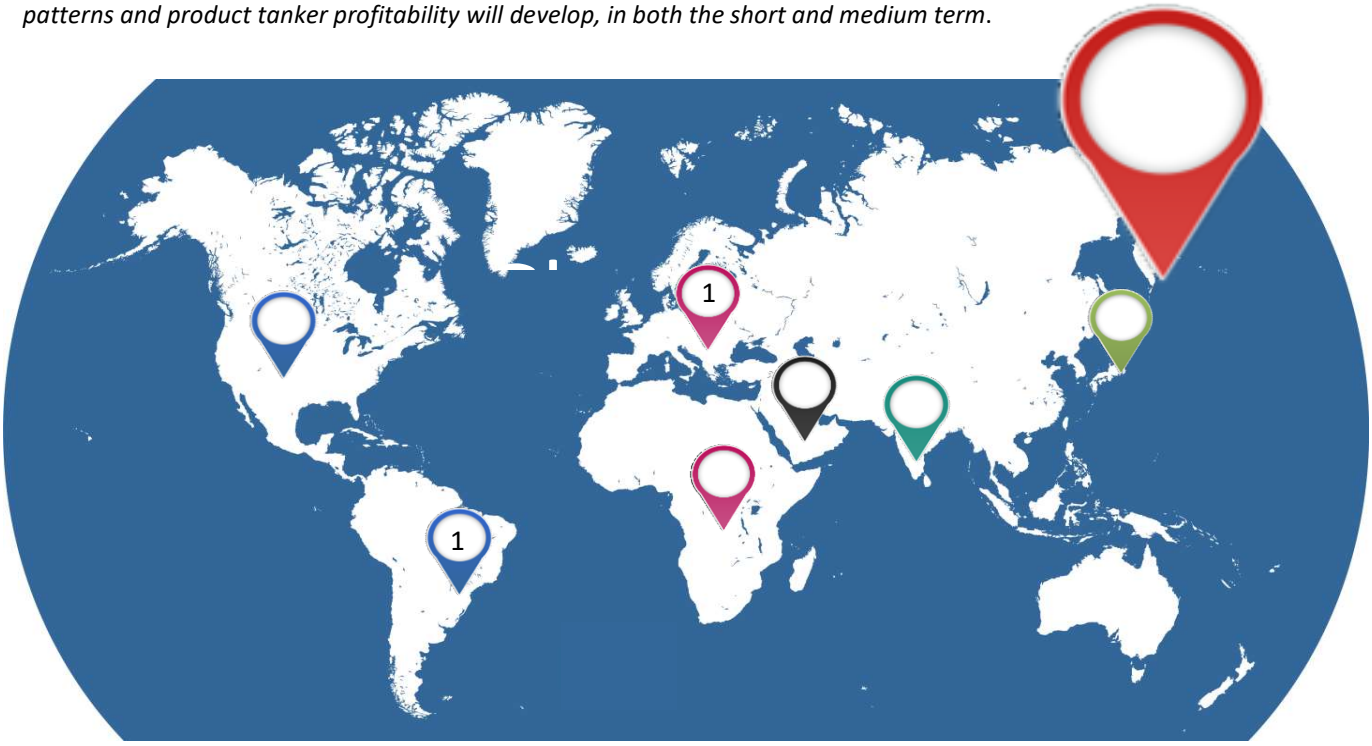
Weber Refinery Report

April 2020

In this month's Charles R. Weber refinery report, we provide readers with the latest developments in the refinery sector as they relate to the seaborne refined product trade and refined product tanker shipping. The report mixes up-to-date news with detailed information about global refinery capacity and seaborne trade in order to understand how seaborne trade patterns and product tanker profitability will develop, in both the short and medium term.



COVID-19 shock jolts global refinery sector - *Apr 2020* **-** Numerous refineries around the world are either reducing production or closing production completely amid the COVID-19 crisis. See p.4 for a full table of refinery cutbacks. Maintenance works have also been delayed or cancelled, although some refiners are continuing to make investment decisions.

The case of Caltex Australia shows how much of the industry is anticipating that COVID-19 will generate a sharp demand contraction followed by a strong bounce back, with few apprently prepared to countenance the possibility of demand destruction.

