



VeryOne®

*Leading the way
in Cetane Improver*

A Division of EURENCO

Issue n°5 - April 2016

The **VeryOne Newsletter** has a main objective: informing our partners about the world of fuels. We gather information on diesel and crude oils and share it with you. We use our dedicated VeryOne team to bring added value to the information we provide to our customers on **Cetane use**.

VeryOne Newsletter Issue n°5 at a glance:

- Safe Handling of 2-EHN
- New Storage at La Huelva (Spain)
- 5 Websites on Transport & Diesel Usage
- Mexico: Internal Transformation through Market Deregulation
- Platts Annual European Middle Distillates Conference

HIGHLIGHT

SAFE HANDLING OF 2-EHN

EURENCO recognizes the need to share its expertise in the **safe handling of Cetane Improver**.

As the main producer of Cetane Improver in the world, EURENCO receives a lot of requests about safe handling of Cetane Improver. Some of these questions, EURENCO can answer straight away thanks to some of the studies that were conducted, and sometimes simply **thanks to our enlarged industrial experience**:

- All pipes connections and O-rings are recommended to be made of PTFE (Teflon®).
- Pumps to transfer or circulate VeryOne Cetane Improver can be centrifugal or membrane pumps.
- Storage tanks for VeryOne Cetane Improver are recommended to be made of stainless steel.
- IBC containers for transport of VeryOne Cetane Improver are recommended to be made of HD-PE.

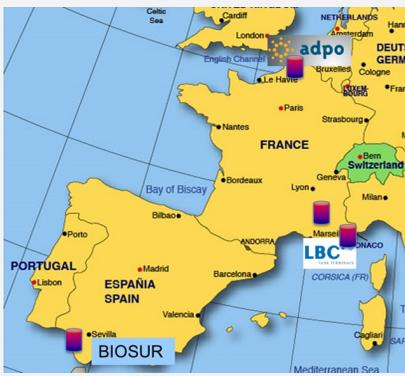


Additionally, in order to help its customers to be at ease with day-to-day usage of VeryOne Cetane Improver, **EURENCO is currently generating educational data about behavior of its product under possible common duress conditions**. With this, EURENCO will extend the knowledge of the Cetane Improver applications to bring better technical assistance.

First input will be shared in the next newsletter.

EURENCO NEWS

NEW STORAGE AT LA HUELVA (SPAIN)



EURENCO has commissioned a new storage at La Huelva (Spain). It is located 60 km East of the Portuguese border and 250 Km from Gibraltar.

The facility will be operated by Biosur.

Offering an additional **500 metric tons storage capacity**, this new tank confirms EURENCO's leadership in the Cetane Improver market, and completes EURENCO's strategic distribution network in Europe.

It will also **strengthen EURENCO's commitment to its Spanish customers** and provide the South of Spain with a higher quality of service.

BUSINESS NEWS DIESEL

5 WEBSITES ON TRANSPORT & DIESEL USAGE



Here is a selection of websites with information related to Diesel transport and consumption.

1. **SOES:** The SOES is part of the French Ecological Ministry website. It features many **articles and databases on ecological issues in France**, and a yearly document on the circulation status. This document contains a lot of information on cars, trains, buses in France, as well as their **evolution in terms of consumption, emissions and uses**. This document includes a database with further details on fuel consumption, listed by type of vehicle and type of fuel during the past year. This document is free, and issued during July. *Website in French.*
2. **UK Department for Transport:** The UK government's Department for Transport contains articles and databases on transport in the country. This website is particularly interesting for diesel consumption, as it contains a database issued on a yearly basis, providing **information on diesel and gasoline consumption according to the type of vehicle, in the United Kingdom**. This database is published every year in December, and includes data on the previous year.
3. **Dieselforum:** A forum dedicated to raise diesel awareness in the United States. It regularly posts **articles about diesel fuel and engines, in order to keep up with world evolutions**. This website is a great way to keep oneself posted about the advancement and status of diesel technology, particularly in the US area, where gasoline remains mainstream for civilians. It is expected that if diesel gains popularity in the US, this website will become a major source of information on the technology, even for customers.
4. **ACEA:** The European Automotive Constructors Association produces and writes about the status of cars in Europe. This website contains **information on car fleets, sales, industry and evolution in the different countries in Europe**. Statistics about **diesel penetration in Europe or the share of diesel in the European fleet** are given as well, in frequent publications about the market. Anyone interested in the car market in Europe will find a lot of useful information on this website.
5. **Global Trade Information Services:** GTIs is a private database about trade around the world. Though diesel is not the only product evaluated in this database, the information it contains is sound and complete. It enables one to **access fuel diesel trades by country, port and even area for some countries**. This is really useful for anyone wondering about the status of diesel macroeconomics trade, and diesel imports and exports.

