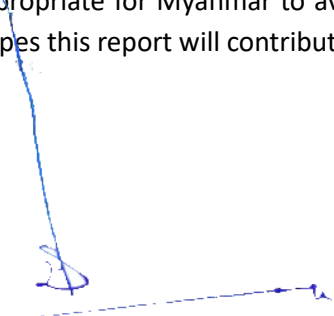


Preface

Myanmar produces small amounts of crude oil, some of which are exported, and the remaining are refined at a small refinery in Myanmar. Thus, since 96% of petroleum products, such as gasoline and diesel oil, are mainly from Singapore, Myanmar could face a petroleum shortage. This shortage is due to an oil supply disruption, such as accidents in oil facilities, natural disasters, and geopolitical conflicts like the Russian invasion of Ukraine. Moreover, in the final energy consumption, oil is consumed across the industry, transport, residential and commercial, and agriculture and fisheries sectors due to the convenient oil transportation and usage. Thus, Myanmar would face serious economic and social damages once the oil supply is disrupted.

There are several ways to avoid oil shortage: having diverse oil import channels and setting up strategic oil stockpiling. Myanmar investigates the different oil stockpiling methods, appropriate oil stockpiling amounts, and the cost and benefit of and/or from the oil stockpiling system. In addition, a road map for setting up oil stockpiling facilities is prepared to address the affordability of oil stockpiling.

In this regard, the Oil and Gas Planning Department, Ministry of Energy of Myanmar, requested the Economic Research Institute of ASEAN and East Asia (ERIA) to investigate which oil stockpiling system is appropriate for Myanmar to avoid an oil shortage. ERIA kindly prepared this report. Myanmar hopes this report will contribute to establishing oil stockpiling in Myanmar.



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Myanmar imports petroleum products. Therefore, securing the petroleum supply (import) is crucial. This study provides several ideas for preparing strategic oil stockpiling in Myanmar to avoid serious economic and social damages due to an oil supply shortage.

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Special thanks go to the Oil and Gas Planning Department for their leading role. I also appreciate the Steering Committee and Working Group members of the Strategic Oil Stockpiling in Myanmar participating in this research. I believe this report will be useful for establishing Myanmar's strategic oil stockpiling system and would be ideal for the investment frameworks of government policy.

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