Caltex Australia's strategy is to temporarily close its Lytton oil refinery in Brisbane in May as it tries to protect cash flows, while demonstrating an ongoing commitment to the plant amid plummeting profit margins caused by the COVID-19 crisis' effect on world fuel demand. The refiner will bring forward a planned maintenance program originally due in July. The maintenance work is expected to be completed by August, but the refinery will remain closed until margin conditions have sufficiently recovered.

In a sign that there is light at the end of the tunnel, PetroChina's 100kbd (5Mnta) Ningxia refinery has increased the operation rate of its crude oil processing units back up to 93%, as of 1 April, from 72% in March, as China tentatively emerges from lock-down.

Indian refiners cut throughput in response to COVID-19 - *Apr 2020* - A 21-day lockdown in India on 25 March, in response to the COVID-19 crisis, have curtailed demand and forced Indian refiners to cut run rates.

IOC has reduced run rates at its nine refineries by 20-30%, whilst Bharat Petroleum (BPCL) cut crude throughput by 30% at its 310kbd (15.5Mnta) Kochi refinery and 241kbd (12.05Mnta) Mumbai refinery.

However, the lack of overseas demand due to the pandemic has led to spot tenders being awarded at steep discounts. One source said, "There is not much choice. If you have no storage and no good offers, you just have to take whatever you get."

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Some refinery and terminal investment continues despite COVID-19 - *Apr 2020* - Around the world, some refiners are continuing to make investment decisions, although there is also evidence that project decisions are being deferred.

For example, HollyFrontier has cut its capital expenditure for 2020 by 15% due to current market conditions, but construction of the renewable diesel unit at the its 100kbd (5Mnta) Navajo refinery in Artesia will continue. It has also committed to expand production of cleaner fuels at its 45kbd (2.25Mnta) Woods Cross refinery in Utah.

In China, Sinopec-SK Wuhan Petrochemical Corp has resumed work on the expansion project at the petrochemical facilities in Wuhan after a halt of more than two months due to the coronavirus outbreak. The project is now expected to be completed by early 2021.

In the Middle East, Kuwait National Petroleum's (KNPC) Mina Al-Ahmadi oil refinery, which consists of 31 units, has completed a biofuels expansion project with two additional production units coming on-stream. Work is still underway to complete the same project at the Mina Abdullah refinery. Upon completion, Al-Ahmadi refinery will have a production capacity of 364kbd (18.2Mnta). After the units in Mina Abdullah come on-stream, the biofuel project will have a capacity of 800kbd (40Mnta).

In India, Indian Oil (IOC) has awarded an engineering, procurement, construction and commissioning (EPCC) contract to Larsen & Toubro for a major unit to be installed as part of project to increase crude oil processing capacity at its 120kbd (6Mnta) Barauni refinery up to180kbd (9Mnta) by 2023.

However, other projects are being put on hold e.g. Viva Energy's planned expansion of its Geelong refinery near Melbourne, Australia.

Japan's oil refiners keep running even as COVID-19 affects fuel sales - *Apr 2020* - Petroleum products sales are slumping in Japan as the COVID-19 outbreak worsens, but the country's biggest refiners say they are not planning to cut production.

Idemitsu is not planning to shut any crude distillation units at its refineries and said they are operating as normal. JXTG, which has approx. 50% market share, said that there was no huge impact on their market. Cosmo Energy Holdings said all units were operating normally and it had no plans to shut any refining operations. However, oil traders said that Idemitsu and other Japanese refiners were cutting runs due to lower demand and margins.

Refinery production hit hard in Africa - *Apr 2020* - South Africa's Engen refinery had opted for a "temporary controlled shutdown", as the lower demand it was already experiencing was resulting in its inventory building up fast.

Chad's Ndjamena refinery in Djarmaya decided to halt operations because of overproduction and its storage reaching capacity.

Nigeria has made the decision to shut down all its three oil refineries whilst works to upgrade them progresses.

Valero to shut St Charles FCC and reduce Port Arthur FCC rates - *Mar 2020* - In April, Valero's St Charles refinery in Louisiana is to shutter its fluid catalytic cracker, as well as reduce rates on the FCC at its Port Arthur refinery, Texas, to a minimum, as part of a plan to reduce operations due to lower demand across its US operations. Valero has joined Phillips 66, Marathon, Exxon and PBF in cutting rates, delaying maintenance and reducing on-site staff as demand slumps and the economy weakens amid the coronavirus pandemic.