MEXICO: INTERNAL TRANSFORMATION THROUGH MARKET DEREGULATION

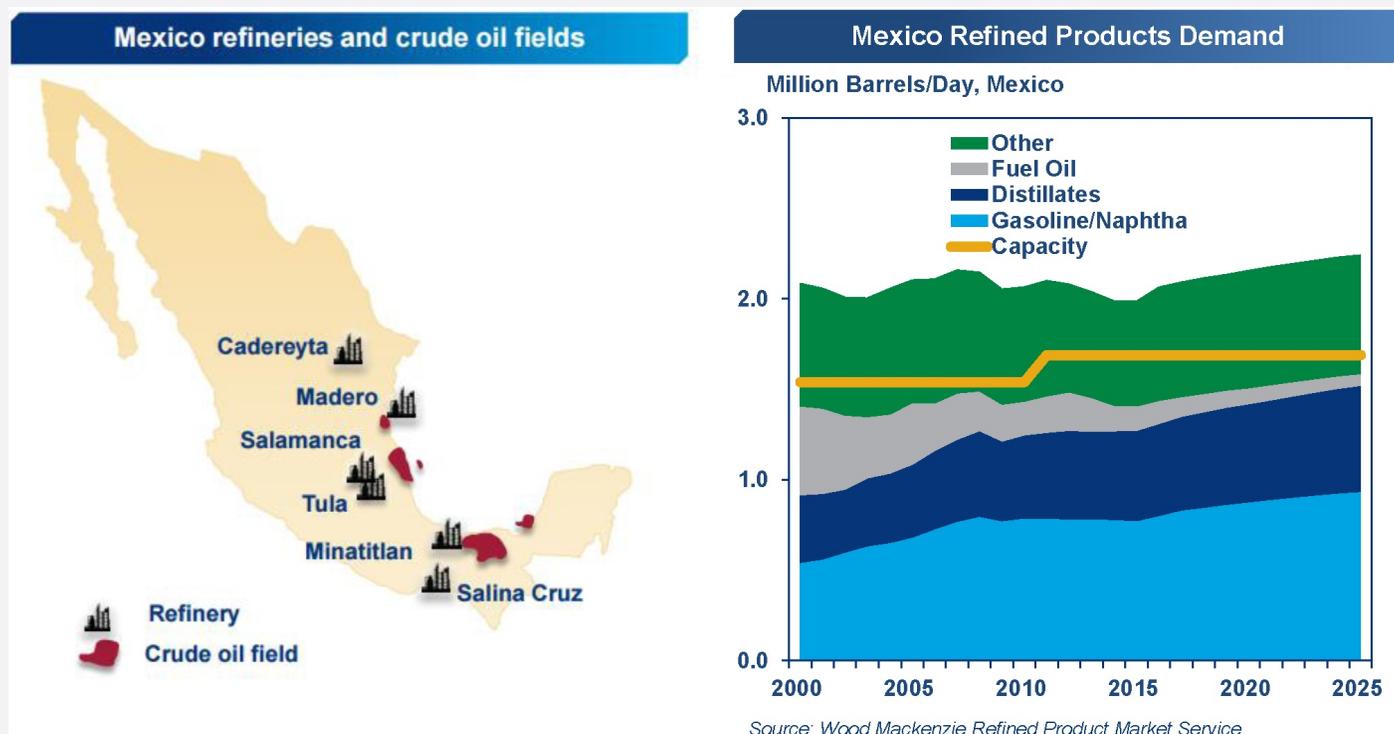
Mexico is getting a lot of attention from the energetic international community since its Oil & Gas deregulation plan. **Mexico is ranked the 13th largest economy (GDP) and the 14th largest producer of hydrocarbon worldwide**, 90% of it being crude oil. Its crude oil 2015 production was 1 200K bbl/d. It is a net importer of diesel and produced about 300K bbl/d in 2015. Even though it represents a rise of 12% since 2014, they still import 150K bbl/d, which is 1/3 of their total diesel consumption.

