



Pilipinas Shell welcomes fuel marking at its Cagayan depot

Start with our 90-million-liter capacity North Mindanao Import Facility (NMIF) in Cagayan de Oro City.

Pilipinas Shell has informed the Department of Finance (DOF) that it is ready to start automated fuel marking this month at its storage facility servicing the requirements of Visayas and Mindanao. At the same time, Pilipinas Shell and SICPA-SGS consortium are also working to install and commission an automated fuel marking injection system at its refinery in Tabangao, Batangas City.

The company is fully supporting the Government's implementation of the fuel marking program to minimize oil smuggling and misdeclaration, which reportedly costs at least P40 billion in annual revenue losses according to the DOF's estimates.

"We are coordinating with the DOF and its contractor on how a manual fuel marking process may be safely implemented in a complex facility like a refinery to meet their aspirations for an earlier start-up. We are working double-time to start automated fuel marking at our manufacturing facility by February 2020," says Serge Bernal, Vice President for External and Government Relations.

"Unlike the NMIF, which is essentially a storage facility, there are quite a number of safety risks involved in manually marking fuel in a dynamic environment like a refinery. We want to ensure that we minimize these risks for the safety of the government personnel who will be conducting the fuel marking, our employees and contractors who form part of the manufacturing, supply and delivery chain, those living in the fence line communities and ultimately, our consumers," he adds.

Pilipinas Shell, together with other members of the Philippine Institute of Petroleum (PIP), is working closely with the DOF to ensure the program's proper and effective implementation. Earlier this year, the Company provided the DOF with access to its fuel marking experts from Shell & Turcas Petrol A.Ş. in Turkey. Turkey is the only other country that has implemented fuels marking on a nationwide scale.

"We are working very hard to install an automated method because Shell puts paramount importance on personal and process safety. We do not want to expose anyone, whether it is our personnel or those of our government and business partners to risks inherent in manual processes. We can now start automated fuel marking at NMIF, and we intend to do the same at the Refinery to minimize safety risks, reduce the need for additional manpower and costs, and minimize delays that are expected to impact on production and delivery of needed oil products and services," says Bernal.

Under the fuel marking program, a unique chemical marker will be introduced to all petroleum products – gasoline, diesel and kerosene – to make it traceable, thereby making it difficult to dilute fuel, deliver it to a different destination or substitute it with a substandard grade. This will serve as a deterrent to fuels smuggling – therefore enhancing government revenues – because it enables quicker detection of illicit fuels once the local market is fully saturated with marked petroleum products.

The distribution of marked fuels to over 1,000 Shell retail sites nationwide will start in the Mindanao and Visayas regions from November 2019, and in the Luzon region from February 2020. The complete distribution of marked fuels to all Shell retail sites will take 2-3 months.

“Tabangao supplies up to 70% of our total fuel demand. And we can assure the government and motoring public that the Shell fuels produced at the Refinery are high-quality and, of course, genuine. We are proud to contribute this key milestone to the government’s fuels marking program,” adds Bernal.

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