistant Secretary	02	02	-
Chief Internal Auditor	01	01	-
Director	01	-	01
Assistant Secretary	02	02	-
Assistant Director	02	01	01
Accountant	01	01	-
Legal Officer	01	-	01
<b>Total</b>	<b>15</b>	<b>11</b>	<b>04</b>
<b>Secondary Level</b>			
Administrative Officer	01	01	-
Translator	01	-	01
<b>Total</b>	<b>02</b>	<b>01</b>	<b>01</b>
<b>Tertiary Level</b>			
Development Assistant	20	18	02
Public Management Assistant	27	19	08
Information Technology Assistant	02	01	01
Coordinating Secretary to the Secretary	01	01	-
Still Photographer	01	-	01
Video Cameraman	01	01	-
<b>Total</b>	<b>52</b>	<b>40</b>	<b>12</b>
<b>Primary Level</b>			
Driver	13	11	02
Camera Helper	01	01	-
KKS	13	08	05
<b>Total</b>	<b>27</b>	<b>20</b>	<b>07</b>
<b>Total</b>	<b>96</b>	<b>72</b>	<b>24</b>



## **SECTION I**

# **AN OVERVIEW OF THE PETROLEUM TRADE**



# 1. AN OVERVIEW OF THE PETROLEUM TRADE

## 1.1 World Petroleum Trade

### 1.1.1 Introduction

Fossil fuel which accounts for 87% of the world primary energy demand in 2012 is worth as a portable, dense energy source, powering the vast majority of vehicles and as the base for many industrial chemicals. Hence it has become one of the world's most important commodities. Petroleum is the largest primary commodity of international trade in terms of both volume and value. There is also an obvious national security and economic element involved in it for both producing/exporting and consuming/importing countries. The political stability and economic survival of both groups of countries and the entire international community depend to a large extent on the availability and affordability of oil in the international market. It is widely believed that high oil prices were responsible for several global economic recessions.

As the market for petroleum products is worldwide and highly fragile, it is impossible for any country to insulate itself from the world's dominant oil-producing region; the Middle East. Even if a country does not import a single drop of oil from the Middle East, any disruption in that region dramatically affects the price of oil everywhere else in the world.

#### **Shale gas, an increasingly important source of energy**

The increased attention paid to natural gas worldwide is closely linked to the emergence of shale gas as a growing source of supply in the US and Canada. The fact that gas prices are relatively low means that gas is increasingly being used in the US for power generation. Attention is also increasingly turning to the use of gas in the transport sector. Despite the rapid rise of supply from shale gas and its evidently large resource base, there are many potential barriers to the continued rise in supply, in both the medium- and

long-term. These include concerns about potential adverse environmental impacts, the disposal of waste water and excessive water use. However, these concerns seem to be receding. Another question relates to the behaviour of gas prices in the future. Prices in the US are well below those in Europe and Asia, and it is possible that increased inter-regional gas flows (particularly if expected US LNG exports materialize) will establish more linkages among these markets. However, this does not necessarily mean uniformity in pricing mechanisms nor a sharp convergence in prices, given the varied market structures, high LNG transport costs and steps to mitigate risks (particularly demand risks) that are needed to be able to develop an upfront capital-intensive gas liquefaction infrastructure. Another significant uncertainty revolves around how fast infrastructure development and the refitting of commercial trucks, requirements to make natural gas as an important fuel in the transportation sector, can be undertaken.

**Source :** An extract from OPEC World Oil Outlook 2013

### 1.1.2 World Petroleum Supply

“Proved Reserves” are the estimated quantities of crude oil which geological and engineering data demonstrate with a reasonable certainty to be recoverable in future years from known reserves under existing economic and operating conditions. Unfortunately, the estimation of reserves is far from being an exact science. Estimation of “world's proved reserves” involves two major items:

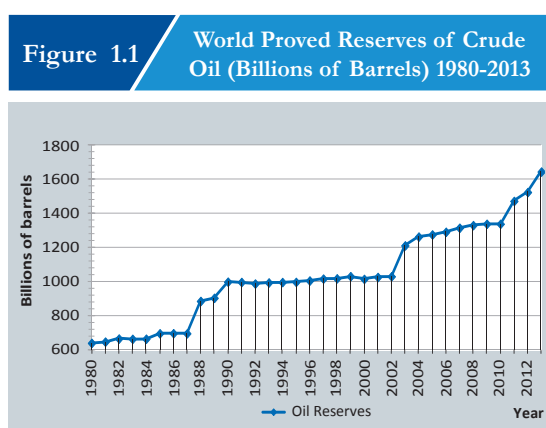
- ❖ Determining the total volume of oil in place at every oil reserve in the World
- ❖ Determining what percentage of oil can be recovered from each oil reserve.

Unfortunately, the volume of oil in place is never precisely known. Determining what amount can be ultimately recovered depends upon many

assumptions to include the methods/techniques used to recover the oil and the levels of success for the methods/techniques used.

The modern studies on estimates of petroleum reserves indicate that the world has more than enough oil resources to satisfy consumers' demand for decades. The key issues on its world supply surround basically on profitable exploration, production and distribution.

As shown in Figure 1.1 there is an increasing trend of world proved reserves of crude oil from 2002 to 2012 than earlier.



Source : Ministry of Petroleum Industries

Note: Data-<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

**Table 1.1** Proved Reserves of Crude Oil (Billions of Barrels) 2009-2013

Region	2009	2010	2011	2012	2013
North America	207.71	206.30	208.90	210.53	213.90
Central and South America	122.69	124.64	237.11	238.82	325.93
Europe	13.66	13.31	12.08	11.88	12.02
Eurasia	98.89	98.89	98.89	98.89	118.89
Middle East	746.00	753.36	752.92	799.61	802.16
Africa	117.06	119.11	123.61	124.21	127.74
Asia and Oceania	34.01	40.14	40.25	42.03	45.36
<b>World</b>	<b>1,340.02</b>	<b>1,355.75</b>	<b>1,473.76</b>	<b>1,525.96</b>	<b>1,645.98</b>

Source : <http://www.eia.gov/cfapps/ipdbproject/IEDIndex3.cfm>

**Table 1.2** Top World Oil Reserves Holders (Billions of Barrels) – 2013

No.	Country	Quantity
01	Venezuela	297.60
02	Saudi Arabia	267.91
03	Canada	173.11
04	Iran	154.58
05	Iraq	141.35
06	Kwait	104.00
07	United Arab Emirates	97.80
08	Russia	80.00
09	Libya	48.01
10	Nigeria	37.20

Source: <http://gulfbusiness.com/2013/04/top-10-countries-with-the-worlds-biggest-oil-reserves/#.Uy5Lbc7ozXQ>

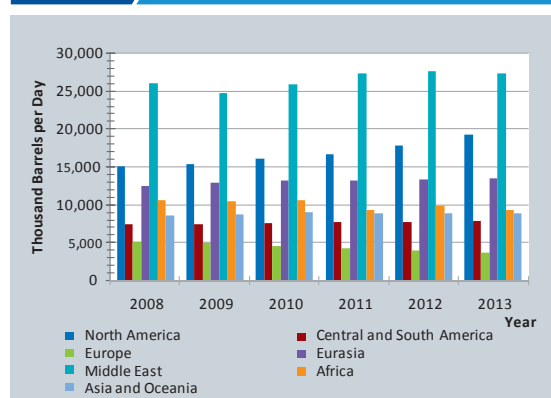
Table 1.2 shows the top ten countries which do have the biggest oil reserves in the world by 2013. Among these, top five places are achieved by Venezuela, Saudi Arabia, Canada, Iran and Iraq respectively. Venezuela surpassed Saudi Arabia last year (2012) to become the holder of the largest oil reserves in the world. Although the Venezuela accounted for the world largest proved oil reserves, its total oil supply in 2012 was only 2,489.2 thousand barrels per day.

However, Saudi Arabia has almost one-fifth of the world's proven oil reserves and ranks as the largest producer and exporter of oil in the world. Total oil supply in 2012 by Saudi Arabia was 11,545.7 thousand barrels per day. Canada's oil sands are a significant contributor to the recent growth in the world's liquid fuel supply and comprises the vast majority of the country's

proven oil reserves becoming third world leader. International sanctions have drastically impacted Iran's energy sector; the country's oil production has decreased dramatically in 2012 from over 35 million barrels per day in 2011 to just over 3.5 million barrels per day in 2012.

Figure 1.2 shows the world oil production (per day) by regions for the period of six years from 2008 up to 2013. Daily oil production in the world in year 2013 is 90,333 thousand barrels. The countries in the Europe region have been producing a less amount than other six regions. It represents only 4% (3,799 thousand barrels per day) out of daily oil production in the world in 2013. The countries in Middle East region get the first place of world oil production over the period 2008-2013 and the share of daily world oil production in 2013 is 30% (27,394 thousand barrels per day). The second largest world oil producing region is North America and its share is 21% (19,321 thousand barrels per day).

**Figure 1.2** World Oil Production (Thousand Barrels Per Day) 2008-2013



Source: Ministry of Petroleum Industries

Note: Data-<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

Top five oil producers in the world in 2012 are Saudi Arabia, United States, Russia, China and Canada respectively (Table 1.3). Among them, the largest producers of oil in the world are Saudi Arabia and United States of America both pump more than 11 million barrels each per day or nearly 25% of the world's total. Top five oil exporters in the world in 2012 are Saudi Arabia, Russia, United Arab Emirates, Kuwait and Nigeria respectively (Table 1.4).

**Table 1.3** Top World Oil Producers- 2012 (Thousand Barrels Per Day)

No.	Country	Quantity
01	Saudi Arabia	11,726
02	United States of America	11,115
03	Russia	10,397
04	China	4,416
05	Canada	3,856
06	Iran	3,589
07	United Arab Emirates	3,213
08	Iraq	2,987
09	Mexico	2,936
10	Kuwait	2,797
11	Brazil	2,652
12	Nigeria	2,524
13	Venezuela	2,489
14	Norway	1,902
15	Algeria	1,875

Source: [www.eia.gov/countries/index.cfm](http://www.eia.gov/countries/index.cfm)

**Table 1.4** Top World Oil Net Exporters-2012 (Thousand Barrels Per Day)

No.	Country	Quantity
01	Saudi Arabia	8,865
02	Russia	7,201
03	United Arab Emirates	2,595
04	Kuwait	2,414
05	Nigeria	2,254
06	Iraq	2,235
07	Iran	1,880
08	Angola	1,778
09	Venezuela	1,712
10	Norway	1,684
11	Canada	1,570
12	Algeria	1,547
13	Qatar	1,389
14	Kazakhstan	1,355
15	Libya	1,313

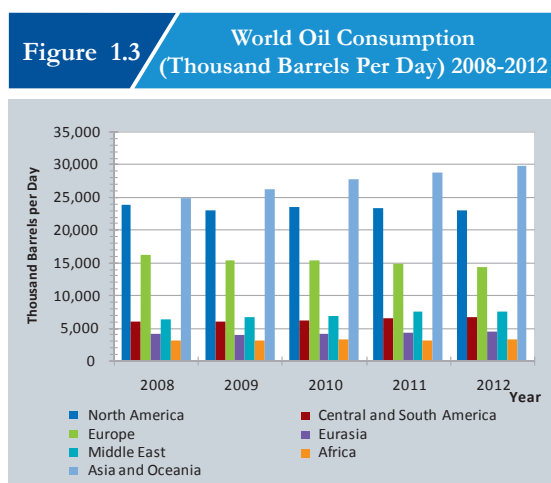
Source: [www.eia.gov/countries/index.cfm](http://www.eia.gov/countries/index.cfm)

### 1.1.3 World Petroleum Demand

Global oil demand is on the increase due to demand for energy requirements for transport, industrial, commercial, domestic and other activities.

Figure 1.3 shows the world oil consumption (per day) by regions during the period of five years from 2008 to 2012. Daily oil consumption in the world in year 2012 is 89,407 thousand barrels per day. The countries in the African region have been consuming a less amount than other six regions. It is only 3% (3,360 thousand barrels per day) out of daily oil consumption in the world in the year 2012. The countries in Asia and Oceania region get the first place of world oil consumption over the period 2008-2012 and their share of daily world oil consumption in 2012 is 33% (29,784 thousand barrels per day). The second largest world oil consuming region is North America and its share is 25% (22,924 thousand barrels per day).

Although the top oil producing region in the world over the period from 2008 to 2012 was Middle East, its consumption for the same period gets the fourth place in the world. On the other hand, Europe region is the lowest oil producer in the world over the period from 2008 to 2012 while its oil consumption gets the third place during the same period.



**Source:** Ministry of Petroleum Industries

**Note:** Data-<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

The top ten net importers of crude oil are the United States, Japan, Germany, South Korea,

France, Italy, China, Spain, India, and the Netherlands. The industrialized world consumes far more petroleum than it produces with the vast majority of it is imported from the Middle East. A combined Europe and Japan consume and import (net of exports) even more oil than the United States. Top five net oil importers in the world in 2012 are United States, China, Japan, India and South Korea respectively (Table 1.5).

The United States of America (USA), the world largest consumer has utilized approximately 18 million barrels per day in 2012, accounting for 20% of the world's total consumption. However, the USA produced only 11 million barrels per day (13% of the world total) creating a net import need of more than 7 million barrels per day, most of which was used to fuel motor vehicles. This import need is the largest in the world equal to 9% of the total world oil production.

Table 1.5 Top World Oil Net Importers-2012 (Thousand Barrels Per Day)		
No.	Country	Imports
01	United States of America	7,440
02	China	5,861
03	Japan	4,579
04	India	2,632
05	Korea, South	2,240
06	Germany	2,219
07	France	1,668
08	Singapore	1,360
09	Spain	1,260
10	Italy	1,198
11	Taiwan	1,058
12	Netherlands	949
13	Turkey	614
14	Belgium	607
15	Australia	607

**Source:** [www.eia.gov/countries/index.cfm](http://www.eia.gov/countries/index.cfm)

The second largest oil consumer is China whose consumption is equal to 15% of the world's total oil production. Unlike the United States, China produces less amount of petroleum on its own and is forced to import 60% all of what it needs.