The Mexican government has started to open its Oil & Gas sector to private companies since the summer 2014. The changes to the Oil & Gas market are part of the government's strategy to transform the national petroleum company, Petroleos De Mexico (PEMEX).

These transformations are mostly led by a couple of government agencies. The Energy Ministry (SENER) and the National Hydrocarbons Commission (CNH) have been especially created for these purposes. The Energy Regulatory Commission (CRE), the Industrial Safety and Environmental Protection Agency, and the independent organ Natural Gas Management Center (CENAGAS) will also play a role in the transformation.

The Mexican State will retain ownership of the O&G underground Mexican resources. A sovereign Mexican oil fund will be created to manage excess revenues (beyond 4.7% of GDP) of exploration and production (E&P) activities.

PEMEX, the public company, currently leads the business from the upstream to the downstream and the distribution. They are following the main goal to become profitable. They will then change their status from national company to State-owned productive company, and keep all their existing assets. Downstream-wise, PEMEX refineries will operate a shift that will directly increase the production of diesel. We assume that **diesel will need Cetane Improver, as an increase of the FCC (Fluid Catalytic Cracking) to get more valuable gasoline has a negative impact on the diesel quality.** The increase of the diesel production (not on only triggered by the shift of production) would reach 500K bbl/d by 2025.



Private companies will be able to get E&P activities through licenses and contracts, and investing in the territory to leverage downstream projects such as refineries, gas and petrochemical plants, while complying with international trade agreement. Also, they will be allowed to report the economic interest of the Mexican underground for accounting and financial purposes.

The first biddings in the exploration and production activity have begun 1st quarter of 2015. Since then, government has been planning an open market for finished product's price like gasoline and diesel within 3 years.

The development of the energy sector of Mexico, especially the chemical market, is also supported by the expected growth of the automotive industry. Indeed, 4 manufacturing plants are meant to be built from 2016 to 2019 by cars manufacturers, such as Kia, Daimler, Renault Nissan and BMW. The yearly car production is then expected to grow by 3 million units from now to 2025, **making Mexico the only one country in North America with a forecasted positive growth in car manufacturing.**

Following these transformations and growths, we note the interest of two states to lead the country's environmental care upgrade: Nuevo Leon and DEF. Indeed, **these two states are willing to follow a European Fuel Specification (EN 590) model, and complete the modernization of the sector with environmental issues.**

EVENTS

PLATTS ANNUAL EUROPEAN MIDDLE DISTILLATES CONFERENCE (ANTWERP, BELGIUM – JANUARY 26–27, 2016)

As a direct actor in the European diesel market, EURENCO - along with refiners, traders and end-users - attended the PLATTS Conference last January in Antwerp. **To be leader on the Cetane Improver additive market also means being in line with the latest developments and challenges of our profession.**

As it will not have escaped anyone's attention, the crude oil price dropped dramatically in 2014-2015, dragging with it the decrease of the prices for raw materials, and a lot of changes in the world oil economy and hence in the world itself.



Taking into account the OPEC decision not to slow down their production, the comeback of Iran in the market, and the overstocked inventories, **prices are not predicted to rise up again to more than 50 \$/b in 2016, and even 2017**. This, leading to the abortion of many investments and projects, reshapes the oil world.

Focusing on Europe, even if the refining margins have never been so good, **the pressure on the refining market is everyday more important**. This being due to the opening of new plants in the Middle East and Asia, to countries such as Russia, Saudi Arabia and Iran competing for market shares, and to the European environmental legislation getting more stringent.

The year 2016 should be very interesting in showing how our industry can adapt to these evolutions and resist to the global pressure.

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