

Argentina gasoline station owners want oil companies to leave retail

Owners of gasoline service stations in Argentina grouped under the umbrella organization Confederation of Entities for the Commerce of Hydrocarbons want a new law to limit the participation of oil refining companies in fuel retailing, the group recently told PetrolPlaza.

“The main point we seek is that most retail sales would have to go through the channel of individual retailers and not as it is happening now that a great percentage of retailers are owned by oil companies,” recently said by telephone Carlos Gold, secretary of the CECHA organization.

The group recently said that it was hoping a law could be enacted by next year and it was making efforts in the last quarter of 2014 to get the support of legislators.

“The percentage of fuel service stations that are owned by oil companies is not known for sure but it is estimated to be at least 30%. We would like to limit that to about 15%,” Gold said. There are an estimated 3,900 gasoline stations in Argentina, he said.

Any change in legislation would affect gasoline stations operating under the biggest fuel retailing brands of the oil companies in Argentina which are YPF, Shell, Axion Energy as well as the local subsidiary of Brazilian state-owned Petrobras, Gold said.

In addition, the organization wants changes in the way retail fuel prices are being set so that all service stations in the country would have freedom to set their own, Gold said.

Currently there is one group that operates under a consignment system and another group made up of resellers, Gold said. Only resellers now have freedom to set their prices at the pump. The new legislation being proposed would keep oil companies from continuing to dictate final prices to those gasoline station owners operating on consignment, he said.

The organization also seeks the ratification of a law that bans the use of self-service fuel pumps anywhere in Argentina. The move is aimed at continuing to protect industry jobs, said Gold, who estimated that each service station in Argentina may have on average about 15 employees.