

Platts. Russia's government approves new rules for gasoline, diesel trading on exchange

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London — Russia's government has approved new rules for trading of Euro 5 gasoline and diesel on commodity exchanges, which are aimed to avoid drastic price changes, it said May 7.

The document introduces the notions of "regularity" and "uniformity" of trading which will require from oil companies to plan the volumes of sales at each loading basis a month ahead. Such a measure is expected to reduce any additional price pressure on the independent retailers.

Oil companies are required to sell part of their production on the exchange where it can be purchased by independent retailers at market prices, thus "reducing the risk of monopoly pricing" as many producers have their own retail network, the government said in a statement.

Furthermore, oil products, purchased on the exchange floor, can be lifted directly from the refinery gate via trucks, compared to only by rail previously.

Such a measure guarantees that the product can be delivered to the point where there is end-user demand.

The new rules will be enforced one month after their official publication.

Russian motor fuel is predominantly trading on the floor of the St. Petersburg International Mercantile Exchange, or Spimex.

In early February, Russia's justice ministry registered a document stipulating higher sales of oil products on the exchange floor. Under the new rules, minimum gasoline volumes were raised to 11% of output and diesel volumes to 7.5%. Jet fuel volumes were raised to 11% of output, fuel oil up to 3% and LPG to 7.5%.

With the exception of the halving of minimum sales between April and June 2020, producers have been obliged to sell at least 10% of their gasoline output via commodity exchanges since 2013, as well as 10% of jet fuel, 6% of diesel and 2% of fuel oil. LPG started trading on Spimex in June 2015 after the government asked its main producers to trade 5% of their output on the exchange floor.

Producers generally sell volumes above the obligatory monthly requirement.

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