Reduced runs and delayed maintenance common across Europe - *Apr 2020* - As a first step some refineries have opted to reduce runs, such as ExxonMobil's French sites Gravenchon and Fos, as well as Italy's, API and many inland refineries in Germany and Spain.

Refineries that have either delayed/cancelled maintenance or not restarting following maintenance include, Total's Grandpuits and Gonfreville refineries, France's Feyzin refinery, and Italy's Milazzo, Sannazzaro and ISAB refineries.

However, there is no blanket strategy in Europe. Netherland's Pernis is continuing to operate and said its planned major maintenance would take place. Germany's Ingolstadt restarted after maintenance. Production was continuing as usual at Preem's Gothenburg and Lysekil sites in Sweden. France's Lavera was also continuing its maintenance program.

Middle East refining not escaping impact of COVID-19 - *Apr 2020* - While maintenance at Petro Rabigh and ADNOC Ruwais continues as planned, works at Sitra and Ras Tanura have been pushed back to the summer.

Petrobras cuts refinery throughputs as demand slump bites - *Apr 2020* - Petrobras is cutting its utilisation rates at refineries from an already depressed level of 60%, as demand for fuel plummets. April orders for Petrobras diesel, gasoline and jet fuel had fallen by 50%, 60% and 86%, respectively.

Notes: *Mnta = million tonnes per annum, Kbd - '000 barrels per day*

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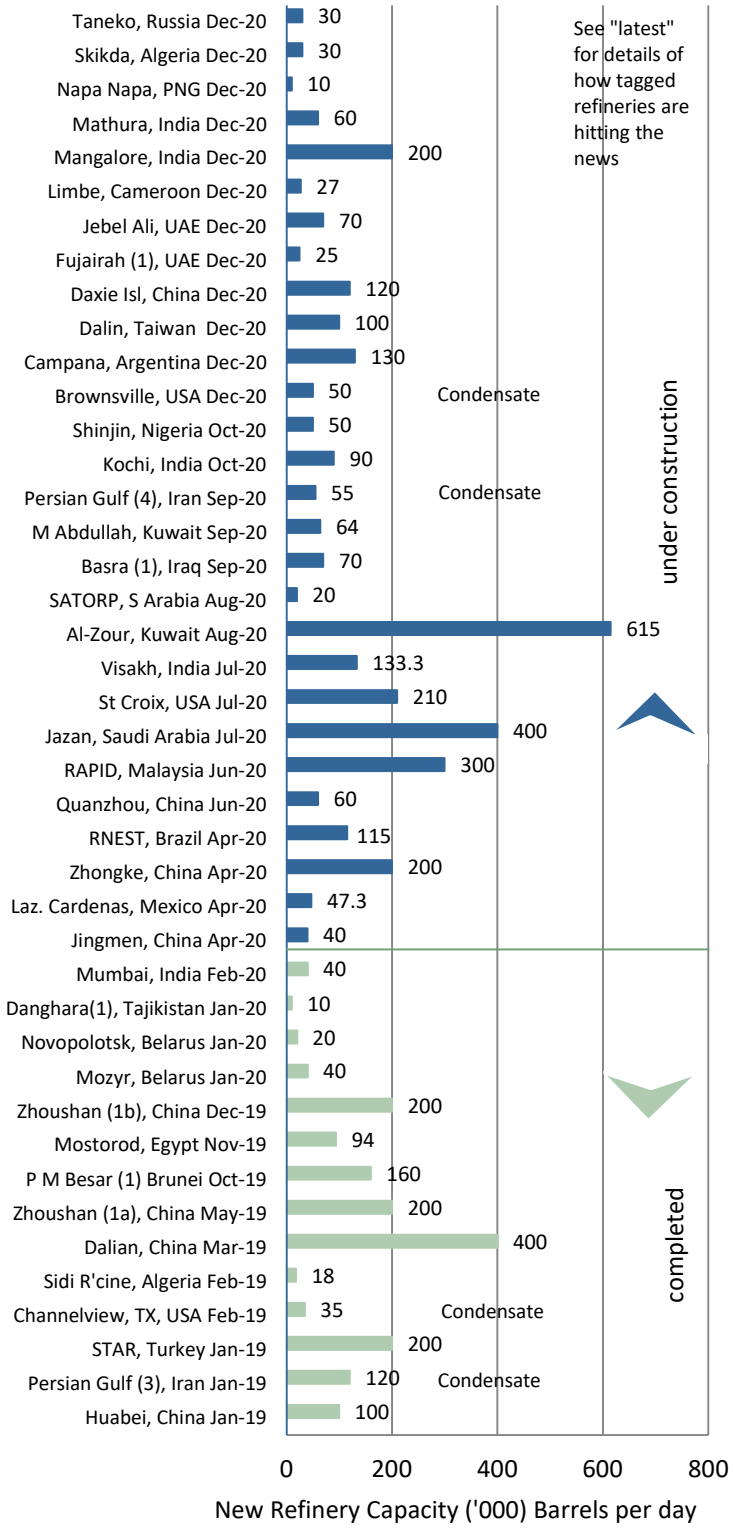
Timeline

