sapia | South African Petroleum Industry Association

2015 Annual Report

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2015
Annual Report

Table of contents

Foreword by the Minister of Energy Tina Joemat-Pettersson

It is my pleasure to write the foreword to SAPIA's 2015 Annual Report in the 21st year of our country's democracy. The Department of Energy (DOE) remains committed to the goals set out in the National Development Plan (NDP). The NDP seeks to eradicate poverty in South Africa by 2030. This overarching development goal creates the opportunity for an intensive programme for job creation. In order to achieve the energy vision as stated in the NDP, skills development in the energy sector is critical.

Given the planned energy infrastructure investments, the country will require a substantial investment in technical skills such as engineers, technicians, artisans and project managers among others.

It has been 20 years since the international conference for women, and the Beijing Platform for Women was developed and adopted by all of us. The business case for expanding women's economic opportunities is becoming increasingly evident. Along with SAPIA, we continue to engage with organisations such as the Women in Oil and Energy of South Africa (WOESA) with the objective of ensuring that there is a united effort to transform the energy sector, with women participating in the oil and energy enterprises as well as building their capacity.

The oil companies are making progress in changing the landscape of ownership in the petroleum industry and we call on the industry to include more black women in their ownership structures. The Department will be conducting an audit of retail ownership by each company to establish a baseline.

Codes of Good Practice for the Broad-Based Black Economic Empowerment Act must be supported by all and be given a chance for implementation this year. Working together with the Department of Trade and Industry, as well as industry stakeholders, we will then identify those areas that require a sector specific dispensation.

We are mindful that many people still lack a decent standard of living especially the need for a job opportunity and security. That is the reason why we are driving concerted efforts towards transforming our economy in a radical manner, and at the heart of this transformation is security of energy supply.

South Africa's energy systems need to be supported by effective policies, institutions, governance systems, regulation and competitive markets. We need to ensure that there is security of energy supply and adequate infrastructure in order to support economic development.

Together with SAPIA, the DOE continued to co-ordinate and monitor fuel supply in the country to ensure the security of petroleum products supply. The petroleum products supply situation in the country remains very tight, especially with regard to Liquefied Petroleum Gas (LPG).

In President Zuma's State of the Nation Address in 2015, he reaffirmed the need to address our country's energy challenges in order to create a favourable environment for economic growth and development. Our plans to achieve this have been shaped by issues such as energy security, economic growth, environmental sustainability and energy access for all. Our immediate priority is to ensure that the Integrated Energy Plan and Liquid Fuels Master Plan are finalised. Another key objective will be to look at alternative energy sources.

One of our main objectives is to facilitate LPG imports to unlock supply and to position LPG as a real alternative solution. We are aware of the safety concerns that our communities have expressed and we have engaged the LP Gas Safety Association to assist in developing awareness about the safe usage of LPG.

NERSA has licensed three import installations that will be able to bring in LPG. Proposals on how to deal with other identified regulatory shortcomings that are hampering increased LPG usage will be developed by the Department, including the Draft LPG Fuel Switching Strategy, which provides a framework for the expansion of the use of LPG in South Africa with special emphasis on the household sector.

In line with our vision of an expanded natural gas sector, the Gas Utilization Master Plan is in the final stage of internal approval and will be released for public comment.

We are paying attention to the concerns regarding the proposed Biofuel Subsidy Models and the risks posed to the fiscus and the National Revenue Fund, as well as concerns regarding food security.

We believe that now is an opportune time for revisiting the cleaner fuels programme, as well as investment in new refining capacity. The Joint Task Team on Cleaner Fuels II that was established by DOE and SAPIA should provide useful input into implementation timing and cost recovery for South Africa.

The review process that includes the National Treasury and Department of Agriculture, Forestry and Fisheries is underway. Government recognises that clear government policy, regulations and incentives are a pre-requisite for the development of the biofuels industry.

During the year under review, the Department commissioned three projects which will determine the costs suppliers of petroleum products incur when delivering their products to consumers. The main objective is to ensure that the fuel prices are reflective of the actual supplier costs.

The first project concerns Magisterial District Zones (MDZ), which will measure costs from supply points to retail outlets. The second one is a study to evaluate the asset base of storage facilities and service stations, which will enable the Department to calculate the return on assets when calculating the profit margins mentioned earlier. The third project is a survey to determine the operational costs of a service station, which together with the asset valuation will be used to inform retail margins. These three projects will be concluded during 2016.

The past year has seen a rapid evolution of our energy system. The national energy infrastructure we are building lays the foundation for increased energy security, economic benefits, industrial development, job creation and clean energy. As the global economy grows so will the demand for energy. We will continue to call upon SAPIA and its member companies to collaborate in finding mutually beneficial solutions and crafting a collective response to the national challenges we face.

SAPIA membership has grown over the past three years. This is another positive step in the transformation of our industry. Working together, I am sure we will continue to make a valuable contribution to our economy, meaningful transformation and development of the industry. I look forward to the next decade of democracy in the hope that our partnership will continue to grow from strength to strength.

Report by SAPIA Chairperson Maurice Radebe

The last year has been challenging for the oil and gas industry globally, with oil prices plummeting in 2015. Global growth slowed to 2.4 per cent in 2015 and is expected to recover at a slower pace than previously forecast. Growth is projected to reach 2.9 percent in 2016, as a modest recovery in advanced economies continues and activity stabilises among major commodity exporters, according to the World Bank's January 2016 *Global Economic Prospects*.

Due to the enormous scale of oil and gas projects, such as the multi-product pipeline and proposed refinery upgrades, the industry needs to be prepared over the long term to deal with challenges like price fluctuations while also paying attention to safety, regulatory and environmental concerns. Even though declining oil prices and slow economic growth has resulted in various cost-reduction measures by industry, there still remains the need to meet future demand for petroleum and gas products.

Given the long-term strategic nature of the petroleum and gas industry, well-defined and appealing regulation and legislation is critical to encourage investment in the industry. PwC, in its *Africa oil and gas review* (2015), says "if the oil and gas industry in Africa is to succeed, governments must promulgate and ratify oil and gas regulations, encourage the monetisation of assets and eliminate policy uncertainties and overly restrictive legislation when developing the industry."

In 2015, on the legislation front, a significant amount of emerging health, safety, security and environment (HSSE) related legislation was published for comment and implementation. SAPIA continues to provide input into this developing legislation relating to HSSE issues, either directly or through Business Unity South Africa. Progress on regulation and legislation during the year is further outlined in the annual report.

SAPIA has broadened its environmental scope to include health, safety and security. This integrated approach is essential in ensuring sustainability of operations by minimising risk to people, environment, assets and reputation. Climate change has also been identified as a key priority area and SAPIA has been focusing on providing input into the development of climate change policy and regulations including the monitoring, measuring and reporting of GHG emissions.

SAPIA has requested the DOE to rescind regulations pertaining to the implementation of cleaner fuels by 1 July 2017. This is due to policy uncertainty regarding the implementation of a cost-recovery mechanism which has resulted in work being halted at refineries to convert to cleaner fuels. This means that the oil refining fleet in South Africa will not have progressed with the necessary upgrades to implement cleaner fuels by 1 July 2017. Substantial work was done during the year primarily looking at the environmental impact of cleaner fuels, interaction with other government policy objectives, potential methods of implementation of a cost-recovery mechanism and the impact on the current refining fleet should cleaner fuels implementation be delayed. The work is nearing completion and the final report should be available in 2016.