Both France and Germany consume 6% of the world's oil but produce virtually nothing. The Middle East while producing 30% of world production utilizes 7% of the world's oil consumption. Asia is almost the reverse, constituting 27% of the total consumption but with 11% of total production.

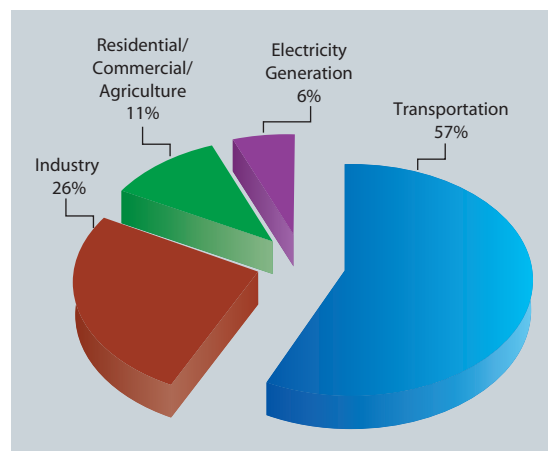
When considering petroleum demand by economic sectors, growth in petroleum demand since 1980 has been dominated by transportation sector – mainly road transportation, but also aviation, internal waterways and international shipping. The World Oil Outlook (WOO) 2012 shows that over the past three decades, the average annual growth of Organization for Economic Corporation and Development (OECD) and non-OECD countries has been very similar, each around 0.3 mb/d. In contrast to both OECD and Eurasian countries, developing countries also demonstrate a rise in oil use in other sectors eg. petrochemicals, residential/commercial/agriculture, and other industrial uses.

**Table 1.6** / **Top World Oil Consumers -2012**  
(Thousand Barrels Per Day)

No.	Country	Consumption
01	United States of America	18,555
02	China	10,277
03	Japan	4,715
04	India	3,622
05	Russia	3,195
06	Saudi Arabia	2,861
07	Brazil	2,807
08	Germany	2,388
09	Korea, South	2,301
10	Canada	2,287
11	Mexico	2,145
12	France	1,740
13	Iran	1,709
14	United Kingdom	1,503
15	Indonesia	1,384

Source: [www.eia.gov/countries/index.cfm](http://www.eia.gov/countries/index.cfm)

**Figure 1.4** / **Oil Demand by Sectors - 2010**



Source: OPEC World Oil Outlook 2013

### 1.1.4 International Market Price Movements

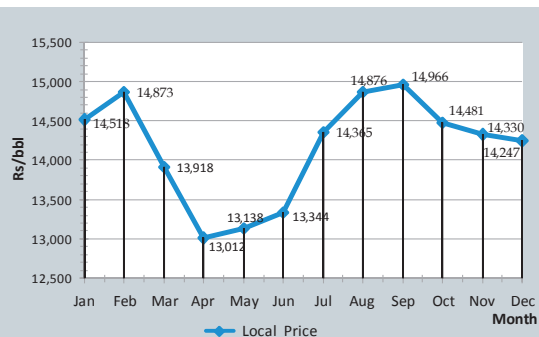
Cheap and plentiful oil is a critical factor in allowing the world's economies to regain and maintain robust economic growth. The price and availability of the oil commodity are controlled by several key parameters such as the number of vehicles in the world, quantity of oil extracted to the world, political stability of oil exporting nations and ability to defend oil supply lines. Due to these highly fluctuating variables, the long term prices of petroleum products have been facing continual changes.

The pursuit of alternative energy sources, purchases from non-Middle Eastern sources and drilling in other part of the world will do little to alter the power that Middle Eastern oil has over the world's economies at present. Accordingly for decades to come, steady oil prices and availability will be directly dependent on Middle East.

Figure 1.5 shows the monthly price (Brent) of a barrel of crude oil from January to December 2013. When considering the monthly price variation in 2013 with regard to a crude oil barrel in the Brent market, it shows that the price at the beginning of the year 2013 (January) Rs. 14,518 has drastically reduced upto Rs. 13,012 in April (except in February). It has again risen upto September and come down upto Rs. 14,247 at the end of the year 2013. Although it does not show a big price change between January and

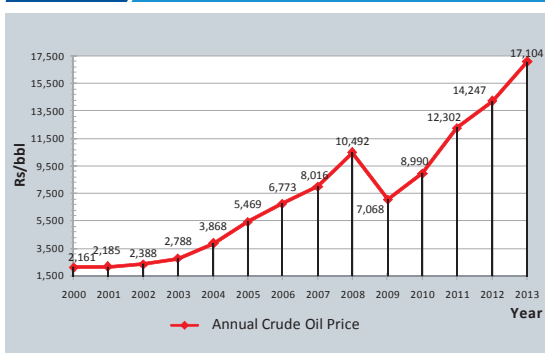
December, there is a substantial price variation throughout the year.

**Figure 1.5** Monthly Brent Price of Crude Oil (Rs/bbl) - 2013



Source: Ministry of Petroleum Industries

**Figure 1.6** Annual Brent Price of Crude Oil (Rs/bbl) 2000 - 2013

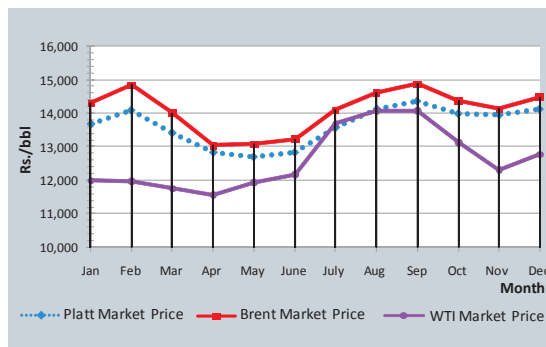


Source: Ministry of Petroleum Industries

Annual price variation of a crude oil barrel in the Brent market for a period of 14 years from 2000 to 2013 is shown in the Figure 1.6 above. The annual price of a crude oil barrel has increased gradually from Rs. 2,161 in 2000 upto Rs. 10,492 in 2008. In the year 2009 the price of a crude oil barrel has come down to Rs. 7,068 from the price in year 2008. However, from the year 2009 it has grown in an amount of Rs. 10,036 upto Rs. 17,104 in 2013. When considering the year 2000 as the base year, the price increase by 2013 was 691%.

Figure 1.7 below shows the monthly price behaviour of a crude oil barrel in major three world petroleum markets such as Brent market, WTI market and Platts market in 2013. The price behaviour of a crude oil barrel in Brent market shows that it is always the highest through out the year than Platts and WTI market prices.

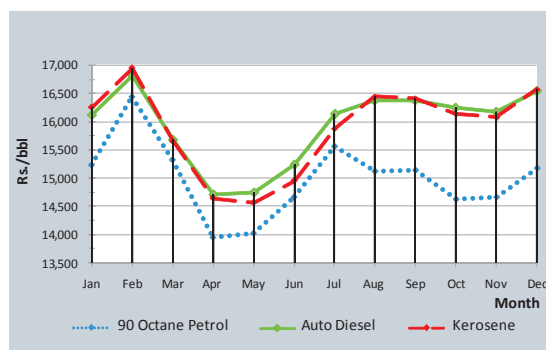
**Figure 1.7** Monthly Price of Crude Oil in Different Markets (Rs/bbl) - 2013



Source: Ministry of Petroleum Industries

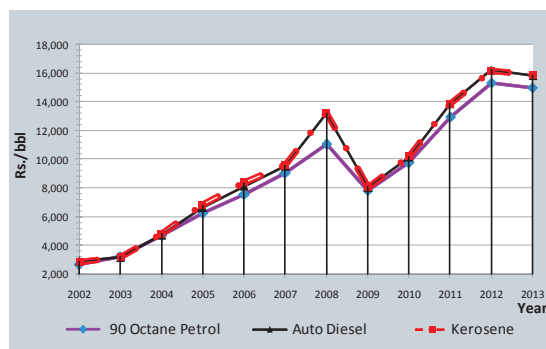
Figure 1.8 shows the monthly Platts prices of a barrel of petroleum products - Petrol of 90 Octane, Auto Diesel and Kerosene for 2013.

**Figure 1.8** Monthly Platts Prices of Refined Petroleum Products (Rs./bbl) - 2013



Source: Ministry of Petroleum Industries

**Figure 1.9** Platts Prices of Refined Petroleum Products (Rs./bbl) 2002 - 2013



Source: Ministry of Petroleum Industries

Price variation of refined petroleum products; Petrol of 90 Octane, Auto Diesel and Kerosene which are used by majority of the consumers for the period of past 12 years (2002-2013) is shown in Figure 1.9 above. Prices of these three

products have increased gradually from 2002 to 2008 while the prices have gone down in 2009 and again it has shown an increasing trend in 2012. Prices of three products have moved very closely from 2002 to 2005. But from 2006, the price of 90 Octane Petrol has continuously been lower from other two products' prices.

## 1.2 Petroleum Industry of Sri Lanka

### 1.2.1 Introduction

Considering the need and contribution of petroleum energy in every citizen's life in the country, the government established the Ceylon Petroleum Corporation (CPC) by Act No. 28 of June 1961 to handle downstream activities of petroleum products i.e. importing, exporting, refining, producing, blending, storing, distributing, transporting, wholesaling and retailing of petroleum products.

The behaviour of the local petroleum industry has undergone some structural changes due to various policy decisions taken by the successive governments from time to time. As a result many private sector companies have entered into the market in various ways such as imports, distribution and selling of petroleum products; i.e. lubricants, bitumen and bunker fuels etc. In this context, with the liberalization of the petroleum industry in the year 2003, Ceylon Petroleum Storage Terminals Limited (CPSTL) was established. At that time, Lanka Indian Oil Company (LIOC) entered into the petroleum marketing sector as a second player having one third share of the CPSTL while balance two third share is owned by CPC.

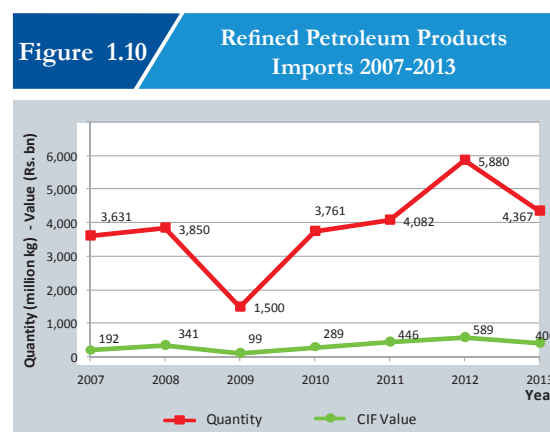
However, recognizing the need of a Cabinet-ranked Ministry to provide policy decisions and directions for the downstream activities of the petroleum industry in the country, the Ministry of Petroleum Industries was established as per the government extraordinary gazette notification No. 1651/20 dated April 30, 2010.

### 1.2.2 Importation of Petroleum Products

Figure 1.10 shows the total refined petroleum products imported to the country during the

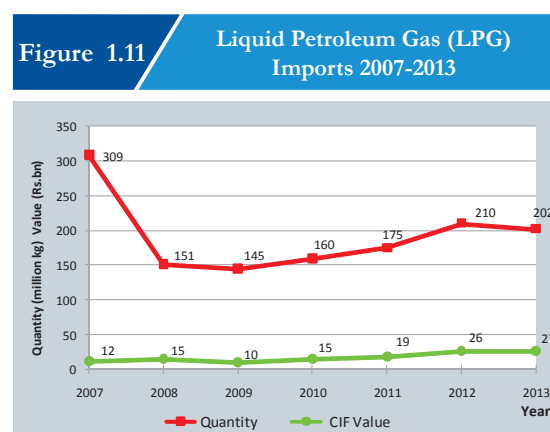
period from 2007 to 2013. Within this period the highest importation of refined petroleum products is reported as 5,880 million kg in 2012 while lowest importation is 1,500 million kg in 2009.

Figure 1.11 and Figure 1.12 show the total imports of Liquid Petroleum Gas (LPG) and Lubricants from 2007 to 2013.



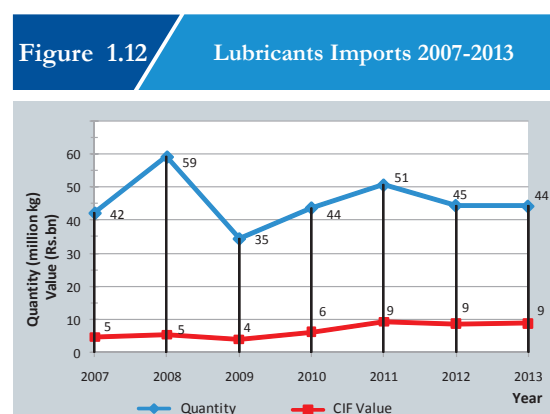
Source: Ministry of Petroleum Industries

Note: Data - Department of Sri Lanka Customs (Provisional)



Source: Ministry of Petroleum Industries

Note: Data - Department of Sri Lanka Customs (Provisional)



Source: Ministry of Petroleum Industries

Note: Data - Department of Sri Lanka Customs (Provisional)

HS Codes - 27101907, 27101908, 27101970, 27101980

### 1.2.3 Local Market Price Movements

When considering the pricing of fuels over the past in Sri Lanka, it is clear that the price revisions have been taken place during a number of times, sometimes more than one time even in the same year. In view of the major petroleum products used by majority of consumers, price of 90 Octane Petrol has been revised 27 times while the price of 95 Octane Petrol has been revised 26 times within the period from 2005 to 2013.

The prices of Auto Diesel and Supper Diesel have undergone revisions 23 times each within the same period. The prices of Kerosene and Industrial Kerosene have been revised 18 and 19 times respectively. The revised prices from 2005 to 2013 are shown in the Appendix.

