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Czechia's Efforts to Strengthen National Fuel Security

In recent years, Czechia's oil sector has come under significant geopolitical and infrastructure-related pressure, prompting the government to take steps to strengthen national fuel security. These measures have focused on phasing out Russian crude oil, diversifying supply sources, expanding transmission infrastructure, and increasing the role of the state in stock management and market stabilisation. The recent crisis in the Middle East, together with rising fuel prices, has further encouraged the government to formulate proposals aimed at enhancing its capacity to influence the refining sector.

The structure of Czechia's Oil Sector. In the upstream segment, Czechia's importance on the European market is marginal, and domestic production covers only 1–3% of demand (domestic reserves are limited and are gradually being depleted). This means that the country remains structurally dependent on crude oil imports, while energy security is highly contingent on the reliability of transmission and storage infrastructure. The refining segment is well developed and is based on two refineries owned by ORLEN Unipetrol, located in Litvínov and Kralupy nad Vltavou. The combined refining capacity of these facilities amounts to approximately 7.5 million tonnes of crude oil per year. Litvínov is the larger and more technologically advanced plant, with strong links to the petrochemical sector, whereas Kralupy focuses primarily on the production of transport fuels. Refining capacity and liquid fuel output are sufficient to meet domestic needs, although part of demand is also covered by imports. Diesel remains particularly important, as it dominates the consumption structure, with shortages being supplemented through imports from neighbouring countries. The distribution system is based on a combination of direct refinery supplies, rail and road transport, as well as the transportation of fuels through the existing infrastructure owned by the state-controlled company ČEPRO, which plays an important role in storage and in balancing the market during disruptions.

Diversification of Crude Oil Supplies to Czechia Refineries. For many years, Czech crude oil supply model was based on two main corridors: the eastern corridor (the southern branch of the Druzhba pipeline, enabling supplies of crude oil from Russia via Belarus, Ukraine, and Slovakia) and the western corridor (the TAL-IKL system, enabling supplies from Italy via Austria and Germany). In practice, the proportions between these two routes fluctuated, but until recently Russian crude oil still accounted for a significant share of total imports. At the same time, Czechia also imported crude oil from, among others, Azerbaijan and Kazakhstan. Following the commissioning in 2015 of expanded transmission capacity under the TAL-PLUS project (which doubled the pipeline's capacity to 8 million tonnes per year), the country also broadened its access to seaborne supplies, including crude oil from the North Sea, the Mediterranean basin, and trading partners linked to the terminal in Trieste. Of particular importance was the technical adaptation of the Litvínov refinery to process non-Russian crude oil, as this facility had historically been the most closely tied to feedstock supplied via the Druzhba pipeline. As a result, in 2025 Czechia was able formally to end its dependence on Russian crude oil and shift entirely to supplies via the western corridor.

Following the reorientation of crude oil supply routes, Czechia became more dependent on a single logistical route, namely the TAL and IKL pipelines leading from the port of Trieste. Whereas previously the main risk was concentrated in the dominance of a single supplier, the burden has now shifted to infrastructure vulnerability, including potential outages, technical stoppages, disruptions at the unloading port, or tensions along the transit route, all of which could simultaneously affect both Czech refineries. An additional challenge lies in the technical and commercial aspects of diversification. Different crude oil grades entail different refining parameters, product yields, and logistical costs. As a consequence, the termination of Russian crude oil supplies requires greater

flexibility in procurement, the maintenance of relationships with a broader range of suppliers, and the adjustment of refinery operations to a more variable crude oil slate.

Government-Proposed Measures. Czechia's response to risks in the crude oil sector has been multi-layered. The first and most important instrument was political and investment support for the TAL-PLUS project, implemented by the state-owned company MERO ČR. The expansion was completed in April 2025, and the increased capacity of the TAL-IKL corridor made it possible to cover the entire crude oil demand of the country's domestic refineries. The importance of this change became particularly evident in March 2026, when a five-day outage of the TAL pipeline demonstrated how heavily Czechia depends on a single transmission route. From the government's perspective, this investment was therefore not merely an infrastructure project, but also a prerequisite for ORLEN Unipetrol – and indirectly for the government itself – to regain greater political room for manoeuvre in the area of crude oil supplies. It also strengthened the country's negotiating position vis-à-vis crude oil suppliers and transit partners.

The second element involved strengthening reserves and making their structure more flexible. Strategic reserves exceed 2.0 million tonnes of crude oil and liquid fuels and, according to data as of 30 March 2026, covered 88.5 days of domestic consumption. The government announced plans to increase the share of transport fuels (mainly diesel and gasoline) at the expense of crude oil itself, while also temporarily releasing emergency reserves. This shift is based on the assumption that, in a crisis situation, market stability increasingly depends not only on access to crude oil, but above all on the availability of liquid fuels. This is particularly important in the case of diesel, which is of key importance for transport and logistics. These measures were accompanied by one-off releases of emergency reserves, the temporary provision of crude oil from state reserves to refineries in order to maintain processing continuity and reduce the risk of liquid fuel shortages during supply disruptions, as well as market-shielding measures at times of supply instability. In addition, under the framework of International Energy Agency (IEA) measures related to the war in the Middle East, Czechia agreed to release 2.2 million barrels from its state reserves. The intervention was intended not only to mitigate the impact of rising prices on households and businesses (the government estimated that, without these measures, prices would have been 13–14% higher), but also to reduce the risk of panic buying and further inflationary pressure. At the same time, Czechia sought access to liquid fuels from the Slovnaft refinery in Slovakia, from which liquid fuel imports had previously reached 60,000 tonnes per month. Slovakia, in order to limit "fuel tourism" and prevent potential shortages on the domestic market, introduced a ban on the export of gasoline and diesel fuel (["IEŚ Commentaries", No. 1571](#)).

The war in the Middle East revived debate in Czechia over the instruments available to the government to limit the effects of a crisis situation. As a result, a broader discussion emerged about a stronger role for the state in the refining sector, viewed as an instrument for enhancing liquid fuel security. As early as mid-April 2026, Prime Minister Andrej Babiš stated that state participation in a refinery would be desirable, and on 11 May 2026, Minister of Industry Karel Havlíček confirmed that the government was analysing the possibility of purchasing a stake in such assets in order to increase its influence over crude oil supply routes, logistics, and liquid fuel market stabilization. These considerations concern both a possible capital entry into ORLEN Unipetrol's Czech assets and, in a broader regional context, involvement in refineries outside Czechia. A precedent for this was the earlier, ultimately unsuccessful, 2024 talks on acquiring a stake in the German MiRO refinery in Karlsruhe.

Conclusions

- The termination of Russian crude oil imports and the full shift to the TAL-IKL corridor significantly strengthen Czechia's resilience to political pressure from Russia, but do not eliminate the risk of supply disruptions. A model based on a larger number of crude oil suppliers also entails greater dependence on a single logistical corridor and its technical reliability. Therefore, in the coming years, it will be crucial to develop contingency scenarios for potential disruptions along the route through Italy, Austria, and Germany.

- The growing role of the state – from support for MERO ČR and emergency reserves to price caps and consideration of refinery asset acquisitions – indicates that Czechia regards the liquid fuel sector as a strategic area in which market logic may increasingly be complemented by public intervention. The very discussion of a potential capital stake in ORLEN Unipetrol's assets or other refineries in the region demonstrates that the Czech authorities seek to increase their influence not only over reserves and prices, but also over decisions concerning refining, supply, and liquid fuel logistics.