The Competition Commission exemption granted to the industry expired on 31 December 2015. The exemption provided clarity for co-operation between SAPIA member companies and government to deal with the constrained supply chain for liquid fuels in South Africa. The Minister of Economic Development designated the petroleum industry for the purpose of the Competition Act, 1998, for a period of six months until 30 June 2016. SAPIA filed the exemption application to the Competition Commission on 22 December 2015. We hope to obtain an exemption for a further five years in 2016 as without it, there is a potential risk to security of product supply.

On the transformation front, SAPIA has been working with government to identify areas requiring sector specific dispensation regarding the new liquid fuels framework; developing and expanding its skills development offering for members; engaging Transnet on the Liquid Fuels Master Plan; developing a high level scope for a possible retail transformation plan; and developing a draft document that focuses on enterprise and supplier development.

Moving ahead, we look forward to continue working with the Minister of Energy, Tina Joemat-Pettersson, and the new Director General of the Department of Energy, Thabane Zulu, who was appointed in October 2015. We support government's aim to make South Africa a success and our priorities remain aligned with South Africa's National Development Plan objectives.

Our continued focus will be on the implementation of policy, economic and social progress, security of supply and facilitating a conducive regulatory framework for all. We must continue our drive to further the transformation agenda in the petroleum sector and ensure the sustainability of the refining industry and its contribution to job creation.

I congratulate the board and staff of SAPIA for its excellent performance during the past year. We would like to bid farewell to governors Nobuzwe Mbuyisa, Nizam Salleh and Nosizwe Nokwe-Macamo. During the year, SAPIA welcomed two new members, Wasaa Gasses and Afrox. There are currently 21 SAPIA members in its 21st year of representing the industry. I look forward to the continued support from all our stakeholders as we work together in 2016 to bring about sustainable change in our industry which ultimately leads to a better life for all South Africans.

Introduction by SAPIA Executive Director Avhapfani Tshifularo

It is my pleasure to welcome you to the 2015 Annual Report. The purpose of this report is to present our valued stakeholders with insight into the key issues, developments and challenges facing the industry.

We aim to keep you informed about our strategic direction, progress and priorities for the upcoming year. The detailed statistics section in the annual report also provides a useful reference point for anyone wanting to know more about the industry.

In line with our current strategy, we have structured this report according to our six main focus areas which are as follows:

- Transformation
- Security of supply of petroleum products
- Health, safety, security and environment
- Climate change
- Cleaner fuels
- Fuel price regulation

It has been a tough year for the global oil industry for many reasons, most notably a plummeting oil price. Oil is one of the most strategically important resources in the world because the effect of the oil price extends into all sectors of the economy.

A current surplus of crude oil is driving the price of oil down to levels not seen since the global financial crisis. At prices around $30 a barrel, crude oil has dropped more than 70 percent in the last 18 months. Low oil prices have already restricted exploration and production investment around the world.

A drop in oil prices is good news if you are a consumer of petrol and diesel, but there are also secondary impacts to consider such as the effect on those economies most reliant on the industry for revenue and the socio-economic results. In South Africa, petrol prices reached a high of R13.77 and a low of R10.31 (95 ULP – Gauteng). Diesel prices reached a high of R11.71 and a low of R9.26 (wholesale price – 0.05% - Gauteng). Unfortunately the benefit of lower oil prices is being offset by a weaker exchange rate. While the industry is in a less than favourable state, every problem presents an opportunity for progress. Quick-thinking industry players with strategies equipped to deal with the downturn will be ready for the upturn when it inevitably arrives.

In conclusion, I would like to thank the Department of Energy, SAPIA members, our Board of Governors, the SAPIA team and all our stakeholders for the constructive engagements enjoyed in 2015. I appreciate the contributions from our stakeholders and look forward to working together to promote social and economic growth for all South Africans.

SAPIA overview

SAPIA overview

About SAPIA

SAPIA represents the collective interests of the South African petroleum industry. The association plays a strategic role in addressing a range of common issues relating to the refining, distribution and marketing of petroleum products, as well as promoting the industry's environmental and socio-economic progress. SAPIA fulfils this role by proactively engaging with key stakeholders, providing research information, expert advice and communicating the industry's views to government, members of the public and media.

Vision

SAPIA aspires to be a respected, reputable and value adding industry association.

Mission

Working together within the petroleum industry to promote inclusive social and economic growth.

Strategic agenda

There are three strategic focus areas, depicted in the strategy diagram below, which will enable SAPIA to achieve its vision:

Planning for tomorrow means focusing on industry transformation, working towards a fair regulatory framework for all citizens, facilitating security of supply and promoting environmental leadership within the industry.

Enhancing strategic partnerships involves educating stakeholders about the industry's aims and activities, improving communication, ensuring there is transparency within the industry and that SAPIA is open and honest in all of its dealings.

Providing service excellence entails improving efficiency and effectiveness, implementing the balanced scorecard, proactively identifying opportunities and improving decision-making processes.

There are a number of committees comprising of technical and operational experts from the member companies who are responsible for executing the strategy. The Minister of Energy and the Director General are provided with status updates on the execution of initiatives on a quarterly basis and the closing phase of each initiative includes meeting the milestones and performing post project activities.

Priorities for the year

In the 2015 performance plan the Board of Governors identified six strategic areas of focus that would enable SAPIA to deliver on its mandate in the most effective way.

Transformation	Promote industry transformation and skills development
Security of supply	Facilitate the security of supply of petroleum products
Health, safety, security and environment	Promote health, safety, security and environment within the industry
Climate change	Provide input into the development of climate change policy and regulations including that pertaining to the monitoring, measuring and reporting of GHG emissions
Cleaner fuels	Make the transition to cleaner fuels in a manner that avoids any supply disruptions in the most cost-effective way possible
Regulatory framework	Contribute to policy formulation, implementation and a fair regulatory framework for all

Vision: To be a respected, reputable and value adding industry association

Mission: Working together within the petroleum industry to promote inclusive social and economic growth

Goals

Government	Petroleum industry	Citizens
Understand our stakeholders' needs	Provide expert information and assistance to our stakeholders	Contribute to policy formulation and implementation
Promote industry transformation, environmental leadership and a fair regulatory framework for all	Facilitate security of supply	Enhance the reputation of the industry by communicating its contribution to economic and social progress

Perspectives of success

Stakeholder: Become a trusted partner

Understand our stakeholders' needs	Provide expert information and assistance	Contribute to policy formulation and implementation	Promote effective marketing

Internal process

Plan for tomorrow	Enhance strategic partnerships	Provide service excellence
Promote industry transformation	Be open and honest in our interactions	Improve efficiency and effectiveness
Promote a fair regulatory framework for all	Improve communication	Improve decision making
Promote environmental leadership	Educate stakeholders about the industry	Implement the balanced scorecard
Facilitate security of supply		Identify opportunities

Learning and growth

Live our core values	Build research capabilities	Train and develop our stakeholders	Understand industry activities and drivers

Financial

Resource SAPIA's operational strategies	Manage our budget effectively

Values: Partnership | Integrity | Transparency | Sustainability | Transformation

***Figure 1** SAPIA's revised strategy*

SAPIA overview

Communication activities

One of the most effective ways in which we communicate with a large number of stakeholders about our core priorities is through our media relations. The graph below shows the number of communication activities and media coverage received in 2015 in comparison with previous years.