Recent and Planned Refinery Additions



We estimate that net global refinery capacity increased by 1.5Mnbd in 2019. This built on increases of 0.8Mnbd in 2018, 0.7Mnbd in 2017, 0.8Mnbd in 2016, 1.1Mnbd in 2015, 0.9Mnbd in 2014, 1.3Mnbd in 2013 and 1.1Mnbd in 2012 (the latter two numbers are based on BP data).

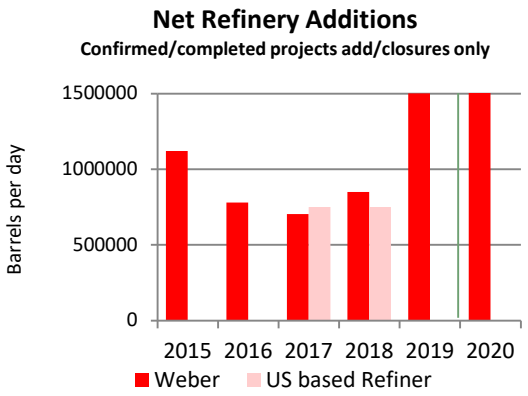
In 2020, almost 4Mnbd of new capacity (50 refineries) is currently under construction, although we anticipate capacity additions of between 1.8-2.0Mnbd. Kuwait (0.7Mnbd) and China (0.6Mnbd) are expected to lead the way, with a further 11 countries having >100Kbd under construction.

16 new refinery additions (each adding >=10Kbd) in 2014, 24 in 2015, 20 in 2016, 15 in 2017, 17 in 2018 and 10 in 2019.

In 2014-15, closures accounted for more than 1Mnbd of capacity. The rate of closures declined to 0.5Mnbd in 2016, 0.9Mnbd in 2017 and 0.2Mnbd in 2018.

Further expansion in domestic crude oil production will mean that the US remains a major driver of seaborne product trade in 2020. However, it can expect ever-intensifying competition from China, which returned product export gains of 8.3% in 2019 compared with a contraction of 3.6% in US exports.

The refinery timeline chart (left) is derived from Weber's own detailed tracking of new refinery projects. The chart below compares our summary forecast for refinery additons 2015-2020 with that provided by a large US based refiner. This comparative forecast factors in project delays beyond those reported by the refiners themselves.



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Worldwide Refinery Production Cutbacks