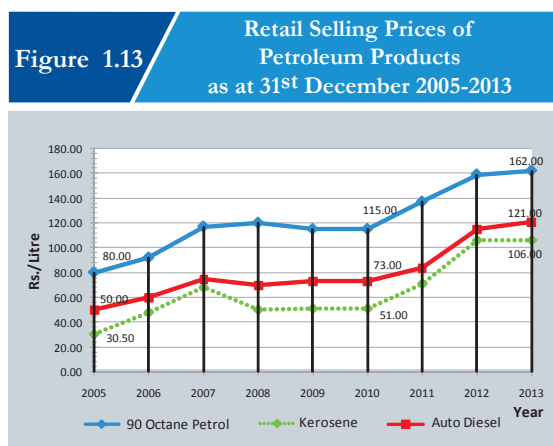
Table 1.7 shows the retail selling prices of major petroleum products as at 31st December 2005-2013 while Figure 1.13 shows the price revision trend for three major products; Petrol of 90 Octane, Auto Diesel and Kerosene.

Year	Retail Selling Prices of Petroleum Products (Rs./Litre) as at 31 <sup>st</sup> December 2005-2013							
	Type of Products							
	Petrol		Diesel		Kerosene	Furnace Oil		
	90 Octane	95 Octane	Auto Diesel	Super Diesel		1000 Sec	1500 Sec	3500 Sec
2005	80.00	83.00	50.00	55.30	30.50	31.40	30.30	26.00
2006	92.00	95.00	60.00	65.30	48.00	44.40	43.30	41.00
2007	117.00	120.00	75.00	80.00	68.00	52.70	51.70	46.65
2008	120.00	133.00	70.00	85.30	50.00	33.90	31.70	25.00
2009	115.00	133.00	73.00	88.30	51.00	34.90	32.70	26.00
2010	115.00	133.00	73.00	88.30	51.00	42.20	40.00	40.00
2011	137.00	155.00	84.00	106.30	71.00	52.20	50.00	50.00
2012	159.00	167.00	115.00	142.00	106.00	92.20	90.00	90.00
2013*	162.00	170.00	121.00	145.00	106.00	92.20	90.00	90.00

Source : Ceylon Petroleum Corporation

Note : 1. Sec – Redwood Seconds

2. \* Introduction of 92 Octane Petrol took place in place of 90 Octane Petrol with effect from 1<sup>st</sup> January 2014.



Source: Ministry of Petroleum Industries

### 1.2.4 Refining of Petroleum Products

The crude oil refinery at Supugaskanda was established in 1969 with a capacity of 38,000 barrels per stream day refining. Thereafter, refinery has undergone several modifications in a manner to increase the capacity up to 50,000 barrels per day. However at present, the total production of the refinery contributes to only 35-40% of total requirement of petroleum products in the country per annum. Petrol, Auto Diesel, Supper Diesel, Furnace Oil, Kerosene, LPG, Jet A-1, Bitumen, Chemical Naptha and

Solvent are the finished products that come from the refinery at Sapugaskanda.

### 1.2.5. Sale of Petroleum Products

Petroleum products such as Diesel, Petrol, Kerosene and Lubricants are distributed to the consumers through 1,074 CPC's filling stations established island wide. The CPC was the sole agency for the import of crude oil, refined petroleum products and supply of the same until 2003. The Lanka Indian Oil Company (LIOC) also came into operation in downstream petroleum trade in Sri Lanka in 2003. Currently, CPC and LIOC are involved in the process of petroleum products distribution in the country (Table 1.8). However, CPC continues to be the sole importer of crude oil.

Table 1.8		Petroleum Products Sales Outlets -2013		
No.	Province	CPC Out-lets	LIOC Out-lets	Total
01	Western Province	244	65	309
02	Central Province	86	07	93
03	Southern Province	123	18	141
04	Northern Province	176	08	184
05	Eastern Province	130	05	135
06	North Western Province	146	08	154
07	North Central Province	70	10	80
08	Uva Province	36	14	50
09	Sabaragamuwa Province	63	23	86
Total		1,074	158	1,232

Source: Ceylon Petroleum Corporation and Lanka Indian Oil Company

Table 1.9		CPC's Sales to Power Plants 2008-2013				
Year	Total Sales				Grand Total	
	Ceylon Electricity Board		Independent Power Providers		Volume (Litre'000)	Value (Rs.Mn)
	Volume (Litre'000)	Value (Rs.Mn)	Volume (Litre'000)	Value (Rs. Mn)		
2008	513,941	36,565	859,653	62,786	1,373,594	99,351
2009	575,046	27,781	930,125	32,824	1,505,171	60,605
2010	364,692	17,942	808,827	33,156	1,173,519	51,098
2011	454,404	26,964	943,291	47,397	1,397,695	74,361
2012	544,615	47,839	1,095,049	78,925	1,639,664	126,764
2013	296,909	26,972	430,491	37,325	727,400	64,297

Source : Ceylon Petroleum Corporation

Table 1.10

## Bunkering Business 2008-2013

No.	Entity	Sales (MT)					
		2008	2009	2010	2011	2012	2013
1	Lanka Marine Services Pvt Limited	*	81,136	149,829	170,213	130,433	137,280
2	Lanka Maritime Services Pvt Limited	24,852	39,951	74,962	92,130	73,137	62,660
3	Lanka Bunkering Pvt Ltd	*	1,631	1,315	1,250	4,470	1,748
4	Lanka Indian Oil Company	2,958	113,387	99,702	103,695	120,421	72,557
5	Inter Ocean Energy (Pvt) Limited	8,544	3,604	11,723	19,728	9,027	38,008
6	Moceti International (Pvt) Limited	216	893	*	584	67	3,062
7	CSC Kandia (Pvt) Ltd	377	1,376	5,113	*	*	*
8	Thalina Shipping (Pvt) Ltd	*	*	*	*	*	*
9	Maria Shipping (Pvt) Ltd	*	*	*	22	*	*
10	Mc MARINE (Pvt) Ltd	*	*	*	*	*	*
11	Ceylon Petroleum Storage Terminals Limited	*	*	*	*	*	43,523
12	Sri Lanka Ports Authority	*	*	*	*	*	*
Total		36,947	241,978	342,644	387,622	337,555	358,838

Source : Ministry of Petroleum Industries

Note: \* Not operated

The background is a vibrant blue with a complex, abstract pattern. It features a series of thin, white, parallel lines that create a sense of depth and movement, resembling a stylized sunburst or a series of overlapping planes. The lines are more densely packed in some areas and more sparse in others, creating a dynamic visual effect. The overall color palette is various shades of blue, from deep navy to bright cyan.

# **SECTION II**

# **PERFORMANCE**



## 2. PERFORMANCE

### 2.1 Formulation of Policies, Programs and Projects

Ministry of Petroleum Industries, as the policy making and the chief accounting body of the two entities, the Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Ltd plays an important role in formulation and implementation of all relevant policies, guidelines and development projects in achieving the set goals and targets. Accordingly, the followings are the main policy decisions taken and projects formulated in cooperation with two agencies during the year 2013.

#### a) Oil procurements

Approximately US \$ 5,000 million is spent annually for importation of crude oil and refined petroleum products in a normal year to meet the country's oil demand. This amount accounts for 25% of total importation cost of the country. However, Ceylon Petroleum Corporation is the largest petroleum product importer of the country. Hence, the CPC has to seek ways and means which will help to reduce the import cost of the petroleum products and the impact on foreign exchange associated with cost of importation.

The CPC under the guidance of the Ministry with the approval of Cabinet of Ministers has taken steps to increase the oil procurements based on term contracts since the world oil market prices face continued variations and sometimes high premiums have to be paid for the spot purchases. The uninterrupted fuel supply will also be ensured through the procurements based on term contracts. Therefore, long term agreements have been signed with several companies to procure the petroleum products.

#### b) Lubricant Business

The Ceylon Petroleum Corporation (CPC) had a monopoly in the lubricant business in Sri Lanka until it was sold to the Lanka Lubricants Ltd (Caltex) in 1994 with the exclusive right for

5 years. After the five-year period the lubricant business was liberalized and several competitors entered into the market. CPC also decided to re-enter the market with the intention of creating a healthy competition.

Through the process of calling for the expression of interest, Hyrax Oil SDN BHD, Malaysia was selected for lubricant business and an agreement was signed to carry out the lubricant business for five years commencing from 1<sup>st</sup> July 2008. As per this agreement, Hyrax Oil SDN BHD, Malaysia would manufacture a range of lubricant products in Malaysia under the brand name "Hyrax-Ceypetco" and CPC shall purchase the products from Hyrax and distribute them in Sri Lanka at a competitive price. Presently, CPC has the 2nd largest lubricant business under the trade name of the "Hyrax-Ceypetco" and it has become a profitable business for CPC. Therefore, the agreement has been extended by another one year till 30<sup>th</sup> June 2014.

A proposal has been submitted by the Hyrax Oil SDN BHD, Malaysia to establish a Lubricant Blending Plant in Sri Lanka to cater to the local market as well as to the export market. As per the negotiations carried out with them by CPC, this shall be a Joint Venture between CPC and Hyrax Oil SDN BHD, Malaysia which is proposed to be established as a BOI company with a total investment of US \$ 9 million. Having considered the local value addition, employment generation within the country and foreign exchange earnings, approval was granted by the Board of Directors of CPC for this project and subsequently cleared by the Standing Cabinet Appointed Review Committee (SCARC). The Ministry will take necessary actions to obtain the approval of Cabinet of Ministers for this joint venture.

#### c) SOREM Project

The existing Sapugaskanda Oil Refinery built in 1969 is currently contributing approximately to 35%-40% of the national demand for petroleum products through refining the imported crude oil. In comparison with the prices of imported refined petroleum products with those of the

locally produced along with other benefits, there is a huge advantage in producing the petroleum refined products locally as it enhances energy security of the country while helping to boost the economy and also to reduce quality issues associated with imported refined products. It will also serve in the best interest of the country relieving partially of the burden on the economy imposed by the high cost on importing fuel. Hence, it will be highly economically viable. However, it needs modernization and expansion of the existing CPC refinery at Sapugaskanda which is currently a basic Hydroskimming type refinery without any heavy product upgrading units such as Hydrocrackers which would help to enhance its operational profit margins while increasing the processing flexibility due to the possible widening of its crude range and enabling to process heavier crudes which are less expensive. This will alleviate its lower margin of operation and the limitation of refining only carton types of crude oil such as Iranian Light and Saudi Light. This modernization is also very important and urgent to increase its production efficiency in view of issues such as United States' sanctions against Iran that resulted in CPC to seek alternative types of crude oil from other countries.

The Ministry with the CPC has initiated to launch Sapugaskanda Oil Refinery Expansion and Modernization (SOREM) project. According to the engineering estimate submitted by CPC, the proposed modernization project would cost around US\$ 1,500 million. Unsolicited project proposals are being received in order to select a suitable contractor through the SCARC process.

### **Introduction of 92 Octane Petrol**

Ceylon Petroleum Corporation under the guidance of the Ministry of Petroleum Industries has realized the necessity to review the adequacy of the Research Octane Number (RON) of the regular 90 RON Gasoline (Petrol) with regard to its suitability for the petrol vehicles in the country in the present context. The CPC has analyzed the specifications of the appropriate Gasoline grades to be marketed in Sri Lanka compared

with the international standards in this regard. The CPC's Technical Specification Committee appointed for updating of fuel specifications has considered the Gasoline quality requirements of the petrol vehicles in the country along with the nature of the fuel supply chain in the region and has agreed that it is more appropriate to replace 90 RON Gasoline with 92 RON Gasoline.

CPC has also recognized that its refinery would be able to comply with 92 RON Gasoline specifications in its production and blending processes. It has also been noted the following advantages of using 92 RON Gasoline in the local market.

- ❖ 92 RON Gasoline is available in the international markets. Hence, with the introduction of 92 RON, it eliminates the blending 92 RON with other substandard fuels in order to produce 90 RON Gasoline.
- ❖ Improvement of the vehicle engine performance resulting in fuel saving to some extent.
- ❖ Reduction of engine knocking, making the engines to run smoother with improved acceleration.
- ❖ Reduction of engine wear and overheating, minimizing the damaging effects of engine knocking due to low Octane (RON), thus helping to prolong life of engine parts and its life.
- ❖ Helping to reduce vehicle emissions due to improved combustion which will result in reduced air pollution.

Ministry of Petroleum Industries together with Ceylon Petroleum Corporation took all necessary steps to introduce 92 RON Gasoline in place of 90 RON Gasoline in the local market with effect from 1<sup>st</sup> January 2014 and the Cabinet of Ministers approval has also been obtained for this purpose. Also, the other market operator, the Lanka Indian Oil Company (LIOC) has been informed of the proposed changes in advance.

#### **d) Cross Country Pipeline Project**

The Dolphin pier at the Colombo Port is equipped with loading arms and other facilities to unload imported petroleum products like Diesel, Petrol, Kerosene, Aviation Turbine Fuel (Jet A-1) and Furnace oil and to transport them through the existing three pipelines to the Kolonnawa Terminal which are about 40-70 years old and are in need of immediate replacement (or rehabilitation) for a continuous and uninterrupted operation in the future. These pipelines have been built in 1940s for the transport of petroleum products from the Colombo port to the Kolonnawa Installation out of which two pipelines have already been abandoned many years back due to the inability of carrying out maintenance and repairs as a result of the illegal encroachments on the pipeline terrace by squatters.

Two more pipelines have been constructed in 1969 along with the construction of Sapugaskanda Oil Refinery. The original 70 years old pipeline and the other two old pipelines which are about 43 years old are handling the total imports of finished petroleum products and crude oil whereas the design life span of such petroleum pipelines are only 25 years.

Renovation and modernization of these pipelines have been a very urgent need as a large quantity of the national requirement of the petroleum products is being carried into Kolonnawa fuel storage terminal through these deteriorated pipelines.