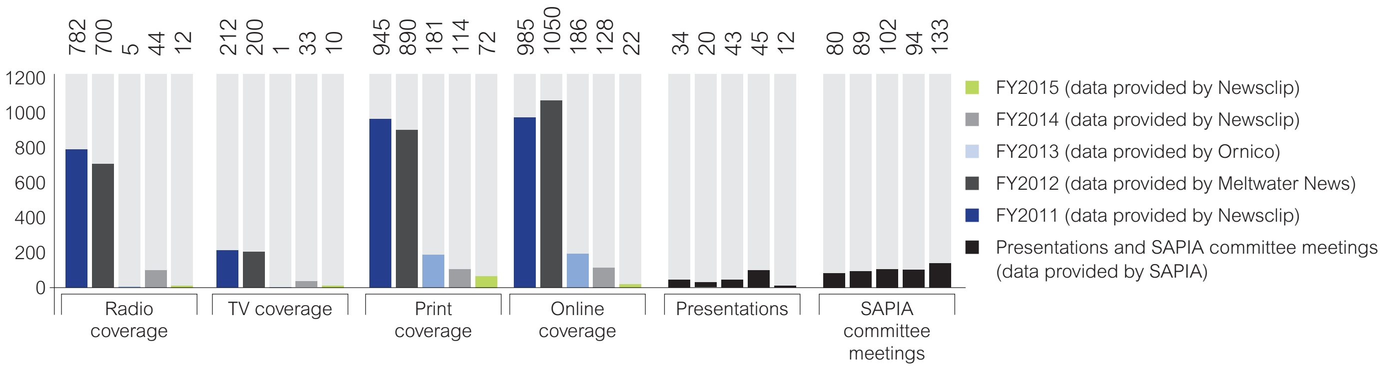


***Figure 2** SAPIA's communication activities and media coverage*

Membership

SAPIA opened its membership in 2012 to accommodate both existing and potential marketers in the petroleum and refinery market. African Oxygen and Wasaa Gasses joined SAPIA in 2015.

Integrated members	Non-integrated members	
	Fuel wholesalers	LPG wholesalers
BP Southern Africa (Pty) Ltd	AEMCOR (Pty) Ltd	Easigas (Pty) Ltd
Chevron South Africa (Pty) Ltd	Afric Oil (Pty) Ltd	Oryx Oil South Africa (Pty) Ltd
Engen Petroleum Ltd	Altivex 529 (Pty) Ltd t/a Elegant Fuel	Totalgaz Southern Africa (Pty) Ltd
PetroSA (Pty) Ltd	Camel Fuels (Pty) Ltd	African Oxygen Ltd
Sasol Ltd	Gulfstream Energy (Pty) Ltd	Wasaa Gasses (Pty) Ltd
Shell South Africa (Pty) Ltd	Imbizo Petroleum Traders (Pty) Ltd	
Total South Africa (Pty) Ltd	Makwande Energy Trading (Pty) Ltd	
	MBT Petroleum (Pty) Ltd	
	Royale Energy Ltd	

***Table 1** SAPIA's 21 members in 2015*

Organisation structure

SAPIA operates under a Board of Governors comprising of ten members from member companies. A new Chairperson and Vice Chairperson is elected annually. The association has a small and highly skilled staff complement, led by an Executive Director. SAPIA staff are independent of the member companies.

The 2015 Board of Governors

Maurice Radebe, Chairman of Sasol Oil and Executive Vice President of Energy Business for Sasol Limited, succeeded Nobuzwe Mbuyisa as Chairperson of SAPIA in June 2015 following Mbuyisa's resignation from Chevron. His tenure ends in December 2016.

Radebe is the first Chairperson to be elected to this portfolio twice. He first served as SAPIA Chairperson in 2010 and has been part of the SAPIA Board of Governors since 2004. The Board of Governors consists of nine representatives from member companies - the Chairperson and Vice Chairperson rotate annually.

The Board of Governors convenes at least four times per year and more often should circumstances require it. The primary function of the Board is to identify key issues facing the industry, agree on solutions in respect of each issue and ensure that resources are available to address the matters at hand.

The 2015 Board of Governors comprises of the following individuals:

SAPIA Chairperson
Maurice Radebe
Sasol Oil

SAPIA Vice Chairperson
Mapula Modipa
PetroSA

Benoit Araman
Oryx Oil

Bonang Mohale
Shell South Africa

Christian des Closières
Total South Africa

Daniel Odogwu
BP Southern Africa

Farid Adnan
Engen Petroleum

Nona Chili
Makwande Energy Trading

Shashi Rabbipal
Chevron South Africa

Attendance at board meetings

Board members	2015/03/06	2015/06/05	2015/09/02	2015/11/30
Mr D Odogwu	Y	A	Y	A
Ms N Mbuyisa	Y	R	R	R
Mr S Rabbipal	-	-	Y	Y
Mr B Araman	Y	Y	Y	Y
Mr N Salleh	A	A	R	R
Mr F Adnan	-	-	A	N
Ms N Chili	Y	Y	Y	Y
Ms N Nokwe-Macamo	Y	A	R	R
Ms M Modipa	-	-	Y	Y
Mr M Radebe	A	A	Y	Y
Mr B Mohale	Y	A	A	A
Mr C des Closières	A	Y	Y	N

Y Attended meeting
N Apology received
- Not yet appointed
R Resigned from the board
A Alternative attended meeting

***Table 2** Board meeting attendance*

SAPIA overview

SAPIA staff members

***Figure 3** SAPIA organisational chart*

Board of Governors committees

The committees comprise of individuals from member companies and SAPIA staff members. These committees engage on non-competitive issues and are fully aware of competition laws and the risks of anti-competitive behaviour.

The following SAPIA committees exist to address strategic issues facing the industry:

SAPIA committee

- Advisory Committee on Climate Change
- Cleaner Fuels Task Team
- Communication Committee
- Economic Regulation Committee
- SAPIA Fuels Technical Committee
- Health, Safety, Security And Environment Committee (HSSE) Committee
  - HSSE sub-committees:
    - Petroleum Industry Engineering and Environment Committee
    - Road Transport Safety Committee
    - Security Committee
- Legal Committee
- Liquefied Petroleum Gas Committee
- Fuel Wholesalers
- Refinery Managers' Forum (RMF)
  - RMF sub-committees:
    - Refinery Managers' Environmental Forum
    - Refinery Managers' Safety Forum
- Security of Supply Committee
- Transformation Committee
  - Transformation sub-committee:
    - Human Resource Development Committee

Financial statement

SAPIA's expenditures are essentially funded by the annual contributions of its members. Personnel costs represent the biggest share of SAPIA's expenditure. Other expenditures cover office accommodation, representation and travel, consultants, lawyers and auditors.

