

According to the Ministry of Energy, international conditions in the oil markets are very worrying, and the Ministry is preparing to tackle the local consequences. Greek market is following international developments in the oil industry as prices plummet, with projections for the coming weeks remaining uncertain as analysts await June futures to obtain a clearer picture. The scheduled surveying in the Greek offshore concessions will proceed, while output at Prinos field in northern Greece, which is already barely sustainable, will likely fail to continue if prices decline any further. The Ministry has not rule out the possibility of introducing targeted measures to support the local fuel market.

For companies in the fuel sector, refining, trading and retail, which have suffered a major blow from the slump in demand after the lockdown starting in early March, low crude oil prices are further squeezing profit margins. The effects on Greek refineries (Motor Oil and Hellenic Petroleum), which are to a great extent export-oriented, will depend on the course of demand in the regional market. In the long-term, however, the consequences for the Greek economy, which is greatly dependent on oil imports, are set to be positive. The low prices will help ease the trade deficit and contribute toward the reduction of inflation. For now, consumers are mostly unable to feel the benefits of the low prices due to the travel restrictions, which have led to a 70 % decline in demand for petrol and a 42 % drop in demand for diesel.

However, low heating oil prices have led many consumers to stock up for next winter season, leading to a 90 % sales increase this month compared to April 2019.