The Ministry coordinates all activities of the project with CPC and CPSTL. Almost all the preliminary steps of this project such as preliminary Topographical Surveys, Geographical Surveys, Initial Environmental Examination, identification of most suitable (feasible) pipe laying route, provision for compensation and remedies to the affected parties have been completed. Now it is in the process of finding funds selecting a suitable contractor to implement the said project in time. This Ministry has taken several actions and policy decisions to implement this project. However, some social and physical problems have arisen at the same time eg: ejection of squatters takes a considerable time period to work out practicable solutions.

Considering many alternatives, it has been decided that the most appropriate method for speedy implementation is to select a technically qualified, financially sound feasible unsolicited/standalone project proposal, through an evaluation process of the Standing Cabinet Appointed Review Committee (SCARC).

#### **Expected Benefits:**

- ❖ Efficient transportation of petroleum products from Colombo port to Kolonnawa.
- ❖ Maintain the quality of imported petroleum products until they reach end consumers.
- ❖ Preparation for future demand and maintain continuous supply.
- ❖ Reduce stock losses and reduce financial losses to CPC and CPSTL.
- ❖ Reduce high maintenance cost of deteriorated pipeline.

#### **e) Project on Construction of Storage Tanks**

With the increase of 5% of annual fuel demand in Sri Lanka, there should be storage facilities developed well for each petroleum product. Hence, the CPSTL as the main responsible agency for storing and distributing fuels island wide has taken initiatives to increase fuel storage facilities at capacity of 100,000 MT at the premises of Kolonnawa and Muthurajawela Terminals. The main objective of the project is to avail sufficient storage capacity to accommodate imported cargoes and refinery products to maintain country's fuel requirement by maintaining a 30 day stock of products handled in Sri Lanka at any given time.

#### **Expected Benefits:**

- ❖ Uninterrupted fuel supply throughout the country.
- ❖ Sufficient storage to accommodate shipments to maintain country's fuel requirement and avert demurrage payments.
- ❖ Meet any contingencies and maintain sufficient reserves of all products at sustainable levels and reduce risk of unexpected situation that could arise in the country.

**f) Project on Fuel Hydrant System at BIA**

The Ministry with the Ceylon Petroleum Corporation has taken necessary steps to enhance the aviation fuel storage capacities under the Bandaranayke International Airport (BIA) Phase II, Stage 2 Development Project. The construction of additional storage facilities, an additional Fuel Hydrant System and modifications to the existing fuel hydrant system at Bandaranayke International Airport are the major components of this project. The total estimated cost of this project as per the engineering estimate is around US \$ 45 million (2013) and it has been planned to carry out by the Ceylon Petroleum Corporation under the purview of this Ministry in collaboration with the Airport and Aviation Services Limited (AASL).

**g) Project on SPBM**

The Single Point Bouy Mooring (SPBM) facility is used for unloading crude oil for the refinery at Sapugaskanda had been installed in the year 1987 and has been in operation for over 25 years. This crude oil bouy is located in the sea 9.2 km away from the Port of Colombo. The Product Distribution Unit (PDU) of this bouy has to be overhauled in every 5 years' operation and the last overhaul had been carried out in the year 2008. Hence, an integrated assessment has been planned to carry out by an independent party within the weather window in March next year to assess the condition prior to the next overhaul in 2015.

**h) Project on Improvements to Dolphin Pier and Pipeline Facility**

The Dolphin Pier loading/discharging infrastructure is the only facility available to discharge imported refined petroleum products to the Kolonnawa oil storage terminal of Ceylon Petroleum Storage Terminal Limited (CPSTL) which is the Common User Facility (CUF) available for petroleum companies in Sri Lanka. This facility has not undergone a comprehensive assessment for repair and maintenance for a long period of time. Any failure to the facility due to lack of repair and maintenance will have a direct impact on the uninterrupted fuel supply to the

country as the capacities and facilities available in other two alternative terminals (Muthurajawela CPSTL Terminal and China Bay LIOC Terminal) are not sufficient to handle the required quantities of imported petroleum products. This project needs to be implemented parallel to the project on construction of two new pipelines from Colombo Port Tunnel Gate to Kolonnawa Terminal and Terminal Modifications at Kolonnawa (Cross Country Pipeline Project) in order to avoid the bottlenecks in unloading the fuel. In this context, this project has been identified as a priority project to be implemented next year.

**i) Project on new Bulk Depot in Northern Province.**

The bulk depot in Northern Province is located in the premises of Cement Corporation at Kankasanthurai. Cement Corporation has requested CPSTL to move from their premises at the end of year 2011. With a view to ensure the uninterrupted fuel supply to the consumers in Northern Province, establishment of a new bulk dept somewhere in Northern Province has been identified by the CPSTL as a priority project.

**Expected Benefits:**

- ❖ Uninterrupted supply of fuel in the Northern Province.
- ❖ Maintain required environment and safety conditions.
- ❖ Provide continuous supply of fuel for industrial sector which shows rapid growth after the war.
- ❖ Reduce fuel transportation cost by supplying fuel by railway.
- ❖ Customer satisfaction by providing quality products on continuous basis.

**j) Project on Development of Provincial Bulk Depots**

The bulk depot concept had been established during the British time based on rail transport to different provinces. All those rail side depots had been fed by rail. Most of the strategic constraints considered have changed with time from 1935 to date and the present requirements, concepts

and strategies vary from the inception. Present day road tank trucks can easily perform 200 km at a stretch and return within 10-12 hours or less. Feeding to retail outlets from regional installations could be performed to a larger extent in this manner thereby reducing double handling of products to a greater extent. Also, the prevailing system increases overheads on electricity, water, transport and excessive employment at such depots. Strategic locations for depots are essential to suit the present day requirement such as the new development projects in Southern Province especially establishment of industrial zones, enhancement of tourism industry, rapid development expected in Northern and Eastern Provinces and establishment of new thermal power generation units in the country. In order to overcome the present day requirements and maintain uninterrupted supply of petroleum products with synergy and least involvement conforming to the accepted codes and standards within the country, it is required to launch a properly planned major infrastructure development program at regional bulk depots.

#### Expected Benefits:

- ❖ Enhance the storage and filling facilities .
- ❖ Improvements to fire safety.

- ❖ Minimize fuel transport cost and transportation time.

## 2.2 Imports and Refining

### 2.2.1 Refined Petroleum Products

CPC was forced to continue making spot purchases despite several term contracts entered with major oil suppliers on Government to Government basis. Some of these spot purchases were due to US sanctions which resulted in non availability of the correct crude oil type for processing by the refinery. Spot purchases sometimes compel CPC to pay higher premiums on imports especially due to short notices on laycans and small size of the total consignments. In spite of this, CPC has been able to enter into/extend many term contracts beneficial to the Corporation. However, higher rain fall received in the year 2013 drastically reduced the fuel oil requirement for the power generation resulting in considerable drop in fuel oil imports which yielded high economic benefits to the Corporation. Table 2.1 shows the refined petroleum products imported by CPC in 2012 and 2013.

Table 2.1 / CPC's Imports of Refined Petroleum Products 2012-2013				
Products	2012		2013	
	Quantity		Quantity	
	Barrels '000	MT '000	Barrels '000	MT '000
Auto Diesel	11,357	1,509	7,554	1,031
Super Diesel	122	16	216	29
Petrol – 90 Octane	3,249	382	3,041	355
Petrol – 92 Octane*	-	-	427	50
Petrol – 95 octane	256	30	350	41
Jet A-1	2,133	271	2,340	296
Kerosene**	55	7	-	-
High Sulphur Fuel Oil (180 CST)**	1,496	229	-	-
Low Sulphur Fuel Oil (180 CST)	2,179	305	451	69
<b>Total</b>	<b>20,847</b>	<b>2,749</b>	<b>14,379</b>	<b>1,871</b>

Source: Ceylon Petroleum Corporation

Note: \* Petrol of 92 Octane was imported at the end of 2013 to distribute it with effect from 01.01.2014 in place of 90 Octane Petrol Islandwide.

\*\* There were no imports during the year 2013

## 2.2.2 Crude Oil

CPC faced a crisis situation as a result of USA sanctions on Iran in mid of 2012 compelling CPC to look for an alternative crude oil to replace Iranian Light for which the refinery was finetuned to run economically and with less problems. Hence, this development was a formidable challenge which forced refinery to study a large number of crude assays to find an alternative crude oil mix suitable for the particular configuration of the Sapugaskanda refinery. Eventually a mix of 80% Murban and 20% Oman Export Blend was found to be an economical and practical crude mix. However CPC has to pay a relatively high premium for Murban crude oil. Table 2.2 shows crude oil imported in 2012 and 2013.

Table 2.2 Imports of Crude Oil 2012-2013		
Type of Crude Oil	Total Quantity	
	MT '000	Barrels '000
<b>2012</b>		
Iranian Light	697.41	5,126.07
Arabian Light	617.12	4,518.83
Murban crude oil	86.29	658.31
Oman Export Blend	85.90	624.64
<b>Total</b>	<b>1,486.72</b>	<b>10,927.85</b>
<b>2013</b>		
Light crude oil	221.65	1,631.00
Murban crude oil	618.53	4,711.00
Oman Export Blend	903.31	6,524.00
<b>Total</b>	<b>1,743.49</b>	<b>12,866.00</b>

Source: Ceylon Petroleum Corporation

## 2.2.3 Agrochemicals

CPC has been able to supply many agrochemical products to the agriculture and the plantation sectors at competitive prices thus helping to regulate the prices of agrochemicals in the local market. Limited number of bulk suppliers with some of which being market competitors, had been a major challenge to CPC in delivering products in time at competitive prices. Table 2.3 shows CPC's imports of agrochemicals in 2012 and 2013.

Table 2.3	CPC's Imports of Agrochemicals 2012-2013			
Products	Quantity		Value (US\$)	Value - Rs Million (Local Purchases)
	Litre	kg		
2012				
Glyphosate 36 SL	96,000	-	232,640	-
3-4 DPA 36% EC	32,000	-	145,600	-
Chlorpyrifos 40% EC	15,000	-	64,950	-
Carbofuran 75% WP	-	5,000	-	11.75
Carbaryl 85% WP	-	3,000	29,850	-
Diuron 80% WP	-	10,000	-	11.09
Acephate 75% SP	-	3,000	25,500	-
Total-2012	143,000	21,000	498,540	22.84
2013				
Mancozeb 80% WP	-	28,000	77,700	-
Phenthoate 50% EC	16,000	-	120,800	-
Profenofos 50% EC	23,000	-	134,190	-
MCPA 40% (Na+K) SALT	3000	-	-	1.53
Glyphosate 36% SL	64,000	-	203,200	-
Diuron 80%	-	2,400	153,120	-
Acephate 75%	-	5,000	42,000	-
BPMC 50%	8,000	-	34,000	-
MCPA 60%	5,000	-	-	3.65
Total-2013	119,000	35,400	765,010	5.18

Source: Ceylon Petroleum Corporation

## 2.2.4 Bitumen

Bitumen trade had been a highly profitable business for the CPC for several years in the past. This also got affected by the imposition of

USA sanctions on Iran, since Iran was a major supplier of bitumen in the region. CPC had faced escalated prices along with difficulties of procurement as CPC was very strict and vigilant in complying with US sanctions.

Table 2.4 CPC's Imports of Bitumen - 2012				
Grade	Shipment No.	Quantity (MT)	(US\$/MT)*	Country of Origin
80/100	AS/01/2012	5,000	544.00	UAE
	AS/03/2012	3,000	529.00	
	AS/05/2012	3,000	564.50	
	AS/07/2012	3,000	538.50	
	AS/09/2012	3,000	542.50	
60/70	AS/02/2012	5,000	544.00	
	AS/04/2012	5,000	529.00	
	AS/06/2012	5,000	564.50	
	AS/08/2012	5,000	538.50	
	AS/10/2012	5,000	548.50	

Source: Ceylon Petroleum Corporation

Note. \* Quoted CIF Colombo Price

Table 2.5 CPC's Imports of Bitumen - 2013				
Grade	Shipment No.	Quantity (MT)	(US\$/MT)*	Country of Origin
80/100	AS/01/2013	2000	554.00	UAE
	AS/03/2013	1,000	605.00	
	AS/07/2013	3,000	614.00	
	AS/09/2013	5,000	605.50	
	AS/11/2013	3,000	610.50	
	AS/13/2013	3,000	579.00	
	AS/16/2013	5,000	567.00	
60/70	AS/02/2013	5,000	554.00	
	AS/04/2013	5,000	602.90	
	AS/08/2013	5,000	608.50	
	AS/10/2013	10,000	601.50	
	AS/12/2013	5,000	604.50	
	AS/14/2013	3,000	579.00	
	AS/15/2013	3,000	567.00	

Source: Ceylon Petroleum Corporation

Note. \* Quoted CIF Colombo Price

## 2.3 Storage, Distribution and Sale

Ceylon Petroleum Storage Terminals Limited (CPSTL) was established in 2003 under the Companies Act to involve in storing and distributing of the fuel island wide. The shares of the company have been allocated to CPC and LIOC as 2/3 and 1/3 respectively. Two major storage terminals of CPSTL are located at Kolonnawa and Muthurajawela. The fuel required to the consumers islandwide are being distributed through its 11 bulk depots established

in various regions of the island. Rail Wagons and Bowsers (CPSTL's own and hired) are used for replenishing the depots.

All bulk depots are categorized into two types based on volume and future expansion capability.