Income (thousand rands)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Membership subscriptions	5 790	5 413	6 206	6 366	6 366	6 415	7 748	9 754	12 136
Other income (including interest)	235	459	1 505	138	1 426	180	173	508	3 606
Total income	**6 025**	**5 872**	**7 711**	**6 504**	**7 792**	**6 595**	**7 921**	**10 262**	**15 742**

Expenditure (thousand rands)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Personnel/payroll	3 352	3 382	3 113	3 663	4 009	4 259	4 326	5 404	8 262
Other expenditure (including interest)	2 673	3 059	3 231	2 782	3 321	2 931	2 919	2 752	5 520
Total expenditure	**6 025**	**6 441**	**6 344**	**6 445**	**7 330**	**7 190**	**7 245**	**8 156**	**13 782**

Snapshot of 2015

SAPIA had 21 members in 2015, SAPIA's 21st year of representing the industry.

Establishment of the Joint Task Team comprising the DOE and SAPIA to investigate outstanding issues related to CF II implementation.

SAPIA exemption application to the Competition Commission is gazetted on 24 December 2015.

Amended B-BBEE Codes of Good Practice came into effect on

1 May 2015.

Minister of Energy welcomed the new Director General of the Department of Energy, Thabane Zulu, in October 2015.

Regulations require that oil companies accept locally manufactured biofuels for blending from licenced producers from 1 October 2015 according to a set pricing formula.

Minister of Economic Development designated the petroleum industry in terms of the Competition Act on 22 December 2015.

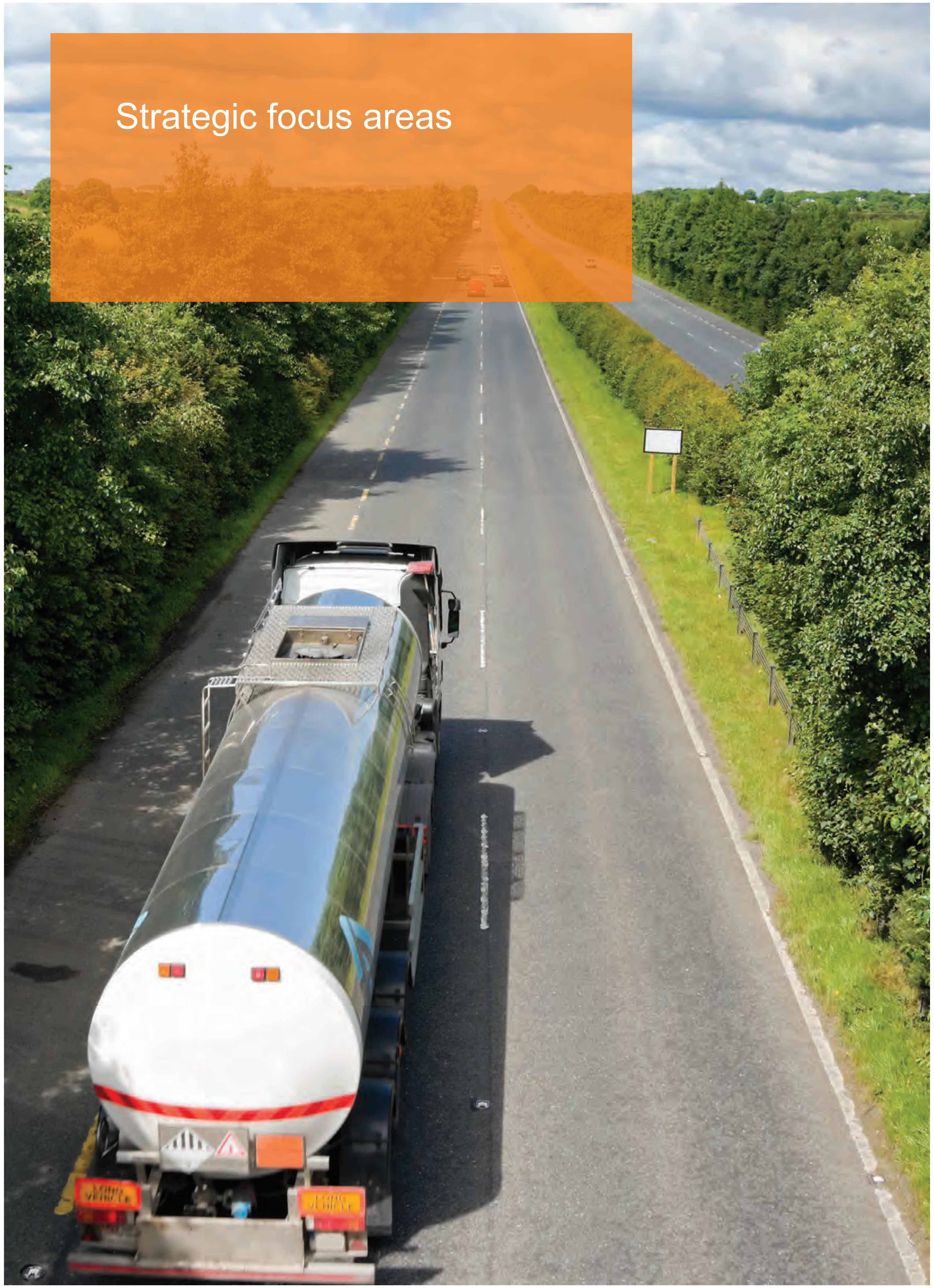
Maurice Radebe succeeded Nobuzwe Mbuyisa as Chairperson of SAPIA in June 2015 following Mbuyisa's resignation from Chevron.

Women in Leadership Programme had an 84% pass rate.

Over R192 million spent by SAPIA members on corporate social investment projects.

Secondary storage assets base was concluded in June with full participation of the industry.

Strategic focus areas



Transformation

Strategic priority: Transformation
Our focus: Promote industry broad-based black economic empowerment

Progress in 2015

2015 strategic focus areas	Procedures for achieving objectives
New liquid fuels empowerment framework	Working together with the Department of Energy and Department of Trade and Industry to identify areas requiring sector specific dispensation.
Implementation of skills development framework	Develop website to allow online registration for courses and expand the offering to co-ordinate further courses for SAPIA members.
Access and licences to logistical infrastructure	Engaging Transnet on their Liquid Fuels Master Plan which provides for access to all players in the industry.
Retail transformation	Developed high level scope for a possible Retail Transformation Plan.
Refinery initiatives	Developing draft document that focuses on enterprise and supplier development.

Transformation

The amended Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice came into effect on 1 May 2015.

Advanced Certificate in Management for Oil and Gas

The SAPIA Corporate Education Advanced Certificate in Management for Oil and Gas (NQF Level 8) is aimed at middle managers making a transition to senior managers who require specialist knowledge in the oil and gas industry. The programme, launched in 2013, is accredited by the Rhodes Business School. There were 14 male delegates and 12 female delegates in the 2015 programme. The programme had a 73% pass rate with 19 out of 26 delegates passing the course.

Women in Leadership Programme

The Duke Corporate Education Women in Leadership Programme develops women in leadership positions to face complex challenges through the perspective of the petroleum industry. The programme is designed for women in leadership and management positions, enabling them to develop, translate and execute effectively within their environments. The course work focuses on real business challenges that senior managers face within the petroleum industry and uses a blended approach combining classroom based learning, feedback, inter-session work and assignments to create a diverse experience for candidates.

The Women in Leadership Programme was approved by the Centre for Higher Education Research, Teaching and Learning of Rhodes University. There were 20 delegates in the 2015 programme with an 84% pass rate.