Americas	
Canada	North Atlantic Refining Company's Come-by-Chance refinery has shut down.
Latin America	Demand for refined products is sliding, which had been the primary destination for U.S. refined product exports. *"We're seeing even our Latin American customers asking us if they can back out of cargoes now, so we see that the demand destruction is starting to move toward Latin America,"* Phillips 66 executive to investors.
United States of America	Overall products supplied in the United States fell by 2.1 million barrels per day in the most recent week, representing close to a 10% drop, while IHS Markit estimates that gasoline demand in the world's biggest oil consumer could drop by nearly half in the coming weeks.
BP	*British Petroleum.* 10-15% cut Whiting, Indiana (430,000 bbl/day), Cherry Point, Washington (242,000 bbl/day), Toledo, Ohio (155,000 bbl/day).
ExxonMobil	*ExxonMobil*. Exxon Beaumont: Planned overhaul shutting 240,000 barrels per day crude unit at the 369,024 barrels per day refinery. Exxon Baton Rouge: Crude intake reduced by 60,000 barrels per day at the 502,500 barrels per day refinery. Exxon Baytown has shut its 90,000 barrels per day gasoline at their 560,500 barrels per day refinery.
Husky	*Husky Energy*. Husky is suspending the rebuilding of its oil refinery in Superior, WI due to the coronavirus. The refinery was damaged by an explosion and fire in April 2018.
Marathon	*Marathon.* Marathon will idle its (26,000 bbl/day) Gallup, New Mexico refinery.
	Marathon. Marathon will idle its (166,000 bbl/day) refinery in Martinez, California beginning April 27
P66	*Phillips 66*. First-quarter refinery utilization rate was in the low-to-mid 80% range, with many refineries operating near minimum rates.
PBF	*PBF*. Reducing processing capacity and selling assets. PBF Energy has sold five hydrogen plants, including two in Torrance, to Pennsylvania based Air Products and raising $530 million in much-needed cash as gasoline demand craters. It also said that it is running its refineries at rates about 30% lower than expectations.
Valero	*Valero*. Cutting process rates by 15% at six (6) of its refineries. Memphis, McKee, Wilmington, Benicia, St. Charles and Meraux.
Hawaii	Par Pacific Holdings has reduced throughput rates and will defer scheduled maintenance at its subsidiary's 94,000 bbl/day and 54,000 bbl/day refineries in Kapolei, Ha., to accommodate Hawaii's reduced demand for refined products amid the COVID-19 interruption.
U.S. Virgin Islands	Limetree Bay Refinery on St. Croix is no longer assured a summer startup after a construction employee tested positive for CORVID-19. After previous delays the company was aiming for a June or July start of commercial processing operations after a new delay caused by greater-than-expected corrosion discovered during the overhaul.
Brazil	Petrobras has adopted further measures in response to the contraction of demand for oil and oil-related products. From today the company will reduce its oil production by 200,000 b/d, a volume that includes the cut the company announced 4/10/20. As to the fields where reduction will take place, Petrobras will assess the market and operational conditions and will continue to evaluation the duration of the constraint, as well as potential increases or decreases. It is also adjusting oil processing in its refineries, in line with lower oil products demand.
Europe/UK	
Finland	Neste Corp. is delaying 11 weeks of routine planned maintenance previously scheduled for second-quarter 2020 at its 10.5 million-tonnes/year refinery at Porvoo as part of the operator's effort to limit the spread of the COVID-19. Following the government of Finland's declaration of a state of emergency in the country due to COVID-19. Neste has determined the major turnaround—which occurs every 5 years—will need to be executed in phases, with only the most business-critical maintenance works and regulatory inspections to be executed in the originally scheduled April-June window.
France	Total delays restart of Grandpuits 102,000 refinery. Suspends maintenance at 110,000 Feyzin. ExxonMobil's French subsidiary said it would adapt production to falling demand.
Germany	BP shuts 70,000 crude unit at Scholven. Some refineries have scaled back production, with traders expecting many others to follow as demand falters.
Great Britain	Some refineries have scaled back production, with traders expecting many others to follow as demand falters. INEOS shuts 35,000 crude unit at 200,000 Grangemouth.
Italy	API shut down its 85,000 barrel per day refinery in Ancona.