Grade I : Peradeniya, Galle, Kurunegala, Batticaloa, Anuradhapura, Badulla, & Kankasanthurai

Grade II : Kotagala, Haputale, Matara, Sarasavi Uyana

Table 2.6

CPSTL's Sales (KL) - 2013

Product	Kolonnawa	Muthurajawela	All Depots
Lanka Petrol 90 Octane	327,936	212,392	245,294
Lanka Industrial Kerosene	18,279	*	*
Lanka Auto Diesel	545,423	511,724	570,070
Lanka Super Diesel	27,423	*	2,169
Lanka Kerosene	27,523	44,986	53,513
Lanka Petrol 95 Octane	56,255	*	*
Chemical Naptha	104,019	*	*
Lanka Fuel Oil 800 Sec.	56,911	*	1,492
Lanka Fuel Oil 1500 Sec.(High Sulphur)	302,724	*	*
Lanka Fuel 1500 Oil Sec.(Low Sulphur)	*	101,060	*
Lanka Avgas - Bulk	1	*	*
Jet A-1	5,322	*	*
Lanka Solvents (SBP)	3,730	*	*
X Premium Euro 3	*	*	*
x Mile	*	*	*
<b>Total</b>	<b>1,475,545</b>	<b>870,162</b>	<b>872,536</b>
<b>Percentage of Total Sale</b>	<b>46</b>	<b>27</b>	<b>27</b>
<b>Grand Total</b>	<b>3,218,243</b>		

Source : Ceylon Petroleum Storage Terminal Limited (CPSTL)

Note : \*No sales at respective locations

Table 2.7

CPC Island Wide Sales (Million Litres) 2012 - 2013

Material	Retail Sales		Consumers Sales		Total Sale	
	2012	2013	2012	2013	2012	2013
Lanka Petrol-90 Octane	766.17	778.92	6.44	6.31	772.61	785.23
Lanka Petrol-95 Octane	35.04	50.52	5.17	5.56	40.21	56.08
Lanka Auto Diesel	1,545.11	1,514.01	736.28	328.65	2,281.39	1,842.66
Lanka Super Diesel	21.28	27.21	4.84	2.20	26.12	29.41
Lanka Kerosene	158.53	141.39	1.42	0.92	159.95	142.31
Lanka Industrial Kerosene	1.42	1.64	20.48	16.63	21.90	18.27
Lanka Chemical Naptha	-	-	89.70	104.03	89.70	104.03
Lanka Fuel Oil 800 Sec.	-	-	65.49	63.81	65.49	63.81
Lanka Fuel Oil 1500 Sec. (High Sulpher)	-	-	666.55	389.02	666.55	389.02
Lanka Fuel Oil 1500 Sec. (Low Sulpher)	-	-	291.60	95.80	291.60	95.80
Lanka Fuel Oil 3500 Sec.	-	-	227.58	153.88	227.58	153.88
Jet A-1	-	-	411.96	454.53	411.96	454.53
Lanka Solvents (SBP)	-	-	4.62	3.72	4.62	3.72
<b>Total</b>	<b>2,527.55</b>	<b>2,513.69</b>	<b>2,532.13</b>	<b>1,625.06</b>	<b>5,059.68</b>	<b>4,138.75</b>

Source: Ceylon Petroleum Corporation

## 2.4 Infrastructure Facilities

### 2.4.1 Ceylon Petroleum Corporation

#### a) Fuel Hydrant System at MRJA

The Ceylon Petroleum Corporation as the main responsible agency for supplying aviation fuel under safety standards has commenced this project in line with the construction of the second international airport at Mattala. The project consists of following three major components.

- I. Construction of Fuel Hydrant System within the apron area
- II. Construction of Fuel Storage Facility and Fuel Hydrant System outside the apron area.
- III. Purchase of mobile equipment, supply of staff quarters and facilities

The project has commenced its implementation from January 2012 with a total estimated cost of Rs. 5,400 million. Three contracts have been awarded to carry out the project activities as follows.

Package 1 : Construction of Fuel Hydrant System within the apron area – By M/s China Harbor Engineering Company

Package 2: Construction of Storage Facility and Fuel Hydrant System outside the apron area – By M/s Amana Pipeline Construction LLC

Package 3: Third Party Inspection and Certification – By M/s Germanischer Lloyd (Pvt) Ltd

Package 1 and 2 among the three are the work packages awarded. Package 1: Construction of Fuel Hydrant System within the apron area undertaken by the contractor M/s China Harbor Engineering Company (CHEC) has been completed before inaugural opening of the Mattala Rajapaksa International Airport (MRJA) on 18<sup>th</sup> March 2013. Overall designing, installation of internally and externally coated underground pipelines (approx: 1.2 km), construction of Valve pits, construction of 27 fuel hydrant pits, all mechanical and electronic installations up to the valve pit no.5 tie-in point have been completed under the package 1.

Package 2: Construction of Fuel Storage Facility and Hydrant System outside the apron area was commenced in May 2013 by the main contractor M/s Amana Pipeline Construction LLC after the inaugural opening of the MRIA. Construction of three Jet A-1 storage tanks with capacity of 1,000 MT each and other associated facilities along with fuel hydrant system outside the apron area is currently at the final stage of completion. Commissioning and testing of the whole system will be carried out by M/s Germanischer Lloyd (Pvt) Ltd after completion of the construction. The operation of fuel hydrant system outside the apron area and fuel storage tank farm will commence by the mid of 2014.

**b) Lubricating Oil Drums Storage**

A building for a warehouse of lubricating oil drums and an office to manage them was designed at Muthurajawela and contract for the construction was awarded at a total estimated cost of Rs. 60 million. This aims at providing a protected storage facility for the lubricating drums and streamlines the operation.

**c) Bulk Products Storage Facility**

Several steps have been taken by CPC refinery to either newly construct storage tanks or refurbish the existing tanks in order to enhance the storage capacities of refined and intermediate products.

In view of this, an additional tank of 1,600 MT capacity to store bitumen/fuel oil was designed and commenced its construction while material was ordered to construct a Jet A-1 tank of 1,280 MT capacity. Further, an extensive refurbishment was carried out replacing the entire bottom and the floating roof of the crude oil storage tank No.01 at the refinery at a total cost of Rs. 170 million.

**d) Petrol Filling Facility**

Petrol filling gantry facility with a sufficient storage capacity was initiated to enhance the operational profitability of the Sapugaskanda Terminal while reducing stock losses. In this context, two existing Diesel storage tanks were modified incorporating floating pans. Necessary

gantry loading arms with pumps, instrumentation and piping were procured and currently are being installed.

**2.4.2 Ceylon Petroleum Storage Terminals Limited**

**a) Testing Laboratory**

CPSTL has proposed to upgrade its Laboratory facilities at Kolonnawa with modern equipments in order to test the quality of imported products. Proper testing of petroleum products, maintaining quality of products, improving customer satisfaction and trust and obtaining accreditation for the laboratory are the main expected benefits from this project. Total estimated cost of the project is Rs. 300 million.

Drawings and preparation of bidding documents have been completed. Arrangements have been made to call quotations from constructions parties. Training of laboratory staff has already been started as a part of upgrading process. Construction activities will commence by the end of 2014.

**b) Unified Threat Management (UTM)**

Installation of a Unified Threat Management (UTM) solution for CPSTL IT infrastructure would reduce and manage the internal and external threats which may occur within the server system, Local and Wide Area Networks, Internet and E-mail infrastructure. The main objective of the project is to enhance the monitoring and control of cyber threats and unauthorized access to the system resources. Total estimated cost of this project is Rs. 12 million.

UTM solution has been implemented at IT Division of CPSTL. Simulation testing has been completed to determine the solution behavior in the event of actual attacks. The project was implemented during the period from February 2012 to June 2013.

**c) Active Directory**

Installation of AD solution for CPSTL Data Centre will enable central management of Desktop Computers connected to CPSTL WAN.

With AD it becomes easier to maintain virus guard software updated to current levels with less time and with automated procedure and required patches for operating system updated in a timely manner in addition to the main advantage of securing access to desktops and other network resources by authorized persons only. The main objective of the project is to enhance security and control of desktops and the use of network resources only by authorized persons validated via AD. Total estimated cost of the project is Rs. 3 million.

Implementation of Active Directory has been completed and advanced trainings are to be completed.

#### **d) Disaster Recovery Site**

Establishment of Disaster Recovery (DR) solution for CPSTL Data Centre is required to face any situation where the failure of the primary site will not curtail critical operations of CPSTL, CPC, LIOC. This DR solution needs to meet Recovery Point Objective (RPO) and Recovery Time Objective (RTO) objectives of the three companies with cost effective as well as efficient in the operation.

Parties received through Expression of Interest were short listed for formal proposal submission by CPSTL based on Request For Proposals. RFP document to be issued by CPSTL is being prepared.

## **2.5 Institutional Administration**

### **2.5.1 Ministry of Petroleum Industries**

#### **a) Regulating Petroleum Industry**

There has been a necessity for the amendment of the Ceylon Petroleum Corporation (CPC) Act No 28 of 1961 in consultation with the Attorney General's Department. Further, the Public Utilities Commission of Sri Lanka (PUCSL) should have to be empowered by amending the Petroleum Product (Special Provisions) Act No 33 of 2002.

Accordingly the amended drafts of above two Acts have been referred for the approval

of the Attorney General's Department. The observations of the Attorney General's Department on the draft of the amended Petroleum Product (Special Provisions) Act No 33 of 2002 has been received by 30.06.2013.

Actions have been made to obtain the proposals & agreements of the Public Utilities Commission (PUC) and Ceylon Petroleum Corporation (CPC) in respect of these observations. After receiving the CPC and PUC proposals & agreements, the Ministry will take necessary actions to obtain approval of the Attorney General's Department.

#### **b) Better Coordination**

The Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Limited are the institutions that come under the Ministry of Petroleum Industries. The appointment of the Board of Directors to these institutions and other related activities are done by the Ministry with the concurrence of the subject Minister. Specially the Ministry coordinates and performs the activities on preparation of human resource plan, scheme of recruitment, promotion, creation of new carder positions, activities relating to outsourcing and obtaining the approval thereon from relevant authorities.

The approval was obtained from Salaries and Cadre Commission and Department of Management Services for the new human resource plan of the Ceylon Petroleum Corporation by 17<sup>th</sup> July 2013.

In addition, Ministry's officials represent Management Committees, Audit Committees and Officer-Transfer Boards as well as the Interview Boards with regard to all recruitments of these two institutions. Moreover, Ministry will act on leave matters of all officers of these institutions in coordination with relevant authorities to get approval for their special duty leave and leave abroad.

#### **c) Parliament Activities**

The Ministry's parliamentary activities include to solve problems and issues that crop up when it performs its subject matters or submits the bills in Parliament or resolve the problems that arise

while implementing the Government Financial Regulations and Administrative Procedures.

**d) Parliamentary Consultative Committee**

The Parliamentary Consultative Committee (PCC) consisting of 25 Members of Parliament nominated by Parliament meets with regard to activities on Petroleum Industries. It is chaired by the Hon. Minister of Petroleum Industries.

One consultative committee meeting was held during the year 2013. Having considered the two proposals presented by the members of Parliament at this meeting, the reports which contain the actions taken by the Ministry in collaboration with its agencies have been submitted to the Parliament.

**e) Parliamentary Questions**

The subject Minister of a Ministry is responsible to give oral answers to the queries made by Hon. Members of Parliament within the scope of the Ministry providing the background reports connected thereto.

In 2013, there were 17 queries made expecting verbal answers. 16 questions were answered by the Hon. Minister with the background reports in time.

**f) Public Petition Committee**

This committee has been appointed in order to look into the grievances and complaints of different consumers as well as the current and ex-employees of the Ministry of Petroleum Industries and the institutions that come under its purview. Answers for the two petitions have been properly submitted to the Public Petition Committee.

A summary of actions taken by the Ministry for inquiries at Public Petition Committee, Parliamentary Consultative Committee and the questions expecting oral answers made by the Members of Parliament from the Ministry's inception up to now are indicated in Table 2.8.

Table 2.8		Summary of inquiries made by Public Petition Committee and Members of Parliament	
Year	Petitions-Public Petition Committee	Proposals and Inquiries to Parliamentary Consultative Committee	Parliamentary Questions
2006	07	04	09
2007	06	04	07
2008	05	01	21
2009	02	04	09
2010	01	01	07
2011	05	06	16
2012	00	05	18
2013	02	02	17
<b>Total</b>	<b>28</b>	<b>27</b>	<b>104</b>

Source : Ministry of Petroleum Industries

**g) Ombudsman**

Ombudsman is expected to grant reliefs for the problems of the public and the different consumers as well as the current and ex-employees of the Ministry of Petroleum Industries and other institutions that come under this Ministry.

In 2013, there were two complaints received by the Ministry and the relevant reports to these complaints have been furnished to the Ombudsman.

**h) Legal and Court Actions**

The matters, such as getting necessary legal advice to the problems raised while performing the responsibilities assigned to the Ministry, taking court actions to the legal problems raised by the institutions and trade unions, seeking legal remedies through courts to give relief to the problems of the employees working at the Ministry and institutions under the Ministry are attended through these actions.

Actions have been taken regarding 87 court cases that had been filed from the inception of the Ministry till 31, December 2012. Actions

are being taken to the pending court cases that needed final verdicts. Further, the actions are being taken for 03 new cases received in 2013.

#### **i) Dengue Eradication Program**

This program is implemented by the Ministry being an active partner for the national program launched by the Government to prevent dengue epidemic that spreads throughout the country.

Accordingly, the Ministry has taken the following steps to control and eradicate dengue menace.

- ❖ A committee was established in year 2013 in order to implement the dengue eradication program and monitor its activities continuously.
- ❖ Taking action by the committee to inspect and destroy the mosquito breeding places within the Ministry premises and buildings every Friday.
- ❖ Taking steps to cut and remove the unnecessary branches of all the trees on the Ministry premises once in 03 months.
- ❖ Renovating the drainage system of the Ministry buildings to drain out water properly and apply the mosquito killers into the places where the water stagnate, twice a week.
- ❖ Taking steps to fumigate the Ministry premises in order to destroy the mosquitoes periodically.
- ❖ Obtain assistance from the Municipal Council of Colombo to control the dengue breeding.
- ❖ Coordinating and guiding the institutions that comes under the purview of the Ministry such as the Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Ltd to implement the said program to eradicate dengue menace.

#### **j) Human Resource Management / Capacity Building**

The following actions have been taken to achieve the objectives of the Ministry through formally managing the establishment and administrative matters of the staffs of the Hon. Minister, Hon.

Deputy Minister and the Ministry.