The way forward

SAPIA will be focusing on the following areas in 2016:

- Developing and gazetting sector codes
- Roll-out of skills development programmes
- Access and licences to logistical infrastructure
- Retail transformation
- Refinery initiatives
- Monitoring DOE audit on retail ownership

Transformation

SAPIA stakeholder engagement sessions

SAPIA held a networking session for the member companies at The Capital Empire in Johannesburg on 25 March 2015. The purpose of the event was to keep stakeholders informed about SAPIA's role and to provide an update on its progress and achievements. SAPIA staff members each addressed the audience on their fields of expertise followed by question and answer sessions to provide further clarification on any issues.

Security of supply

Strategic priority: Security of supply
Our focus: Facilitate the security of supply of petroleum products

Key developments during 2015	Ongoing challenges
The Competition Commission exemption granted to the industry expires on 31 December 2015.	This poses a risk to security of supply in 2016 if a new exemption is not granted.
LPG supply constraints were more acute in 2015 due to product shortages.	Inadequate infrastructure in import facilities and onshore terminal storage will not alleviate the problem. No visible plans to adequately address this problem in the short term.
Operation Phakisa implementation progress with regards to cabotage policy. One ship has been registered to the South African register which is the first in many years.	Issues still remain around the development and implementation of a cabotage policy. Maritime transport policy is still in draft which hinders rapid progress in this area.

Progress in 2015

Feedstock and products import facilities risk mitigation plan

SAPIA continued to address the identified risk as per the mitigation plan developed in 2014. Good progress has been made in each risk area.

- Single buoy mooring (SBM) and related infrastructure outage
  The risk area has been partly mitigated by having a spare SBM which can be deployed for a short time when the other fails. The second SBM option cannot be evaluated until there is certainty on the Durban Dig-Out Port (DDOP).
- Debottlenecking Cape Town pipeline
  The debottlenecking of the pipeline has been completed. Pipeline transfers from the refinery and vessel discharge can be done to both BP and Engen terminals simultaneously. This will improve the turnaround of vessels in and out Cape Town.
- Jet fuel in the multi-product pipeline
  Transnet Pipelines has given an undertaking that jet fuel will be part of the MPP product mix. Rail from Durban will remain a preferred mode of transport in order to retain epoxy lined rail tank cars.

Transnet Pipelines multi-product pipeline (MPP) project

The multi-product pipeline project (MPP) is progressing albeit with delays at various stages of the project. Transnet Pipelines (TPL) experienced delays in the construction of Terminal 1 tank farm (TM1) and proposed tight lining as mitigation. Terminal 1 construction is still ongoing and has experienced delays. The completion date is yet to be communicated to the industry.

Transnet Pipelines will commission the Terminal 2 construction and tight lining in the first quarter of 2016 notwithstanding any delays that may be experienced. Tight lining commissioning will be done in two phases: gas and diesel in the first quarter of 2016 and jet fuel in the second quarter of 2016.

20-year liquid fuels infrastructure roadmap project

Since SAPIA provided inputs requested by the DOE in 2013, no further progress has been communicated to the association. Subsequently, SAPIA decided to park this item until the DOE revives it from their side.

National strategic fuel stocks policy

There has been no further progress since SAPIA provided feedback to the DOE on the draft strategic stocks policy in 2013.

Transnet liquid fuel master plan

Transnet conducted a study with all the petroleum industry stakeholders in 2014 to solicit their input into the master plan. This included both the integrated and non-integrated SAPIA members. The aim is to develop an inclusive strategy which will give small players access to import infrastructure.

The master plan has been completed and has been submitted to government as the shareholder. The plan will be shared with stakeholders after receiving approval from government.

Designation of the petroleum industry

The Competition Commission exemption granted to the industry expires on 31 December 2015.

The Minister of Economic Development designated the petroleum industry for the purpose of section 10 (3) (b) (iv) of the Competition Act. 1998, for a period of six months from 1 January 2016 until 30 June 2016.

SAPIA filed the exemption application to the Competition Commission on 22 December 2015. The Commission published the required notice of exemption application in the Government Gazette on 24 December 2015, which allows interested parties 20 business days to submit any comments. SAPIA hopes to obtain an exemption in 2016 as without it, there is a potential risk to security of product supply.

Looking forward

We aim to achieve the following in 2016:

- Risk refresh to identify new emerging risks impacting security of supply.
- Engage Transnet Pipelines to ensure the completion of the MPP project with all its phases.
- Engage with Transnet Corporate to ensure a robust Liquid Fuels Master Plan is compiled on time to facilitate investment decision-making by Transnet.
- Obtain a competition exemption of the petroleum industry from the Competition Commission.

Health, safety, security and environment

Strategic priority: Health, safety, security and environment
Our focus: Promote health, safety, security and environment within the industry

SAPIA has broadened its environmental scope to include health, safety and security. This integrated approach is essential in ensuring sustainability of operations by minimising risk to people, environment, assets and reputation. In addition, SAPIA members face an array of non-technical risks. The figure below outlines the re-alignment of SAPIA's committees to achieve this vision.

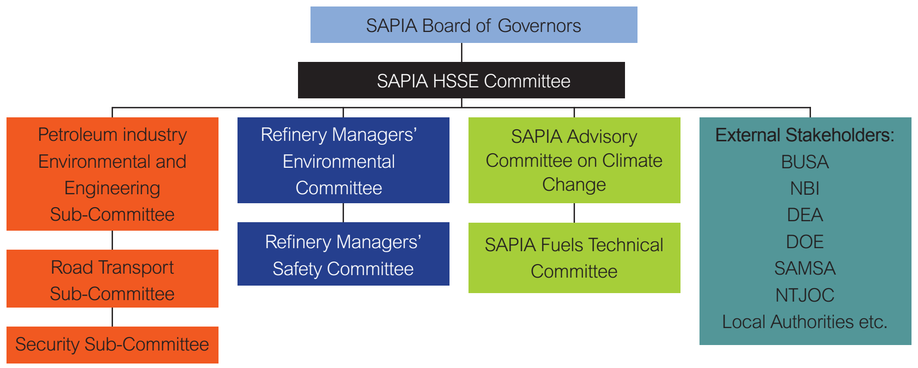


***Figure 4:** Integrated HSSE management across the value chain*

Key developments during 2015	Ongoing challenges
Establishment of the Operation Phakisa (Oil & Gas) Initiative on Joint Oil Spill Response Drills which will assist in the finalisation of an effective oil spill response strategy.	Finalisation of an effective National Oil Spill Response Strategy.
First conference of the Network for Industrially Contaminated Land in Africa (NICOLA).	Broaden the scope of NICOLA to encompass all industries concerned with contaminated land management to strengthen lobbying position.
Decal project to improve road safety awareness on the roads. This is part of a broader vision to improve road safety awareness among road users.	Third party high risk behaviours pose a major risk to safe road transport operations.
Bulk fuel theft was a major focus area. The focus has shifted to world class security technologies in inventory management among others. An increasing trend in bulk vehicle hijacking is being addressed via a national task team inclusive of the authorities and business stakeholders.	The modus operandi of organised crime syndicates continue to pose challenges to the industry.
Finalisation of the regulatory mechanism for the collection of oil import levies for purposes of contributing to the International Oil Pollution Compensation Fund.	
Re-establishment of the Refinery Managers' Environmental Forum to collectively address environmental issues in the petroleum refinery sector.	Ensure that environmental issues relating to the refinery sector are effectively managed.
Successful completion of the remediation of historic contamination encountered during the new V & A Waterfront development.	Ensure that any contamination found in the future be managed in an equally responsible and effective manner through proper co-ordination among involved parties.
Re-alignment of the Refinery Managers' Safety Forum to address refinery safety issues. This now ensures integrated HSSE risk management across the value chain. Process safety as a key risk area is also part of the focus.	The high appetite for contractor risk-taking is a behavioural norm in South Africa.