Netherlands	Gunvor has indefinitely delayed works related to a major turnaround that began earlier in March at its 88,000-b/d refinery in Rotterdam, as a result of COVID-19. Demobilization procedures at the refinery are now under way, according to the operator.
Spain	Repsol will cut runs by about 10% at its complex refineries.
Africa	
South Africa	
Sasol	Sasol Ltd. and partner Total SA are suspending operations at their jointly owned National Petroleum Refiners of South Africa (Pty) Ltd.'s (Natref) (108,000 bbl/day) refinery in Sasolsburg, South Africa, amid reduced regional demand. Separately, Sasol said, until further notice, it was also reducing daily production rates to meet current market demand by about 25% at its Secunda Synfuels Operations (SSO), which is the world's only commercial coal-based synthetic fuels manufacturing site to synthesis gas (syngas) through coal gasification and natural gas reforming.
Engen	The Engen Refinery in Durban is set to undergo a temporary controlled shutdown, which Engen assures will not affect its ability to service the core petroleum needs of motorists and commercial customers during the national lockdown. Starting on 27 March 2020, this controlled activity is due to forecasted lower demand for petroleum products during the national lockdown.
Sapref	South Africa's largest refinery, Sapref, (125,000 Bbl/day) said it will adjust its production rates according to market demand. It is owned by Shell and BP.
Chad	Chad's Ndjamena refinery in Djarmaya temporarily suspended processing activities because of overproduction.
Asia	
Asia	Asia accounts more than 60% of global oil demand growth. Asian refiners are losing money as domestic demand dries up and bleak margins make for diminishing prospects from exports.
Australia	Caltex Australia is bringing forward and extending the planned shutdown of its 106,000 bbls/day Lytton refinery near Brisbane. The planned shutdown, previously set for August, has been brought forward to May, with operations likely to restart once margin conditions recover.
China	China is an outlier, having restarted its economy after weeks of lockdown, with its refining sector showing signs of recovery after a decline in the number of new virus cases. China is expected to lift average run rates by 3% year on year to 77% in the second quarter, from 63% in February. Major refineries are optimizing run rates for petrochemical feedstock, while low oil prices, stimulus measures and recovering business activity are spurring demand, the analyst added.
India	Refiners are facing a tough situation with cash flow, an official at one of the state refiners said. Their tanks are full, retail income has virtually disappeared and they must continue to make payments for crude imports to avoid default, the official added.
BORL	Bharat Oman Refineries Limited's Bina refinery in central India is considering cutting crude throughput. The refinery is currently running at around 100% of capacity, and should a reduction be implemented, it would be in the range of a 20%-30%.
BPCL	Bharat Petroleum Corp Ltd has reduced crude throughput by 30% at its Kochi refinery. BPCL has also reduced crude throughput by 30% at its Mumbai refinery. It has also postponed maintenance of Mumbai units to end-April. They had planned for maintenance at its Mumbai refinery to start on April 6 before postponing the start to April 16. It postponed the start of the turnaround again to April 28 on manpower considerations. It should last 25-30 days. The turnaround includes 10,000 mt/day Diesel hydrotreater (DHT) unit, 1,500 mt/day Isomerization unit and 5,000 mt/day Aromatics Extraction unit (ARU). Bharat Petroleum Corp. Ltd. was initially slated to shut a 210,000 b/d crude distillation unit and a vacuum gasoil hydro desulfurization unit at its Kochi refinery early April for maintenance, the turnaround of the VGO-HDS unit is delayed to May while plans for the CDU are unclear. Crude throughput at the Kochi refinery will also be cut by 30% with effect from end March.
CPCL	Chennai Petroleum Corporation Ltd has shut two of the three crude distillation units at its Manali refinery. The refinery has been progressively trimming its run rates by 25-30% and the run rate was subsequently reduced to 40%, with its' biggest CDU and secondary units continuing to run.
HPCL	Hindustan Petroleum Corp Ltd invoked force majeure on its Iraqi crude supplies. HPCL owns two refineries (i) the Mumbai facility and (ii) the Visakhapatnam or Vizag complex. The Mumbai refinery has cut its throughput by a tenth as the fallout of the three-week lockdown escalates, while the Vizag refinery is operating at its normal run rate, according to the market sources.
IOC	Indian Oil Corp issued a force majeure declaration to its suppliers in the Middle East as its sales fell by about a third for refined products including gasoline, diesel and jet fuel. IOC trimmed throughput at its nine refineries by 50%. IOC said in a letter to crude suppliers that it closed its Panipat naphtha cracker plant because of sliding petrochemicals demand.