#### **i. Staff recruitments**

Functions such as recruitments of the staff of the Hon. Ministers and Ministry, termination of the services, preparation of Scheme of Recruitments, maintenance of personal files of the staffs, internal attachments and transfers are carried out under this subject.

The post of Senior Assistant Secretary (Development) was filled and actions are being taken to recruit a Legal Officer to the Ministry. Five posts of Development Officers were created during year 2013 and the approval for the same was obtained from the relevant authorities. Also, a Procurement Division to handle the procurement activities has been newly established and the posts of an Additional Secretary, a Director, an Assistant Director were created in 2013.

#### **ii. Welfare Activities**

Activities relating to the pensions of the officers who are entitled for the pensions, activities relating to Employees Provident Fund, overtime allowances, transport allowances, other special allowances, train concessionary season tickets, loan on concessionary interest rates are carried out under this subject.

Actions have been taken in relation to the pensions of three officers of the Ministry staff during year 2013. While 200 train season tickets have been issued for the 18 officers who use the train for their transportation, 16 free railway warrants have also been issued. The Ministry has granted the approval to pay Rs. 87,500.00 as special advances, Rs. 300,000.00 as festival advances, Rs. 2,792,423.00 as distress loans and Rs. 1,143,404.00 as property loans.

#### **iii. Capacity Building**

The opportunities have been granted to the existing staff to participate in various training programs in order to deliver a more effective and efficient public service through training to develop their knowledge, skills and attitudes.

Table 2.9		Training Programs Provided by the Ministry - 2013		
No.	Course Details	Institute	Officers	Duration
<b>Local Trainings</b>				
01	Diploma in Office Management	SLIDA	01	01 year
02	Public Procurement Procedures	SLIDA	04	02 days
03	Office Management	SLIDA	01	05 days
04	Public Finance Management	SLIDA	01	05 days
05	Effective Internal Auditing	SDFL	03	01 day
06	Supervisory Management	SDFL	02	01 day
07	Project Management	SDFL	01	2 days
08	Salary Conversion	SDFL	02	01 day
09	Annual Stock Verification and Disposal Procedure	SDFL	01	02 days
10	MS Access	MILODA Institute	01	05 days
11	Certificate Course on Basic Tamil	Sri Lanka Foundation	02	05 Months
12	Practical Aspect of Bid Evaluation	ICTAD	01	01 day
13	Reducing of Audit Quarries and Public Accounting Procedure	APFASL	01	1/2 day
14	Payment and Settlement System	Central Bank of Sri Lanka	02	02 days
15	Diploma in Advanced English	University of Colombo	01	01 year
16	Public Sector Accounting Standards	APFASL	03	01 day
17	Master in Economics	University of Colombo	01	01 year
18	Postgraduate Diploma in Environment Management	University of Colombo	01	01 year
19	Postgraduate Diploma in Financial Mathematics	University of Moratuwa	01	01 year
<b>Foreign Trainings</b>				
20	Seminar on Female Capacity Building for Developing Countries	Fujian Foreign Trade and Economic Corporation, China	01	20 days

Source : Ministry of Petroleum Industries

## “Deyata Kirula” National Development Program and Exhibition

“Deyata Kirula” National Development Program and Exhibition has been launched by the Government to accelerate the process of economic, social and cultural development of the country and also to make aware the general public on the process and performance of government institutions. This program is being carried every year covering a specific/selected geographical area focusing on general public specially the communities in the selected area. The aims of this program are to fulfill the urgent and immediate needs of the physical resources of selected area in the targeted year and to reduce socio- economic disparities of the communities through various strategies by connecting the government institutions while awakening the people through their religions and cultural activities.

The Ministry of Petroleum Industries in cooperation with its institutions, Ceylon Petroleum Corporation and Ceylon Petroleum Storage Terminals Limited has made a substantial contribution to achieve socio-economic and cultural development in selected areas under “Deyata Kirula” National Development Program and Exhibition in 2013.

Table 2.10 Programs Implemented under Deyata Kirula - 2013				
No	Name of the Project	District	Plan of the year 2013	Investment (Rs. Mn)
01	Development of a selected school	Ampara	Construct a teachers dormitory for Tampitiya Maha Vidyalaya	2.60
02	Modernization of Filling Stations	Ampara Batticaloa Trincomalee	5 Filling Stations	By the owners of relevant Filling stations
03	Enhancement of Diesel and Kerosene depots	Ampara	Sammanthurai Sainamarathu Maligakadu	By the owners of relevant Filling stations
04	Reconstruction of Co-operative Filling Station	Ampara	Co-operative Filling Station, Ampara	25.00

Source : Ministry of Petroleum Industries

Table 2.11 Proposed Programs under Deyata Kirula - 2014			
No	Name of the Project	District	Plan of 2014
01	Development of a selected school	Kurunegala	Sandalankawa Central College
02	Modernization of religious places	Kurunegala	a) Nandarama Buddhist Temple, Walakumburamulla b) Catholic Church- Hettirippuwa c) Mosque - Mummana d) Hindu Temple-Katugampola
03	Modernization of Filling Stations	Kurunegala Puttalam Kegalle	All filling Stations under the Ceylon Petroleum Corporation

Source : Ministry of Petroleum Industries

### **k) Internal Audit**

The number of audit queries and special investigations undertaken during the year 2013 is as follows.

Audit queries of the Ministry	- 19
Special investigation	- 09

Five Auditing and Management Committee meetings with the participation of the officers of Ceylon Petroleum Corporation and Ceylon Petroleum Storage Terminals Limited have been conducted during the year 2013, in order to discuss about the solutions for the issues and problems identified by the Audit and Management Committee.

### **2.5.2 Ceylon Petroleum Corporation**

Human Resource Management (HRM) Function achieved its main objectives of empowering, motivating and developing manpower in relation to 2,566 permanent employees and 09 contract basis employees of CPC as at 31<sup>st</sup> December 2013. In addition, HRM Function administers all the HRM issues such as recruitments and promotions, performance appraisals, disciplinary actions, leave, matters pertaining to salaries and increments, service assessments, loan facilities, service awards and all other human resource development activities.

#### **a) Institutional Administrative Activities**

- i. Implementation of the revisions of the approved cadre- 2012 was initiated by renaming some Functions as recommended. Name of Planning and Development (P&D) Function was changed to Technical Services and Corporate Affairs (IT & CA).
- ii. Introducing a new attendance system for CPC – Thumb reading system was introduced to the Corporation since it centralizes the attendance system making it possible for generating reports at any given time and recording accurate attendance of employees by avoiding malpractices.

#### **b) Training and Development**

- i. 500 employees at Grade B & C were made

aware on current procedures in terms of HRM and administration.

- ii. Special lectures by visiting lecturers were delivered to improve the capacity of the employees.
- iii. 10 employees (Executives- 05 and Non Executives- 05) followed study programs at external institutes.
- iv. 120 employees (Executives-50 and Non Executives-70) were sent for short-term training programs.

#### **c) Recruitments and Promotions**

32 external candidates were recruited for Grade A (09 employees), Grade B (12 employees) and Grade C (11 employees) while 84 employees (Grade A- 24, Grade B – 33 and Grade C- 27) have been given internal promotions.

#### **d) Welfare Activities**

- i. Scholarships were granted for 21 CPC employees' children who were selected to enter the state universities.
- ii. In plant, on-the- job and industrial training opportunities were given to 74 students from government institutes.
- iii. Service awards were offered to 105 employees who have rendered for 20, 30 and 35 years (39, 48 and 18 employees respectively) of meritorious service to the CPC.
- iv. Financial assistance of Rs. 500,000 was given to the CPC Sports Club during the year 2013 to encourage the participation of employees for sport activities and also financial assistance was given to employees who participated in international events representing Sri Lanka in nationalized service Athletic/ Badminton teams.
- v. Under the medical assistance scheme CPC contributed Rs. 20,000 to each employee for the year 2013 where an employee's family unit is entitled for medical facility worth of Rs.400,000.

## 2.5.3 Ceylon Petroleum Storage Terminals Limited

### a) Human Resources

Table 2.12		CPSTL Cadre as at 31 <sup>st</sup> December 2013		
Position		Approved Cadre	Existing	Vacant
<b>A Grades – Executive Staff</b>				
Senior Managers (A 2/3 and above)		30	28	02
Middle Management (A 4 – A 5 )		86	55	31
Junior Executives ( A 6 – A 7)		149	134	15
<b>B Grades – Clerical &amp; Supervisory Staff</b>				
Technical Staff		106	107	-
Non- Technical Staff		1,050	836	214
<b>C Grades – Skilled &amp; Unskilled minor staff</b>				
Technical Staff		338	313	25
Non- Technical Staff		1,850	1,526	324
<b>Grand Total</b>		<b>3,609</b>	<b>2,999</b>	<b>611</b>

Source : Ceylon Petroleum Storage Terminals Limited

## 2.6 Accounts

### 2.6.1 Ministry of Petroleum Industries

Table 2.13		Recurrent Expenditure of the Office of Hon. Ministers (Rs. Mn) - 2013					
No.	Types of Expenditure	Budgetary Provisions 2012	Actual for 2012	%	Budgetary Provisions (After FR transfers) 2013	Actual for 2013	%
01	Personal emoluments	16.92	15.95	94.27	16.22	15.85	97.70
02	Travelling expenses	4.35	4.07	93.50	1.88	1.82	96.90
03	Supplies	10.62	10.38	97.75	12.96	12.82	98.90
04	Maintenance expenditure	3.73	2.86	76.80	3.80	3.68	96.80
05	Constructional services	16.61	14.62	88.01	21.03	20.37	96.80
06	Transfers	0.76	0.75	98.12	0.80	0.77	96.60
<b>Total</b>		<b>52.99</b>	<b>48.63</b>	<b>91.77</b>	<b>56.69</b>	<b>55.31</b>	<b>97.57</b>

Source : Ministry of Petroleum Industries

Table 2.14		Recurrent Expenditure of the Ministry (Rs. Mn) - 2013					
No.	Types of Expenditure	Budgetary Provisions 2012	Actual for 2012	%	Budgetary Provisions (After FR transfers) 2013	Actual for 2013	%
01	Personal emoluments	22.79	22.18	97.31	27.90	26.57	95.20
02	Travelling expenses	1.20	1.05	87.45	0.42	0.40	95.20
03	Supplies	5.60	5.50	98.16	7.44	7.37	99.10
04	Maintenance expenditure	2.71	2.28	83.95	3.60	2.72	75.60
05	Constructional services	15.00	14.60	97.28	18.61	18.00	96.70
06	Transfers	0.32	0.27	83.64	0.33	0.32	95.60
<b>Total</b>		<b>47.62</b>	<b>45.88</b>	<b>96.30</b>	<b>58.30</b>	<b>55.38</b>	<b>95.00</b>

Source : Ministry of Petroleum Industries

Table 2.15		Capital Expenditure of the Office of Hon. Ministers (Rs. Mn) - 2013					
No.	Types of Expenditure	Budgetary Provisions 2012	Actual expenses 2012	%	Budgetary Provisions (After FR transfers) 2013	Actual for 2013	%
01	Rehabilitation of Capital Assets	0.40	0.00	0.00	0.40	0.00	0.00
02	Acquisition of Capital Assets	4.05	0.95	23.43	6.45	4.74	73.40
<b>Total</b>		<b>4.45</b>	<b>0.95</b>	<b>21.32</b>	<b>6.85</b>	<b>4.74</b>	<b>69.18</b>

Source : Ministry of Petroleum Industries

Table 2.16		Capital Expenditure of the Ministry (Rs. Mn) - 2013					
No.	Types of Expenditure	Budgetary Provisions 2012	Actual for 2012	%	Budgetary Provisions (After FR transfers) 2013	Actual for 2013	%
01	Rehabilitation of Capital Assets	0.40	0.16	39.77	0.80	0.74	92.50
02	Acquisition of capital Assets	2.00	1.92	96.02	5.55	5.36	96.50
03	SOREM project	0.10	0.00	0.00	0.00	0.00	0.00
04	Skill development	0.90	0.89	98.34	1.15	1.12	96.90
05	Investment	3.00	1.78	59.20	2.65	0.95	35.80
<b>Total</b>		<b>6.40</b>	<b>4.75</b>	<b>74.07</b>	<b>10.15</b>	<b>8.17</b>	<b>80.50</b>

Source : Ministry of Petroleum Industries

Table 2.17		Advance Account and Actual Expenses (Rs.Mn) - 2013				
	2012			2013		
	Max. limit of expenses	Min. limit of receipts	Max. debit limit	Max. limit of expenses	Min. limit of receipts	Max. debit limit
Limits	3.50	1.20	11.20	4.00	1.20	13.00
Actual Expenditure	1.90	2.43	8.38	1.49	4.18	9.76

Source : Ministry of Petroleum Industries

## 2.6.2 Ceylon Petroleum Corporation

Table 2.18	CPC's Income Statement as at 31 <sup>st</sup> December 2013 (Unaudited)			
	CPC		Consolidated Accounts	
	2012 Rs. Mn	2013 Rs. Mn	2012 Rs. Mn	2013 Rs. Mn
Revenue	512,910.31	490,381.49	514,546.56	490,819.1
Cost of Sales	-573,692.05	-467,637.93	-580,519.81	-474,048.38
Gross Profit/(Loss)	-60,781.74	22,743.56	-65,973.25	16,770.73
Other Operating Income	246.33	321.98	543.12	585.64
Income on Investment Property	38.98	52.02	38.98	52.02
Selling & Distribution Expenses	-12,633.10	-11,965.25	-2,773.53	-1,600.65
Administrative Expense	-5,800.74	-3,600.15	-8,801.50	-6,619.55
Operating Profit/(Loss)	-78,930.27	7,552.16	-76,966.18	9,188.19
Finance Charges	-18,359.68	-18,539.85	-18,360.20	-18,539.85
Finance Income	7,720.77	3,254.88	7,592.27	3,279.62
Loss before Income Tax	-89,569.18	-7,732.81	-87,734.11	-6,072.04
Income Tax expense			-75.91	-117.18
Loss after Tax before extra ordinary activities	-89,569.18	-7,732.81	-87,810.02	-6,189.22
Less: Hedging Expenses	-7,611.60	-214.49	-7,611.60	-214.49
Loss for the year after extra ordinary activities	-97,180.78	-7,947.30	-95,421.62	-6,403.71
Other comprehensive income				
Loss on investment	-51.50	-14.50	-51.50	-14.50
Acturial Loss	-76.10	-22.42	-76.10	-22.42
Other comprehensive loss for the year	-127.60	-36.92	-127.60	-36.92
Total comprehensive loss for the year	-97,308.37	-7,984.22	-95,549.22	-6,440.63
Less : Non controlling interest			-586.38	-514.53
Profit / Loss for the year	-97,308.37	-7,984.22	-96,135.60	-6,955.16

