

## "E-fuels are the future of the German transport industry" Interview with Elmar Kühn

PetrolPlaza sat down with Elmar Kühn, Managing Director of Uniti e.V., the biggest association for independent petrol stations in Germany, to discuss the current state of the sector, what to expect from Germany's new government, and the upcoming trade fair UNITI expo 2018.



**You represent around of 75% of independent petrol stations in Germany - some 3,700 sites across the country. How do independent retailers fair against the major networks in Germany? Are you also experiencing increasing concentration in the market?**

The total number of fuel stations has decreased only by four compared to 2016. Considering there are 14,478 sites in Germany, that's pretty good. The number of independent fuel stations that are organized by our association has actually grown over the last few years! The reason for this is that in Germany's countryside most of the stations are independent, with major oil companies usually

placing their efforts elsewhere. I think this trend will remain fairly stable, so there is no reason to look anxiously into the future.

**A new government has been agreed in principle in Germany between Angela Merkel's Christian Democrats and the Social Democrats, pending on a vote from the SPD's base. In terms of policies, do you expect any major changes compared to the previous administration?**

The coalition agreement between CDU (Christian Democrats) and SPD (Social Democrats) that is being discussed at the moment continues with the policy of the past few years. It is true that the ambitious Paris climate protection goals (Paris Agreement) and the energy transition ("Energiewende") associated with them, which includes shifting away from nuclear and fossil fuel energy in Germany, still present enormous challenges to the German economy and thus to our industry. However, there are also some very promising things happening at the market. For example, the intensification of research on synthetic fuels – for a long time, we have been calling to rely on these promising energy sources.

**Germany has been at the forefront of alternative fuels in many ways. What is the current market share of these type of fuels and what kind of growth do expect for the near future?**

At the moment, we have a variety of alternative, competing energy sources – CNG, LPG, LNG, hydrogen, etc. We are pleased that due to our lobbying efforts the usage of LPG and natural gas continues to receive tax incentives. If it were up to us, e-fuels would be the energy carriers of the future. These carbon-neutral liquid fuels are easy to transport, can use the traditional infrastructure and can easily be blended with traditional fuels with a share from zero to 100 per cent possible, at a very modest price. So e-fuels actually combine security of supply, sustainability and affordability, which are the goals of the energy transition, in the best possible way. That's the future!

**We have seen major retailers in Germany form strong partnerships to improve its convenience offering, such as Aral with Rewe To Go. Are independent fuel retailers also following this trend?**

Our members are always in tune with the times. That also applies to on-the-go consumption. In that regard, Lekkerland became UNITI's expert partner in 2016. Their expertise and *know-how* offers the ideal support for our members to be successful in the convenience sector. Besides that, Uniti offers its members a wide range of events on this topic such as numerous workshops, the *UNITI expo* trade show, and *Zukunftsforum Tankstelle* (German forum for the future of gas stations). I would particularly like to highlight the UNITI TrendTour 24 where, together with the Uniti members, we explore the latest food trends in major European cities. This year we are going to Amsterdam.



**Uniti has a large number of motorway (autobahn) service stations in Germany. How important is this segment for your members?**

Our members supply around one third of all petrol stations along the German highways. That's a lot! It is only natural that our members want to be present not only on their street gas stations, but also along the main arteries of our transport network. That is why this segment is so important to our members. Besides, this allows us to see Uniti brands such as Westfalen or AVIA in addition to the well-known brands of major retailers along the Autobahn.

**Fuel margins have been dropping generally around the world. Has it also been the case for Germany?**

Germany cannot get away from the international trend. However, what is more important is that it's not more expensive to fill up your car in Germany than in other European countries. The comparison with the previous year shows that 2017 was a successful business year for SMEs, despite a decline in gasoline sales, the numbers for diesel increased. Moreover, today's petrol station business does not consist exclusively of the sale of fuels. Especially in the shop sector, the medium-sized petrol station companies prove to be particularly innovative. All this makes me optimistic.

**Lastly, the Uniti association organizes the third edition of UNITI expo this May. What can you tell us about the upcoming event?**

Of course, we look forward to 15,000 attendees at the exhibition center in Stuttgart. Once again, we were able to enlarge the exhibition area and this year we have 40,000 m<sup>2</sup>, which also translates into more exhibitors: over 400 companies from more than 35 countries will display their latest products

and services. We will also be having an extensive business program with lectures and presentations. Together with the numerous workshops of renowned experts from Germany and abroad, this provides a "worry-free package" for anyone who is directly or indirectly involved in the industry. That is why I am very proud that we, a medium-sized association, are celebrating the Europe's largest trade fair for the petrol station and carwash industry already for the third time.