Progress in 2015

Oil spill reponse strategy

During the previous year, the Department of Environmental Affairs (DEA), the SA Maritime Safety Authority (SAMSA) and SAPIA established the Oil Spill Response Advisory Forum (OSRAF) to address shortcomings in the National Oil Spill Response Strategy as there were concerns that the existing institutional infrastructure and resources were inadequate to deal with a major oil spill incident at sea.

The OSRAF has identified the most pressing issues that need to be addressed in order to achieve an effective strategy. During the year, a working group was established under the auspices of the Operation Phakisa work stream (oil and gas) which addressed a number of issues that need to be put in place to respond to an oil spill incident originating from offshore oil exploration and production activities. This work overlaps significantly with the issues being addressed by the OSRAF. It is hoped that the work of the two bodies will be co-ordinated to achieve the end goal of facilitating the establishment of sound offshore oil spill response capabilities around the SA coastline. The adoption of an incident (crisis) management approach to managing these types of spills will go a long way in this regard.

Health, safety, security and environment

Road safety awareness campaign

SAPIA embarked on this campaign to:

- address the high number of road incidents in South Africa;
- build awareness and educate pedestrians and motorists on the positive and negative impact of behaviour related to pedestrian safety;
- build awareness and educate pedestrians and motorists on the negative impact of behaviour relating to impaired driving;
- shift behaviours by focusing on individual responsibilities; and
- establish stakeholder relations to promote and support road safety.

The campaign is in its second phase and will continue into 2016. This forms part of an overall road safety vision around reducing the impacts of non-compliant third party road user behaviour which is a major risk.

***Figure 5** Road safety awareness stickers distributed by SAPIA*

Improved security in the oil industry sector

The oil industry remains unshielded by the local and global socio-economic challenges. Fuel remains a high value commodity. The industry's security challenges include fuel theft, vehicle hijackings, ATM bombings, armed robberies, piracy, potential terrorist threats, organised syndicates involved in bulk theft, strikes and social unrest among others.

The focus has been two-fold. An internal focus which includes joint security risk assessments to proactively address potential risks and threats as well as the use of leading security technologies to address some of our security challenges. The external focus is working with industry bodies, government and other stakeholders towards holistically addressing key security challenges such as hijacking and organised crime to name a few.

Contamination management

During the planning phase for the new V & A Waterfront developments in the Cape Town harbour, significant petroleum product contamination of the groundwater and soil was found in the vicinity of the old grain silos. The bulk of this oil contamination had originated many years ago during earlier operations in the area and was not directly attributable to the existing oil companies. Large quantities of contaminated soil needed to be removed to facilitate the construction of underground parking. The oil companies, currently operating a Joint Bunkering Service to the vessels in the harbour, combined their efforts in managing the assessment, removal and proper disposal of the contaminated soil and water. This was carried out with no adverse impact on the environment.

The total cost of the remediation operation came in at around R80 million which oil companies covered without being directly linked to this contamination. This is an indication of the willingness of SAPIA members to contribute to the protection of the environment without being directly liable for such contamination.

Input into HSSE regulatory instruments

A plethora of emerging HSSE-related legislation was published for comment and implementation during the year. SAPIA continues to provide input into this developing legislation relating to HSSE issues, either directly or through Business Unity South Africa (BUSA). This included the following:

- Amendments to the regulations prescribing format for atmospheric impact reports
- Draft discussion document on environmental offsets
- Draft pricing strategy for waste
- Guidelines for the implementation of Part 8 of the Waste Act
- National Environmental Management Act (NEMA) regulations relating to the procedure to be followed when oral requests are made in terms of Section 30A of the Waste Act
- Draft energy reporting regulations
- MEMA: air quality offsets
- Fees for Atmospheric Emission Licence applications
- NEMA: regulations relating to procedures and criteria to determine appropriate fines
- NEMA: regulations for industry waste management plans
- Draft notice on declaration of priority pollutants
- Regulations for pollution prevention plans
- National Atmospheric Emissions Inventory System (NAEIS) reporting regulations
- NAEIS Source Identification Codes
- NEMA: EIA guidelines for renewable energy projects
- National Environmental Management Laws Amendment Act
- Amendments to the NEMA Waste Act
- Road Traffic Amendment Act
- Road Traffic Regulations
- Occupational Health and Safety Act

Looking forward

SAPIA's prioritised HSSE risk management focus areas across the value chain in 2016 include the following:

- Reduce HSSE risks in industry operations impacting people, environment, assets and reputation.
- Reduce road transport risks and engage stakeholders on third party risk management.
- Develop security related industry best practice to proactively assess threats and reduce security risks.
- Seek improvement in national oil spill response capability.
- Increase contractor capability through collaborative industry actions.

Climate change

Strategic priority: Climate change policy and regulations
Our focus: Provide input into the development of climate change policy and regulations including the monitoring, measuring and reporting of GHG emissions

Key developments during 2015	Ongoing challenges
Greater definition as to the DEA's scope and objectives with respect to combating anthropogenic greenhouse gas emissions.	Translating policy into equitable regulations that can be used by industry in a constructive manner.
Issue of draft declaration of GHGs as priority air pollutants and the requirement to submit a pollution prevention plan.	Gazetting of acceptable regulations and the development of appropriate plans for facilities taking into account the long lead times involved.
Submission of CO_{2e} (carbon dioxide equivalent) emission profiles by refineries and subsequent allocation of draft carbon budgets to these facilities by the DEA.	Agreement with the DEA on the allocation of carbon budgets.
Development of GHG reporting regulations and technical guidelines pursuant to these regulations.	Ensuring that the regulations reduce uncertainty regarding the scope of reporting with respect to reporting boundaries, which GHGs to report on and methodology employed.
Development of Carbon Tax Bill and publication via the National Treasury website for public comment.	Alignment with the DEA on GHGs affected and motivation for passing tax through to the end consumer.

Progress in 2015

SAPIA has engaged during the year with the Department of Environmental Affairs (DEA) and National Treasury (NT), through the Advisory Committee on Climate Change, regarding the development of regulations and legislation that is directed at curbing anthropogenic greenhouse gas (GHG) emissions.

Regulations for pollution prevention plans

The declaration of GHGs as priority pollutants and the concomitant requirement to submit pollution prevention plans was published for public comment during 2014. The declaration and the regulations requirement for pollution prevention plans has been finalised but await gazetting by the DEA. The regulations provide that plans must cover an initial period of five years which may not take into account the long lead times required for the implementation of projects to combat GHG emissions. Furthermore, failure to submit a plan can result in appropriate sanction by the DEA which may include a fine or imprisonment. The regulations are silent on adherence to pollution prevention plans by the companies that submit them, which implies a degree of latitude in the implementation of such plans.