Source : Ceylon Petroleum Corporation

Table 2.19

CPC's Balance Sheet as at 31<sup>st</sup> December 2013 (Unaudited)

	CPC		Consolidated Accounts	
	2012 Rs. Mn	2013 Rs. Mn	2012 Rs. Mn	2013 Rs. Mn
<b>Assets</b>				
<b>Non - Current Assets</b>				
Property, Plant & Equipment	9,572.20	13,110.64	28,627.95	31,083.70
Investment Property	26.97	26.17	26.97	26.17
Intangible Assets	-	-	229.43	139.29
Investment in Subsidiary	5,000.00	5,000.00	-	-
Other Investments	53.13	38.63	53.13	38.63
Investments in Fixed Deposits	5.00	5.00	5.00	5.00
Trade and Other Receivables - More than one year	16,110.99	34,841.09	14,682.45	34,841.09
Deferred Tax Asset	-	-	-	-
	<b>30,768.29</b>	<b>53,021.53</b>	<b>43,624.93</b>	<b>66,133.87</b>
<b>Current Assets</b>				
Inventories	62,189.83	65,032.20	62,550.30	65,428.44
Trade & Other Receivables - Due within one year	101,403.01	55,331.86	104,303.42	56,791.98
Income Tax Recoverable	246.99	713.64	628.06	1,018.23
Investments in Fixed Deposits	-	6,801.65	-	6,801.65
Cash and Cash Equivalents	11,623.63	6,134.53	12,085.56	10,327.57
	175,463.46	134,013.88	179,567.34	140,367.87
<b>Total Assets</b>	<b>206,231.75</b>	<b>187,035.41</b>	<b>223,192.27</b>	<b>206,501.74</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Contributed Capital	1,000.00	1,000.00	1,000.00	1,000.00
Shares Held in C. P. S. T. L	2,500.00	2,500.00	2,500.00	2,500.00
Capital Reserve	4,992.69	4,992.69	4,992.69	4,992.69
Reserve on consolidation	-	-	2,485.64	2,485.64
Retained Earnings	-237,037.20	-245,021.43	-233,748.59	-240,703.75
Non controlling interest	-	-	5,387.13	5,901.66
<b>Total Equity</b>	<b>-228,544.51</b>	<b>-236,528.74</b>	<b>-217,383.13</b>	<b>-223,823.76</b>
<b>Non - Current Liabilities</b>				
Retirement Benefits Liability	546.94	538.11	1,652.78	1,750.07
Deferred tax	-	-	366.07	406.77
Interest Bearing Loans & Borrowings	1,998.22	1,350.85	4,521.42	3,725.30
	<b>2,545.16</b>	<b>1,888.96</b>	<b>6,540.27</b>	<b>5,882.13</b>
<b>Current Liabilities</b>				
Trade and Other Payables	220,897.35	194,096.93	221,848.49	196,199.05
Interest Bearing Loans & Borrowings	211,163.06	227,407.57	212,015.95	228,073.62
Provision for Deemed Dividend Tax Expense	170.69	170.69	170.69	170.69
	432,231.10	421,675.19	434,035.13	424,443.36
<b>Total Equity and Liabilities</b>	<b>206,231.75</b>	<b>187,035.41</b>	<b>223,192.27</b>	<b>206,501.74</b>

Source : Ceylon Petroleum Corporation

### 2.6.3 Ceylon Petroleum Storage Terminals Limited

Table 2.20 CPSTL's Income Statement as at 31 <sup>st</sup> December 2013 (Audited)		
	2012 (Rs. Mn)	2013 (Rs.Mn)
<b>Terminal Charges, Operating Income and Net Interest Income</b>	<b>8,943.23</b>	<b>8,005.35</b>
Direct Expenses	(3,361.64)	(3,113.22)
<b>Net Terminal Income</b>	<b>5,581.59</b>	<b>4,892.13</b>
Net transport loss	(735.96)	(531.80)
Net Bunkering Income	-	141.06
<b>Gross profit</b>	<b>4,845.63</b>	<b>4,501.39</b>
Other Income	108.42	138.97
	4,954.05	4,640.36
Administration expenses	(2,818.97)	(3,068.83)
<b>Operating profit</b>	<b>2,135.08</b>	<b>1,571.53</b>
Net Finance Income	58.39	24.52
<b>Profit before taxation</b>	<b>2,193.47</b>	<b>1,596.05</b>
Income tax expense	(75.91)	(216.02)
<b>Profit for the year</b>	<b>2,117.56</b>	<b>1,380.03</b>
<b>Other comprehensive income / (expenses)</b>		
Actual loss from retirement benefit		
Obligation – net of tax	(172.07)	(42.04)
<b>Total comprehensive income for the year</b>	<b>1,945.49</b>	<b>1,337.99</b>

Source : Ceylon Petroleum Storage Terminals Limited

Table 2.21

CPSTL's Balance Sheet as at 31<sup>st</sup> December 2013 (Audited)

Assets	2012 (Rs.Mn)	2013 (Rs.Mn)
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	19,055.75	17,973.05
Intangible assets	229.43	139.29
	19,285.18	18,112.34
<b>Current Assets</b>		
Inventory	360.47	396.24
Trade and other receivables	415.25	897.90
Amount due from related parties	3,987.36	5,607.88
Staff loans and advances	2,099.85	1,802.12
Income tax recoverable	381.07	285.42
Cash and cash equivalents	461.93	1,375.55
	7,705.93	10,365.11
<b>Total Assets</b>	<b>26,991.11</b>	<b>28,477.45</b>
<b>Equity and Liabilities</b>		
<b>Capital and Reserves</b>		
Stated capital	7,500.00	7,500.00
Capital reserve	979.00	979.00
Retained earnings	7,868.73	9,206.72
<b>Total Equity</b>	<b>16,347.73</b>	<b>17,685.72</b>
<b>Non – Current Liabilities</b>		
Retirement benefit obligation	1,105.85	1,217.02
Deferred tax	366.07	394.66
Interest bearing borrowings	3,951.73	3,231.56
	<b>5,423.65</b>	<b>4,843.24</b>
<b>Current Liabilities</b>		
Trade and other payables	1,484.80	2,407.10
Excess terminal charges refund payable	1,185.64	1,185.64
Dividend payable	1,125.00	1,125.00
Interest bearing borrowings	1,059.21	1,059.20
Bank overdraft	365.08	171.55
	<b>5,219.73</b>	<b>5,948.49</b>
<b>Total Equity and Liabilities</b>	<b>26,991.11</b>	<b>28,477.45</b>

Source : Ceylon Petroleum Storage Terminals Limited

# APPENDIX



Table A		World Proved Reserves of Crude Oil (Billions of Barrels) 1980 - 2013	
Year	Quantity	Year	Quantity
1980	642	1997	1,019
1981	649	1998	1,020
1982	667	1999	1,033
1983	666	2000	1,017
1984	666	2001	1,028
1985	698	2002	1,032
1986	699	2003	1,213
1987	698	2004	1,265
1988	888	2005	1,277
1989	906	2006	1,293
1990	1,001	2007	1,317
1991	999	2008	1,332
1992	989	2009	1,340
1993	996	2010	1,340
1994	998	2011	1,474
1995	999	2012	1,526
1996	1,007	2013	1,646

Source : <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

Table B		World Oil Production (Thousand Barrels Per Day) 2008 - 2013				
Country	2008	2009	2010	2011	2012	2013
North America	15,091	15,453	16,105	16,694	17,902	19,321
Central and South America	7,464	7,525	7,687	7,857	7,801	7,944
Europe	5,190	4,983	4,647	4,269	3,979	3,799
Eurasia	12,561	12,944	13,256	13,332	13,415	13,525
Middle East	26,117	24,831	25,976	27,413	27,671	27,394
Africa	10,603	10,461	10,700	9,327	9,980	9,431
Asia and Oceania	8,693	8,752	9,134	8,994	9,009	8,920
World	85,719	84,949	87,504	87,885	89,757	90,333

Source : <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

Table C		World Oil Consumption (Thousand Barrels Per Day) 2008 - 2012			
Country	2008	2009	2010	2011	2012
North America	23,893	23,014	23,535	23,270	22,924
Central and South America	6,014	6,106	6,331	6,571	6,765
Europe	16,152	15,375	15,337	14,961	14,424
Eurasia	4,156	4,133	4,160	4,366	4,529
Middle East	6,500	6,752	6,991	7,537	7,621
Africa	3,141	3,260	3,374	3,297	3,360
Asia and Oceania	24,841	26,277	27,800	28,743	29,784
World	84,697	84,918	87,527	88,744	89,407

Source : <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm>

**Table D** Monthly Brent Price of Crude Oil - 2013

Month	Brent Price US \$/bbl	Ex. Rate 1 US\$ = Rs	Local Price Rs/bbl
January	112.96	128.52	14,518
February	116.08	128.13	14,873
March	108.39	128.41	13,918
April	101.94	127.64	13,012
May	102.76	127.85	13,138
June	102.99	129.57	13,344
July	108.16	132.81	14,365
August	111.34	133.61	14,876
September	111.59	134.12	14,966
October	109.10	132.73	14,481
November	107.96	132.73	14,330
December	111.65	127.60	14,247

**Source:** Brent Price- [http://www.eia.gov/dnav/pet/pet\\_pri\\_spt\\_sl\\_d.htm](http://www.eia.gov/dnav/pet/pet_pri_spt_sl_d.htm)

**Exchange Rates:** Central Bank of Sri Lanka

**Table E** Annual Brent Price of Crude Oil (Rs/bbl) 2000 - 2013

Year	Brent Price US \$/bbl	Ex. Rate 1 US\$ = Rs	Crude Oil Price (Rs/bbl)
2000	28.52	75.78	2,161
2001	24.45	89.36	2,185
2002	24.96	95.66	2,388
2003	28.88	96.52	2,788
2004	38.23	101.19	3,868
2005	54.42	100.50	5,469
2006	65.15	103.96	6,773
2007	72.47	110.62	8,016
2008	96.85	108.33	10,492
2009	61.49	114.94	7,068
2010	79.51	113.06	8,990
2011	111.26	110.57	12,302
2012	111.65	127.60	14,247
2013	108.56	129.11	17,104

**Source:** Brent Price- [http://www.eia.gov/dnav/pet/pet\\_pri\\_spt\\_sl\\_d.htm](http://www.eia.gov/dnav/pet/pet_pri_spt_sl_d.htm)

**Exchange Rates:** Central Bank of Sri Lanka

**Table F** Monthly Price of Crude Oil in Different Markets - 2013

Month	Platt Market Price		Brent Market Price		WTI Market Price		Exchange Rate (1 US\$=Rs)
	US\$/bbl	Rs/bbl	US\$/bbl	Rs/bbl	US\$/bbl	Rs/bbl	
January	107.91	13,689	112.69	14,295	94.57	11,996	126.85
February	111.10	14,077	117.13	14,840	94.52	11,976	126.70
March	105.58	13,389	110.46	14,008	92.67	11,751	126.81
April	101.70	12,817	103.43	13,035	91.77	11,566	126.03
May	100.47	12,690	103.56	13,080	94.50	11,936	126.31
June	100.34	12,824	103.50	13,228	95.32	12,183	127.81
July	103.53	13,563	107.64	14,102	104.52	13,694	131.01
August	107.17	14,128	110.96	14,627	106.84	14,084	131.83
September	108.48	14,370	112.31	14,878	106.32	14,084	132.47
October	106.71	13,989	109.73	14,385	100.20	13,136	131.10
November	106.38	13,945	107.79	14,129	93.86	12,303	131.08
December	107.88	14,114	110.76	14,490	97.63	12,773	130.83

**Source:** Ministry of Petroleum Industries and Ceylon Petroleum Corporation

Table G Monthly Platts Prices of Refined Petroleum Products - 2013

Month	90 Octane Petrol			95 Octane Petrol			Auto Diesel			Super Diesel			Kerosene			Ex. Rate 1 US\$ = Rs
	US \$ / bbl	Rs / bbl	Rs / Litre	US \$ / bbl	Rs / bbl	Rs / Litre	US \$ / bbl	Rs / bbl	Rs / Litre	US \$ / bbl	Rs / bbl	Rs / Litre	US \$ / bbl	Rs / bbl	Rs / Litre	
January	120.07	15,231	95.85	122.77	15,574	98.01	127.01	16,112	101.40	125.94	15,976	100.54	128.09	16,249	102.26	126.85
February	129.78	16,443	103.48	132.98	16,849	106.03	132.75	16,820	105.85	131.63	16,678	104.96	133.77	16,949	106.66	126.70
March	120.78	15,317	96.39	124.00	15,725	98.96	123.64	15,679	98.67	122.24	15,502	97.56	123.5	15,662	98.56	126.81
April	110.77	13,960	87.86	113.95	14,361	90.38	116.77	14,717	92.61	115.32	14,534	91.46	116.20	14,645	92.16	126.03
May	111.08	14,030	88.30	114.4	14,449	90.93	116.72	14,743	92.78	115.55	14,595	91.85	115.37	14,572	91.71	126.31
June	114.76	14,667	92.30	117.96	15,076	94.88	119.28	15,245	95.94	118.72	15,173	95.49	117.00	14,953	94.11	127.81
July	118.78	15,561	97.93	121.73	15,948	100.36	123.14	16,133	101.53	122.39	16,034	100.91	121.18	15,876	99.91	131.01
August	114.67	15,117	95.13	117.11	15,438	97.16	124.14	16,365	102.99	123.94	16,339	102.82	124.73	16,443	103.48	131.83
September	114.28	15,139	95.27	117.09	15,511	97.61	123.57	16,369	103.02	123.36	16,341	102.84	123.87	16,409	103.27	132.47
October	111.60	14,630	92.07	114.36	14,992	94.35	123.89	16,242	102.21	123.59	16,202	101.96	123.05	16,131	101.52	131.10
November	111.94	14,673	92.34	114.89	15,060	94.78	123.34	16,168	101.75	123.09	16,135	101.54	122.63	16,075	101.16	131.08
December	115.97	15,172	95.48	118.82	15,545	97.83	126.35	16,530	104.03	126.10	16,497	103.82	126.69	16,575	104.31	130.83

