Oil Stockpiling in Japan

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Petroleum Refining and Reserve Division
Ministry of Economy, Trade and Industry
Japan
1) Government oil stockpiling:
The Government of Japan owns oil stocks and JOGMEC manages the stocks according to the Oil Stockpiling Act.

2) Private sector oil stockpiling:
Private companies such as oil refiners, distributors, and importers are obliged to maintain a certain amount of oil stocks in their tanks according to the Act.

3) Joint Oil Stocks with Oil producing countries:
The projects have been carried out with Saudi Arabia and UAE since 2009.

< Structure >

- Government oil stockpiling
  - Government bases (crude)
    - Leased private tanks (crude/products)
- Private sector oil stockpiling
  - Private tanks
- Joint Oil Stocks
As of December 2017, the amount of stocks and locations are as follows:

- Government stockpiling: 108 days (about 300 million Barrel)
- Industry stockpiling: 74 days (about 200 million Barrel)
- Joint oil storage: 5 days (about 10 million Barrel)
- Total: 186 days (about 500 million Barrel)

Days are calculated by IEA methodology. Amount is converted into product.
Recent Topics

- **Response to domestic demand decrease**
  - Adjustment on the government stock amount
  - Shift to new Supply/Demand curve for tanks
  - Effective use of spare capacity

- **Change of operators at National Oil Stockpile Site**
  - Open tender for 5 year contract
  - New operator at 4 sites
  - More frequent and elaborate supervision by JOGMEC

- **Improvement on efficiency**
  - Cost cut (procurements, relaxing regulations, etc.)
  - Long term maintenance plan by JOGMEC
  - Employee oriented to find “Kaizen (improvement)”
Thank you