Curbing GHG emissions

The DEA and the NT outlined a dual approach to the curbing of anthropogenic GHG emissions. This would entail the allocation of carbon budgets to affected companies by the DEA and the implementation of a carbon tax by NT. It should be noted that South Africa is unique in adopting this approach. In respect of carbon budgets these would be allocated for an initial period of five years for which compliance was not required. After the initial five-year period, post 2021, adherence was expected and suitable penalties would be applied to those parties not adhering to budget. However, at this juncture SAPIA does not have any indication what the sanction could be.

Carbon Tax Bill

NT published the draft Carbon Tax Bill towards the end of the year which allows for the taxation of declared GHGs at a prescribed rate. The bill does provide that rebates may be applied to the prescribed rate according to some set criteria. It is SAPIA's view that in order to properly effect carbon policy the correct price signals need to be directed at consumers in order for them to change behaviour and reduce carbon emissions. To this end, applying a tax to refinery emissions will not change consumer behaviour unless the tax can be passed through to the end consumer. The current regulated price regime does not allow for passing through and SAPIA is currently lobbying both the DOE and NT to allow this.

There are inconsistencies in the draft bill compared to DEA initiatives that need to be sorted out before this bill becomes law. It is SAPIA's view that the DEA is the lead government department driving GHG reduction initiatives including policy and regulations relating to this. Accordingly, other government departments would need to adhere to the prescripts as defined by the DEA in any associated legislation and regulations.

GHG reporting requirements

The DEA published GHG reporting requirements and the related technical guidelines. The technical guidelines should provide clarity on the scope, reporting boundaries, GHGs and methodology to be applied for reporting on GHGs. It is anticipated that these regulations will come into effect during 2016.

Climate change pledge

In September, the South African government published its intended nationally determined contribution (INDC) which South Africa undertakes to make in terms of a new international climate agreement that should be concluded at COP 21 in Paris. The INDC did incorporate some of the issues and concerns of business with respect to this undertaking, notably for the provision of flexibility in the application of the peak plateau and decline trajectory of our expected GHG emissions.

Biofuels

Published regulations required that oil companies accept locally manufactured biofuels for blending from licenced producers from 1 October 2015 according to a set pricing formula. However, although there are some licenced manufacturers none of these have commenced with commercial production at this time. SAPIA members remain willing to accommodate these biofuels when they become available subject to sufficient lead time. During the year, the DOE's biofuels implementation committee has not been able to meet despite competition clearance having been obtained from the commission.

Looking forward

SAPIA aims to achieve the following during 2016:

- Finalisation of the various regulatory instruments pertaining to GHG reporting, budgeting and pollution plan prevention.
- Finalisation of the Carbon Tax Bill.
- Acceptance of the 'pass through' mechanism principle by government and developing working rules with the DOE and NT pertaining to this.

Cleaner fuels

Strategic priority: Cleaner fuels
Our focus: Make the transition to cleaner fuels in a manner that avoids any supply disruptions in the most cost-effective way possible.

Key developments during 2015	Ongoing challenges
Finalisation of petrol and diesel fuel pipeline specifications.	Conveyance of jet fuel in the pipeline and potential cross contamination by oxygenate containing fuels.
Continued engagement with the DOE on CFII cost recovery.	While engagement is continuing, the delay in a final decision on cost recovery contributes to prolonging regulatory uncertainty with respect to CFII.
Proposed date of implementation of CFII.	Due to the ongoing uncertainty regarding cost recovery, refineries will not meet this deadline.

Progress in 2015

Finalisation of petroleum products pipeline specifications and standards

Continuous engagement took place during the year relating to the finalisation of petrol and diesel fuel pipeline specifications. While the DOE has mandated the blending of biofuels into petroleum products and the appropriate SANS specifications (SANS 342 for diesel and SANS 1598 for petrol) to accommodate this, the conveyance of jet fuel in the pipeline with other products that contain biofuels is banned. This is due to the risk of cross contamination of biofuels into jet fuel and the potential negative interactions this may have in the aircraft. Accordingly, petroleum products specifications related to pipelines that do or could convey jet fuel needed to be put in place. It is expected that these specifications will be finalised in 2016.

Government decision on cost-recovery mechanism

SAPIA has requested the DOE to rescind the regulations pertaining to the implementation of cleaner fuels by 1 July 2017. This is due to policy uncertainty regarding the implementation of a cost-recovery mechanism which has resulted in work being halted at refineries to convert to cleaner fuels. This means that the oil refining fleet in South Africa will not have progressed with the necessary upgrades to implement cleaner fuels by 1 July 2017.

During the year the DOE and SAPIA agreed to establish a joint task team (JTT) to consider various outstanding issues related to cost recovery for cleaner fuels upgrades at the refineries. The major objective of the work would be to look at outstanding issues related to cost recovery so that an informed decision can be made by government supported by the oil industry on cost recovery and the way forward. Substantial work was done during the year, primarily looking at the environmental impact of cleaner fuels, interaction with other government policy objectives, potential methods of implementation of a cost-recovery mechanism and the impact on the current refining fleet should cleaner fuels implementation be delayed. The work is nearing completion and the final report should be available in 2016.

Looking forward

We aim to achieve the following in 2016:

- Continue engaging with the DOE regarding a decision on the timing for the introduction of CFII and a determination of a cost-recovery mechanism to facilitate the necessary conversions.
- Finalisation of outstanding specification issues in collaboration with SANS and the DOE.

Fuel price regulation

Strategic priority: Fuel price regulation
Our focus: Working towards a fair regulatory framework for all

Key developments during 2015	Ongoing challenges
Customs and Excise Act rules	The challenges of engaging SARS on the rules governing the Customs Act remain. The main concern is that the Act will be implemented in March 2016 with no progress on the matter. The SARS/SAPIA workshop to discuss the findings of the working group is planned for January 2016.
Review of magisterial district zone differential mechanism by the DOE	SAPIA will need to participate in making the new mechanism a system that will benefit all stakeholders (policy makers, industry and customers) and will contribute to the sustainability of the logistical supply system.

Progress in 2015

Petroleum products price developments

The price of petrol and diesel are comprised of the basic fuel price (BFP), secondary storage element, secondary distribution element, wholesale margin, retail margin, magisterial district zone (MDZ) differential, fuel levy, customs and excise duty. Road Accidents Fund (RAF) levy, petroleum products levy, slate levy, demand side management levy (DSML) which is only applicable to 95 octane ULP and illuminating paraffin tracer dye levy.

The following section will provide more detail on the elements of petroleum prices in which adjustments have been made during 2015.

Increase in fuel levy on petrol and diesel

The Minister of Finance, in his budget speech on 25 February 2015, announced that the fuel tax on petrol and diesel will increase by 30.5 c/l from 224.5 c/l to 255 c/l in the case of petrol and from 209.5 c/l to 240 c/l in the case of diesel with effect from 1 April 2015.

Increase in the Road Accident Fund levy on petrol and diesel

The Minister of Finance announced in his budget speech on 25 February 2015 that the Road Accident Fund levy on petrol and diesel will increase by 50 c/l from 104 c/l to 154 c/l with effect from 1 April 2015.

Fuel price regulation

Magisterial district pricing zones

The magisterial district price zones are based on the cost of moving fuels from coastal refineries to the inland distribution centres by pipeline, rail, and road or by private bulk petroleum product transporters. Transport tariffs are adjusted annually subject to approval by the Minister of Energy.