Source: Ministry of Petroleum Industries and Ceylon Petroleum Corporation, Exchange Rate – Central Bank of Sri Lanka

Table H Platts Prices of Refined Petroleum Products 2002 - 2013														
Year	Type of Product													
	90 Octane Petrol		95 Octane Petrol		Auto Diesel		Supper Diesel		Kerosene		Jet A-1 US \$/bbl	HSFO (180 CST) US \$/bbl	LSFO (180 CST) US \$/bbl	Ex. Rate 1 US\$ = Rs
	US \$ /bbl	Rs/bbl	US \$ /bbl	Rs/bbl	US \$ /bbl	Rs/bbl	US \$ /bbl	Rs/bbl	US \$ /bbl	Rs/bbl				
2002	27.92	2,671	28.99	2,773	30.09	2,878	29.26	2,799	29.77	2,848	158.81	158.81	154.90	95.6618
2003	33.64	3,247	34.68	3,347	32.71	3,157	32.31	3,119	32.90	3,176	32.90	169.93	165.85	96.5209
2004	46.34	4,689	47.33	4,789	46.60	4,715	45.79	4,633	47.61	4,818	47.61	183.78	175.51	101.1884
2005	62.14	6,245	63.16	6,348	65.86	6,619	73.61	7,398	67.93	6,827	67.93	268.04	257.28	100.499
2006	72.54	7,541	73.35	7,626	78.06	8,115	77.02	8,007	80.66	8,386	80.66	318.16	307.81	103.9623
2007	81.73	9,041	82.82	9,162	86.10	9,525	87.19	9,645	86.77	9,599	86.77	376.48	367.07	110.6232
2008	101.95	11,045	103.27	11,188	122.01	13,218	123.34	13,362	122.08	13,225	122.08	515.17	499.80	108.3338
2009	68.18	7,837	70.37	8,089	69.77	8,020	70.42	8,094	70.14	8,062	70.14	372.02	369.08	114.9448
2010	86.23	9,750	88.40	9,995	89.97	10,172	90.35	10,215	90.18	10,196	90.18	470.27	462.61	113.0647
2011	117.43	12,984	119.80	13,246	125.48	13,874	126.28	13,962	125.71	13,899	125.71	649.49	639.29	110.5652
2012	120.26	15,346	123.42	15,749	127.31	16,245	128.10	16,346	126.8	16,180	126.80	671.29	659.90	127.6034
2013	116.03	14,981	119.00	15,364	122.55	15,822	123.27	15,915	122.87	15,864	122.87	618.79	611.84	129.1099

Source : Ceylon Petroleum Corporation

Table I	Refined Petroleum Products Imports 2007 - 2013	
Year	Quantity (kg'000)	CIF Value (Rs.Mn)
2007	3,631,457	191,520
2008	3,850,408	340,626
2009	1,500,154	98,782
2010	3,761,133	289,225
2011	4,082,431	446,009
2012	5,880,094	588,990
2013	4,366,913	405,576

Source : Department of Sri Lanka Customs

Note : Data - HS Chapter 27

Table J	Liquid Petroleum Gas (LPG) Imports 2007 - 2013	
Year	Quantity (kg'000)	CIF Value (Rs.Mn)
2007	308,889	12,247
2008	151,024	14,675
2009	144,567	10,224
2010	159,671	14,692
2011	174,804	18,644
2012	210,277	26,122
2013	202,253	26,569

Source : Department of Sri Lanka Customs

Note : Data - HS Chapter 27

Table K	Lubricants Imports 2007 - 2013	
Year	Quantity (kg'000)	CIF Value (Rs.Mn)
2007	42,295	4,750
2008	59,301	5,376
2009	34,528	4,073
2010	43,872	6,356
2011	50,803	9,358
2012	44,592	8,819
2013	44,369	8,834

Source : Department of Sri Lanka Customs

Note : Data - HS Chapter 27

HS Codes : 27101907, 27101908, 27101970, 27101980

Price Revisions of Petroleum Products 2005 - 2013														
Product		90 Octane Petrol	95 Octane Petrol	Auto Diesel	Super Diesel	Kerosene	Industrial Kerosene	Furnace Oil						
Date								Naptha	500 Sec	800 Sec	1000 Sec	1500 Sec	2000 Sec	3500 Sec
05/05/2005		74.00	77.00	46.00	51.30	28.50	30.80	34.80	31.70	30.30	29.10	28.30	27.60	26.00
05/06/2005		80.00	83.00	50.00	55.30	30.50	32.80	37.70	33.30	32.80	31.40	30.30	27.60	26.00
16/04/2006		88.00	91.00	58.00	63.30	38.50	40.80	45.70	41.30	40.80	39.40	38.30	37.60	36.00
11/06/2006		93.00	96.00	61.00	66.30	43.50	45.80	50.70	46.30	45.80	44.40	43.30	42.60	41.00
02/08/2006		96.00	99.00	64.00	69.30	45.50	47.80	52.70	48.30	47.80	46.40	45.30	44.60	43.00
05/09/2006		101.00	104.00	67.00	72.30	48.00	50.30	54.70	50.30	49.80	48.40	47.30	46.60	45.00
28/09/2006		99.00	102.00	64.50	69.80			54.70						
06/10/2006		97.00	100.00	62.00	67.30			52.70	48.30	47.80	46.40	45.30	44.60	43.00
26/10/2006		92.00	95.00	60.00	65.30			50.70	46.30	45.80	44.40	43.30	42.60	41.00
26/12/2006							58.30	50.70						
01/01/2007									40.30	39.90	38.70	37.70		35.65
05/01/2007		97.00	100.00											
29/03/2007		104.00	107.00											
19/04/2007				63.00	68.30	50.00	60.30		43.30	42.90	41.70	40.70		
28/04/2007		105.00	108.00	65.00	70.30									
12/05/2007		106.00	109.00	67.00	72.30	51.00	61.30		46.30	45.90	44.70	43.70		38.65
30/06/2007		111.00	114.00	71.00	76.30	67.00	68.00		50.30	49.90	48.70	47.70		42.65
29/07/2007		117.00	120.00	75.00	80.30	68.00	69.00		54.30	53.90	52.70	51.70		46.65
Contd.														

Contd.

Price Revisions of Petroleum Products 2005 - 2013													
Product Date	90 Octane Petrol	95 Octane Petrol	Auto Diesel	Super Diesel	Kerosene	Industrial Kerosene	Furnace Oil						
							Naptha	500 Sec	800 Sec	1000 Sec	1500 Sec	2000 Sec	3500 Sec
14/01/2008	127.00	130.00	80.00	85.30	70.00	75.00			63.90		61.70		56.65
25/05/2008	157.00	170.00	110.00	125.30	80.00	85.00			73.90		71.70		66.65
07/11/2008	142.00	155.00	80.00	95.30	60.00	65.00			53.90		51.70		45.00
06/12/2008	122.00	135.00							43.90		41.70		35.00
31/12/2008	120.00	133.00	70.00	85.30	50.00	55.00			33.90		31.70	25.00	25.00
02/07/2009	130.00	148.00	73.00	88.30	51.00	56.00			34.90		32.70	26.00	26.00
30/12/2009	115.00	133.00											
01/09/2010									42.20		40.00	40.00	40.00
02/04/2011	125.00	143.00	76.00	98.30	61.00	66.00			52.20		50.00	50.00	50.00
30/10/2011	137.00	155.00	84.00	106.30	71.00	76.00	76.00					40.00	
12/02/2012	149.00	167.00	115.00	142.00	106.00	111.00	90.00		92.20		90.00	65.00	90.00
14/12/2012	159.00	167.00	115.00	142.00	106.00	111.00			92.20		90.00		
23/02/2013	162.00	170.00	121.00	145.00									
01/04/2013											90.00		90.00

Source: Ceylon Petroleum Corporation

Note: Sec – Redwood Seconds

Table M Oil Production by CPC's Refinery (MT\*000) 2000 - 2013

Year	Crude oil Input	Output														
		Petrol	Auto Diesel	Super Diesel	Furnace oil					Kero- sene	Chemical Naptha	Bitumen	LPG	Jet A-1	Solvent	Total Output
					500 Sec	800 Sec	1000 Sec	1500 Sec	3500 Sec							
2000	2,260,680	212,766	736,422	-	29,283	39,131	177,546	207,104	282,943	191,865	112,613	65,132	16,117	92,159	3,373	2,166,454
2001	2,008,360	189,313	614,055	-	26,138	33,572	128,756	260,873	238,006	179,139	104,720	45,118	15,470	89,294	2,214	1,926,668
2002	2,224,703	226,161	702,216	-	22,893	26,460	105,611	328,634	290,665	196,419	107,861	34,205	18,161	72,119	1,853	2,133,258
2003	2,023,605	195,523	606,558	5,013	24,806	36,503	64,109	326,238	269,154	153,517	94,500	40,625	15,443	96,277	2,814	1,931,080
2004	2,216,646	202,630	632,651	24,834	17,009	30,117	73,755	414,202	251,103	143,808	97,272	50,315	15,460	126,378	4,113	2,083,647
2005	1,977,751	160,684	571,169	7,190	20,580	37,408	68,054	336,271	236,749	142,092	113,308	51,785	13,047	113,831	4,044	1,876,212
2006	2,140,132	193,585	628,210	-	16,510	35,135	88,063	372,985	253,533	143,930	109,175	55,386	14,721	130,926	5,878	2,048,037
2007	1,899,078	163,291	444,593	-	-	100,934	4,505	393,850	272,380	97,409	91,768	35,197	16,237	171,043	4,559	1,795,766
2008	1,868,346	163,702	451,132	-	-	18,801	-	468,002	244,402	111,133	100,416	45,450	16,208	154,433	2,562	1,776,241
2009	2,014,850	179,096	485,302	-	-	35,901	-	462,577	282,048	82,513	105,159	41,588	24,348	195,406	972	1,894,910
2010	1,752,715	157,972	441,545	-	-	47,918	-	396,034	241,930	92,775	84,289	34,945	22,927	126,407	2,734	1,649,474
2011	2,003,561	206,466	501,122	-	-	54,283	-	480,854	244,758	92,924	80,011	46,062	24,115	155,357	3,814	1,889,766
2012	1,596,059	151,536	394,161	-	-	66,953	-	364,607	217,240	74,909	69,841	26,548	17,437	93,159	3,699	1,480,090
2013	1,643,218	143,959	389,717	-	-	56,011	-	521,224	146,550	57,297	86,505	5,025	22,160	124,544	2,987	1,555,979

Source : Ceylon Petroleum Corporation

Table N		CPC's Sales to Power Plants 2008 - 2013									
Year	Ceylon Electricity Board						Independent Power Providers				
	Lanka Auto Diesel		Naphtha		Fuel Oil		Lanka Auto Deisel		Fuel Oil		
	Volume (Litre'000)	Value (Rs.Mn)	Volume (Litre'000)	Value (Rs.Mn)	Volume (Litre'000)	Value (Rs.Mn)	Volume (Litre'000)	Value (Rs.Mn)	Volume (Litre'000)	Value (Rs.Mn)	
2008	106,675	9,506	206,406	15,282	200,860	11,777	204,597	20,669	655,056	42,117	
2009	209,880	14,474	160,515	8,093	204,651	5,214	151,371	10,937	778,754	21,887	
2010	103,182	8,146	78,455	4,229	183,055	5,567	119,652	9,417	689,175	23,739	
2011	184,476	14,340	67,131	4,512	202,797	8,112	171,087	14,009	772,204	33,388	
2012	251,599	27,693	89,701	7,491	203,315	12,655	213,443	21,094	881,606	57,831	
2013	39,650	4,778	104,019	9,362	153,240	12,832	28,823	3,436	401,668	33,889	
Source : Ceylon Petroleum Corporation											

Source : Ceylon Petroleum Corporation

Table O Ministry's Expenditure (Rs.Mn) 2006 - 2011										
Type of Expenditure	2006		2007		2008		2009		2010	
	Minister's Office	Ministry	Minister's Office	Ministry	Minister's Office	Ministry	Minister's Office	Ministry	Minister's Office	Ministry
<b>Recurrent Expenditure</b>										
Budgetary Provisions	17.80	21.65	41.94	38.74	39.50	109.89	48.78	84.03	42.12	40.47
Actual Expenditure	12.85	20.47	30.31	29.92	37.03	64.04	38.93	63.76	38.74	37.60
Actual expenditure out of Provisions (%)	75.20	94.50	72.30	77.20	93.70	58.30	79.80	75.90	92.00	92.90
<b>Capital Expenditure</b>										
Budgetary Provisions	3.58	970.30	20.41	268	13.66	276.50	2.05	257.72	10.87	3.45
Actual Expenditure	1.50	949.31	17.92	85.38	13.52	116.59	0.13	80.25	10.50	1.16
Actual expenditure out of Provisions (%)	41.90	97.80	87.80	31.90	99.00	42.20	6.30	31.10	96.60	33.60
<b>Source: Ministry of Petroleum Industries</b>										