Reliance	Reliance Industries said it would simply sell the crude oil that it had in transit at sea, rather than allowing the cargo to arrive at its refineries. Reliance, which operates the world's largest refining complex, said it would instead cut processing rates. "As of now, the plan is to cut refining throughput in April because demand is not there," a Reliance source said.
Mangalore	Mangalore Refinery and Petrochemicals Ltd (MRPL) invoked a force majeure declaration to its suppliers in the Middle East. MRPL has cut output of transportation fuels by around 50%, while output of LPG has been slashed to about 20-25%
Indonesia	Pertamina is eyeing a turnaround for its Balongan refinery at the end of the first quarter. Pertamina will postpone a turnaround at one of its two crude distillation units at Balikpapan in East Kalimantan to the end of July from mid-January. The 200,000 barrel per day CDU will now undergo maintenance from end-July to end-August. During the CDU turnaround, the refinery will also shut several secondary units, such as its 81,000 barrel per day high vacuum unit and 20,000 barrel per day plat-former. The facility's 60,000 barrel per day CDU will also be taken offline later in the year, though the exact dates have yet to be settled.
Japan	Japan is also considering more cuts after run rates fell nearly 7% for the first 12 weeks in 2020, data from the Petroleum Association of Japan shows. The country's top refiner, JXTG, expects a record net loss of 300 billion yen ($2.7 billion) for its 2019/20 financial year. Japanese refiners are considering cutting operating rates further in April - despite the rate in March falling to the typical turnaround level before the maintenance season has started -- as global demand for refined products plummets amid the coronavirus pandemic. Jet fuel demand will plummet further in April. The country's second largest refiner Idemitsu Kosan expects its bonded jet fuel demand to drop 40% year on year in April and domestic jet fuel demand to drop 20% over the same period. A number of Japanese refining sources also said the jet fuel demand outlook for April was bleak, which would slash bonded jet fuel sales. Increasing flight suspensions by major international airlines could see Japan's bonded jet fuel sales drop more than 50% year on year in April, the sources said. In the four weeks to March 21, Japanese refiners exported 4.03 million barrels of jet fuel, down 22.9% year on year, according to the Petroleum Association of Japan. Japan's gasoline shipments for the domestic market fell 10.2% year on year to 20.44 million barrels in the four weeks to March 21, while gasoline exports fell 2.6% over the same period to 2.33 million barrels. The rate cuts see Japan join refineries in Taiwan, Vietnam and South Korea in reducing run rates in response to faltering demand both domestically and across the region. Nevertheless, the cuts have done little to ease concerns over lagging demand that has dealt a heavy blow to gasoline margins, with crack spreads plunging to more than 10-year lows.
New Zealand	New Zealand's Refining NZ said it has reduced operations at its refinery at Marsden Point for three months initially, with a decision due in April on whether to extend this arrangement beyond June. Overall reduced run rates
Pakistan	
PARCO	PARCO's Mid-Country refinery has shut for a two-month long scheduled maintenance period from early-February to end-April. The turnaround saw the 100,000 barrels per day plant completely idled, to "undergo repairs and maintenance works". PARCO is a joint venture between the Pakistan government and the Emirate of Abu Dhabi, with the former holding a 60% shareholding, while the latter a 40% interest through state-owned Mubadala Investment Company
Byco	Byco Petroleum Pakistan Ltd has put its refinery in Baluchistan province on "cold circulation". Byco Petroleum Pakistan on its website said it plans to build an aromatics plant with a capacity of 27,300 barrels per day to produce benzene, mixed xylene, paraxylene, orthoxylene, C9 and raffinate.
Attock	Attock Refinery Ltd, located in the province of Punjab, warned in an exchange filing that its refinery could be completely shut down within a week as product demand has evaporated.
PRL	Pakistan Refinery Ltd has cut its utilization rate to 50%. Run cuts have also been applied widely by the refineries in Pakistan.
NRL	National Refinery Ltd decided to temporarily shut production from March 25, due to demand saturation, it said in an exchange filing, adding that it had sufficient inventories to meet current requirements.
Singapore	A complex refinery in Singapore reportedly stands to lose nearly $2.00 for every barrel of crude it processes, including losses of more than $6.00 a barrel on gasoline production. Shell's Pulau Bukom refinery plans to shut its Bukom refinery for a scheduled maintenance over April 18-May 27. According to sources, the initial plan was scheduled to start in May, but was brought forward by a month due to declining product margins.
South Korea	Run rates fell 82.8% in February, the lowest for the month since 2014. The cuts are unlikely to stop there, however, with demand for gasoline and diesel expected to fall 30% year on year in March, according to sources and data from the Korea National Oil Corp. Asia accounts more than 60% of global oil demand growth. Asian refiners are losing money as domestic demand dries up and bleak margins make for diminishing prospects from exports.
SK Energy	SK Energy plans to shut its biggest crude distillation unit, the 260,000 barrels per day No. 5 unit, at Ulsan, for scheduled maintenance over late May-late June. Earlier in March, the refiner reduced the combined operating rate of its five CDUs at Ulsan to 85% until the end of March amid weakening demand for refined oil products. This means 15% of total capacity, or 126,000 barrels per day, will remain idle through end March. SK Energy has reduced its crude run rate at Ulsan to 85% in March, from 95% a year ago, to cope with the "weakening demand for refined oil products". The refiner

