

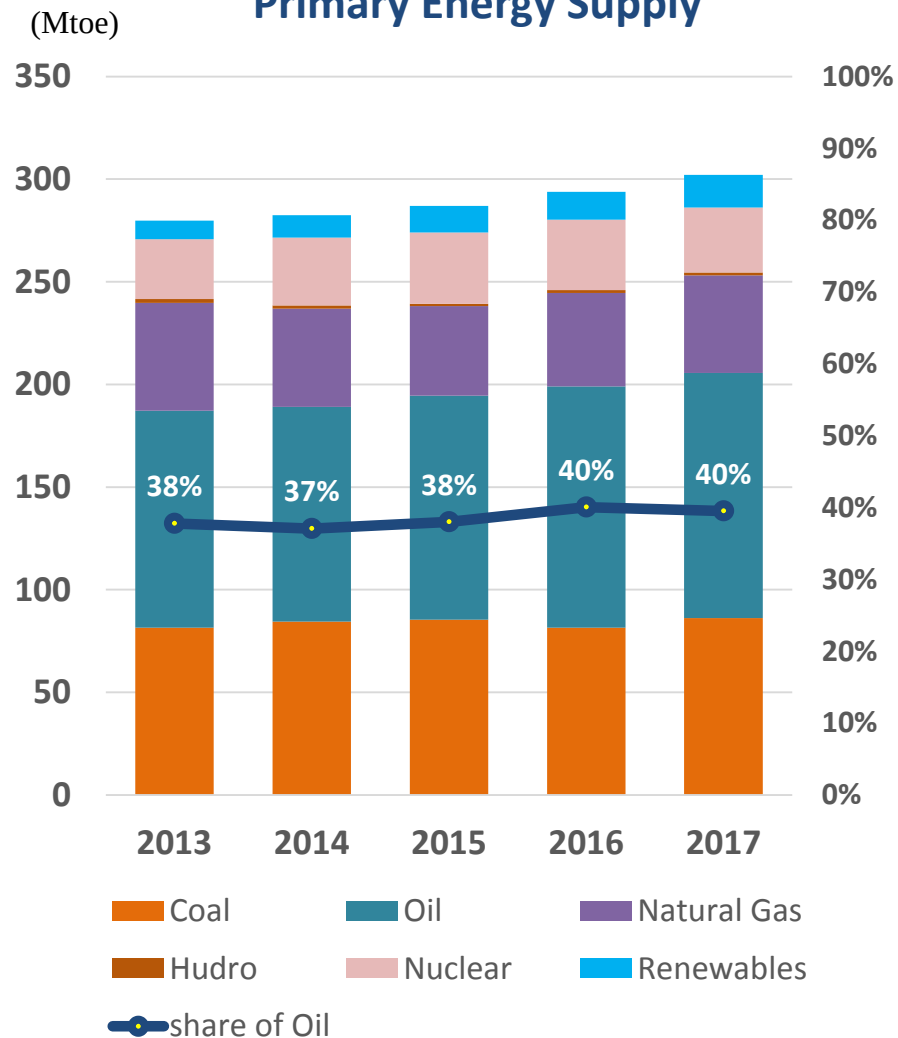
Notable Development on Oil in Korea

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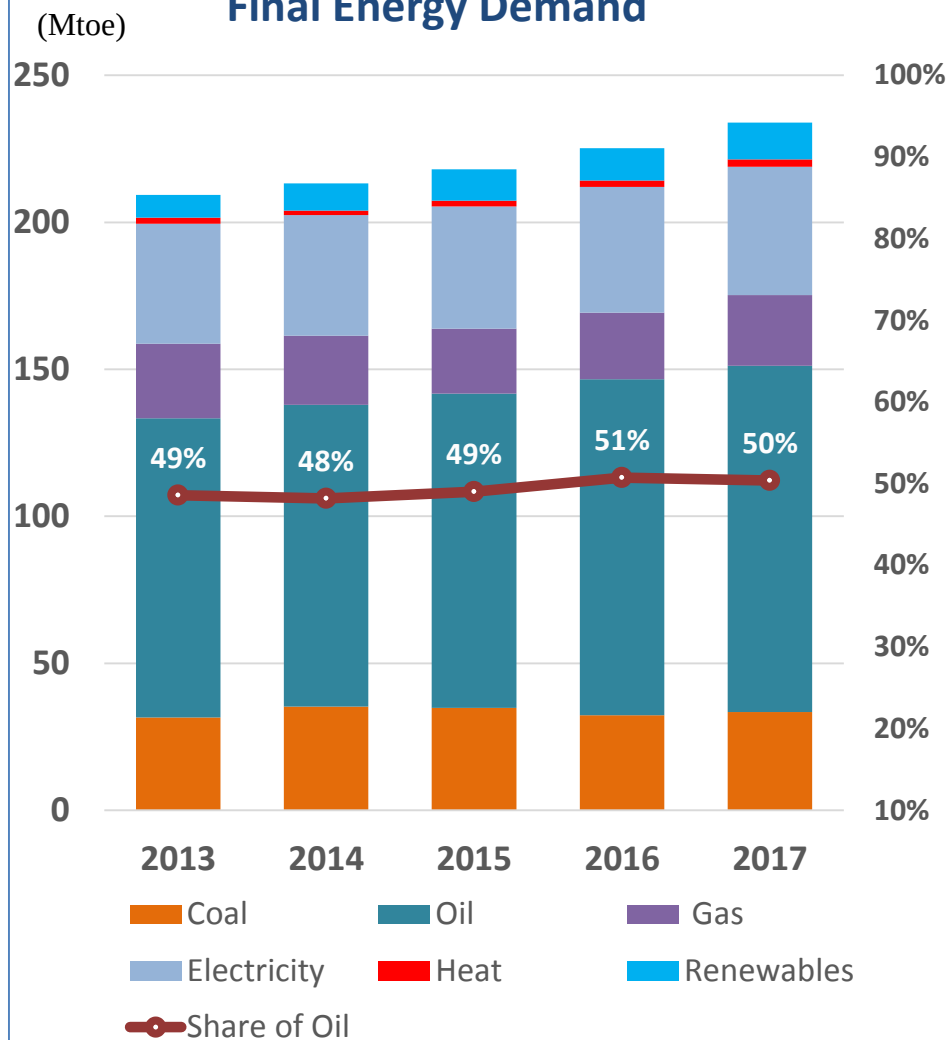
Demand and Supply Situation

Republic of
Korea

Primary Energy Supply



Final Energy Demand



✓ The annual growth rate of oil supply and demand was each 2%, 3% over the period 2013~2017

- **(Supply) In 2018, Improvement of dependence on the Middle East**
 - ✓ *2018: The drop in crude oil Imports from the Middle East*
 - ✓ *2019e: Continuous effort to ease dependence on the Middle East*
- **(Demand) In 2019, Shift from the previous year's decline to an increase**
 - ✓ *2018: Decrease in the demand due to maintenance of petrochemical facilities, substitution of Naphtha by LPG and high oil prices*
 - ✓ *2019e: Expansion of petrochemical facilities, a drop in oil prices, and a temporary reduction of oil tax lead to rebound of the oil demand*

- **Policy recommendations by the working group of the 3rd Korea energy master plan was announced in November 2018, including**
 - ✓ *Continuing to diversify crude oil import source*
 - ✓ *Changes in the role of state owned oil company(KNOC) in accordance with the changing external environment*
 - ✓ *Empowering the private sector of the upstream industry*

- Continuous cooperation among OGSN countries is needed, as each country has its own strengths in energy security part, so that we can benchmark each other, like sharing related information, policies, good cases, and so on
 - ✓ *Korea has know-hows for underground storage, so we can cooperate with OGSN countries which have an interest in these sectors*

Thanks for your attention