	may keep the run rate low in April as well. SK Energy has delayed commercial production of its newly built 40,000 barrels per day desulfurization unit due to "deterioration in market conditions". The refiner completed mechanical construction of the vacuum residue desulfurization, or VRDS, on January 31, three months ahead of its original schedule, to supply low sulfur marine fuels compliant with IMO 2020 regulations. Since then, the unit underwent a two-month test run, which the company said was very successful. "With the end of the test run, the VRDS is ready to start commercial production," the company official said. "But we have delayed the timing of full operation because of the deterioration in market conditions." The VRDS transforms high-sulfur heavy fuel oil into value-added low sulfur light products, producing 34,000 barrels per day of 0.5% sulfur fuel oil and 6,000 barrels per day of marine gasoil. The desulfurization unit will also produce 2,000 barrels per day of LPG and naphtha. The VRDS will use 30,000 barrels per day of vacuum residue produced by its heavy oil upgrader and 10,000 barrels per day of atmospheric residue from crude distillation units as feedstock to produce LSFO.
S-Oil Corp	S-Oil Corp will shut its 90,000 barrels per day No. 1 crude distillation unit and 76,000 barrels per day No. 2 residue fluid catalytic cracker at Onsan for several weeks' maintenance some time in 2020, but has yet to confirm the dates. S-Oil operates three CDUs - No. 1 with a capacity of 90,000 barrels per day, No. 2 with 240,000 barrels per day and No. 3 with 250,000 barrels per day, and a condensate fractionation unit with a capacity of 89,000 barrels per day, giving it a total refining capacity 669,000 barrels per day. It also operates two RFCCs, No.1 with a capacity of 73,000 barrels per day and No. 2 with 76,000 barrels per day at Onsan.
Hyundai Oilbank	Hyundai Oilbank plans to idle one of two (2) crude distillation units and a fluid catalytic cracker at Daesan for maintenance in mid-April. The turnaround will be for one (1) month lasting until mid-May. They will also idle their residue desulfurization unit with a capacity of 100,000 barrels per day at Daesan to revamp the unit to increase low sulfur fuel oil production. The capacity will be raised to 130,000 barrels per day after the shutdown. The company will be able to produce up to 200,000 metric tons per month of LSFO after the completion.
GS Caltex	GS Caltex has scheduled maintenance at its Yeosu refinery for March, a source close to the company said. The duration was expected to be around one (1) month.
Taiwan	Formosa Petrochemical is halting its 84,000 barrel per day No. 2 RFCC, its 180,000 barrel per day CDU and its 80,500 barrel per day No. 1 RDS (residue desulfurization unit) at Mailiao over March and April for maintenance. The No. 2 RFCC will shut from March 1 for 50 days, with the restart scheduled for April 20. Formosa has two RFCCs, each with a nameplate capacity of 84,000 barrel per day. The CDU and No. 1 RDS units will be shut around March 10, and restart around April 20-25. "We are thinking of a 10% cut for now. We will review the situation again and then decide."
Thailand	Already running at reduced rates, Thailand is looking at more cuts as they shut plants for maintenance. Thai Oil has cut operating rates at Sriracha refinery by about 20% in response to falling demand.
Turkey	Tupras has cut runs by 20-50% at its oil refineries in Turkey as demand for fuel deteriorates
Vietnam	PetroVietnam's Binh Son Refining and Petrochemical has postponed maintenance at its refinery at Dung Quat. A complete shutdown had originally been planned starting from June 12 for around a month, but the start has since been postponed to June 27, with the plant pegged to restart on August 17, one source said. The work is to replace and repair units such as the CDU, RFCC and CCR. The company is closely monitoring the situation and has developed a number of scenarios, one of which would be to delay the maintenance work until 2021. In response to the lower demand, the Dung Quat plant has also reduced operating rates further to 103% from 105% in mid-March, sources said. Binh Son Refining and Petrochemical Co. said Dung Quat may halt production if supply continues to exceed demand. PetroVietnam proposed that the government curb imports of oil products to help local refineries that are struggling with stockpiles. PetroVietnam's refineries at Dung Quat and Nghi Son are among many refineries globally that are facing difficulties due to low demand, PetroVietnam said.