The magisterial district zone (MDZ) system is based on standard costs for road transport as supplied by the Road Freight Association (RFA) and actual pipeline rates as set by the National Energy Regulator (NERSA) for Transnet Pipelines.

Revised road and pipeline transport tariffs became applicable in petrol, diesel and illuminating paraffin price structures with effect from 1 April 2015.

NERSA announced an increase of 6.9 per cent to Transnet pipeline tariffs compared to the 2014/15 tariff period. The increase became effective on 1 April 2015 in the transport cost of petroleum transported by pipeline from Durban to the C-zones.

The DOE has commenced with a review of the MDZ system in December 2014. SAPIA is appreciative of the consultative approach that has taken place in 2015. However, there are concerns around the proposed local municipal boundaries for primary transport mechanism. A concern is that they do not represent the true cost of the primary logistics supply system around the country. SAPIA looks forward to engaging the DOE further on these concerns as they may have unintended consequences.

More concerning for SAPIA is the lack of consideration for the appropriate primary transport mechanism for the LPG business. SAPIA has expressed its concerns to the DOE and made a request that the department take this opportunity to establish an applicable model for LPG, as the current mechanism is based on main fuels and was meant to be a temporary use for LPG.

Regulatory accounting system

The DOE commenced with the reviews for secondary storage asset base, benchmark service station asset base and retail operating expenditure in 2015. The secondary storage assets base was concluded in June with full participation of the industry. It is expected that remainder of the reviews will be completed in 2015/2016. SAPIA is appreciative of the consultative process that has taken place so far and will continue to engage the department on these studies.

Increase in secondary storage element

The secondary storage element was increased by 1.1 c/l from 17.4 c/l to 18.5 c/l on petrol, diesel and illuminating paraffin from 2 December 2015.

Increase in secondary distribution element

The secondary distribution element was increased by 1.1 c/l from 12.6 c/l to 13.7 c/l on petrol, diesel and illuminating paraffin from 2 December 2015.

Increase in wholesale margin

The wholesale margin on petrol decreased by 0.3 c/l from 33.5 c/l down to 33.2 c/l.

Increase in retail margin on petrol

The Minister of Energy approved an increase of 4.6 c/l in the retail margin on all grades of petrol with effect from 2 September 2015. The press release at the time indicated that the increase of 9% was in line with the Bargaining Council's (MIBCO) agreement of 2013 and is ring fenced with the salary of fuel pump attendants and cashiers.

A further increase of 6.0 c/l was granted on all grades of petrol with effect from 2 December 2015. The retail margin overall increased from 151.1 c/l to 161.7 c/l in 2015.

Wholesale margin of diesel and paraffin

In an unprecedented move the DOE made a policy shift and took a decision not to adjust the wholesale price of diesel and IP with CPI as previously done. Therefore the wholesale margin of diesel and illuminating paraffin remained the same at 64.7c/l with effect from 2 December 2015.

Revised maximum refinery gate price of LPG

SAPIA views LPG as an essential product in the South African market and its safe use should be promoted as a matter of priority in the domestic household sector. A crucial element in this promotion is to ensure the viability of the supply sector which is now under severe strain.

Following public consultations in 2014, the DOE has not moved closer to a solution regarding the review of the MRGP of LPG, much to the disappointment of SAPIA and the LPG industry. The LPG strategy document is going through the DOE approval process and reported in November 2015. SAPIA continues to raise its concerns with the DOE on this issue. If the challenges surrounding the MRGP are not addressed soon, there will be concerns about the impact on supply of LPG.

Maximum retail price of LPG supplied to residential customers

Maximum retail prices of LPG supplied to residential customers was implemented in July 2010. No adjustment has been made to the elements that make up the maximum retail price, except for the MRGP portion that changes on a monthly basis. In terms of applicable rules and regulations annual reviews and adjustments will be 'based on the movement in the drivers of the various elements of the price determination formula.' SAPIA is concerned that adjustments to the elements making up the LPG maximum retail price has not happened for over four years. Additionally, there is a concern around the current formula errors brought to the DOE's attention by SAPIA in 2015.

NERSA regulation of petroleum pipelines industry

The following matters took place during the year under review:

- NERSA made its decision (with published reasons) on Transnet's pipeline tariff application for 2015/16 on 12 March 2015. These maximum tariffs were effective from 1 April 2015 and enabled Transnet to realise an increase of 14.28% in its allowable revenue compared to the 2014/15 period.
- NERSA published Transnet Pipeline's tariff application for 2015/16 on 4 December 2014 and SAPIA members have submitted comments. Transnet applied for 15.58% increase in revenue from the 2014/15 allowable revenue that was set by NERSA.
- In terms of the Petroleum Pipelines Act of 2003, licences for construction, operation and conversion of petroleum pipelines, storage and loading facilities are required. This is happening on a continuous basis.

National Ports Authority tariffs

The National Ports Authority (NPA) applied to the National Ports Regulator (NPR) for an average tariff increase of 9.47% for the period 1 April 2015 to 31 March 2016. The NPR declined the proposed tariff increase and other individual tariff increases after considering the application. Instead it approved an overall increase in cargo dues of 4.80%.

Fuel price regulation

Legislation

Levy on the petroleum pipeline industry for 2015/16

In terms of Government Notice No. 38959 the Minister of Energy in concurrence with the Minister of Finance has approved a levy of 0.43380 c/l applicable from 1 April 2015 to 31 March 2016. This levy is '*in respect of the amount of petroleum, measured in litres, delivered by importers, refiners and producers to the inlet flanges of petroleum pipelines and will be paid by the person holding the title to the petroleum immediately after it has entered the inlet flange.*'

Draft amendment regulations in terms of the Petroleum Pipelines Act, 2003

- The Petroleum Pipelines Act was amended to include the rehabilitation of land for storage facilities in line with the Environmental Act. The Act has given National Energy Regulator the discretion to decide on the appropriate financial security for the rehabilitation of land. SAPIA will engage NERSA on the issue to determine the direction they intend to take on the matter.
- NERSA has published a revised tariff methodology document for storage and handling facilities for discussion. The aim is to align the tariff methodology closer to the regulatory accounting system (RAS). The general principle was supported by SAPIA, however there were areas of concern on which the Association commented extensively.
- NERSA made requests for submission for the definition of bulk storage facilities for both liquid fuels and liquefied petroleum gas and has commented on the proposal.

Statistics

Aggregate financial results of SAPIA members

Year ended 31 December	2005	2006	2007	2008	2009	2010	2011	2012*	2013*	2014*	2015*
Operating profit (R/m)	10 421	9 828	10 451	5 193	7 991	11 285	15 053	8 628	10 191	1 448	18 814
Interest paid (R/m)	2	(1 505)	(1 117)	(2 312)	(973)	(1 868)	(1 175)	(1 295)	(1 386)	(1 393)	(1 336)
Income tax (R/m)	(2 976)	(1 622)	(2 284)	(1 377)	(190)	(1 609)	(2 745)	(2 240)	(2 970)	15	(3 712)
Net income (R/m)	7 456	6 701	7 050	1 503	6 828	7 808	11 134	5 092	5 834	69	13 766
Total assets (R/m)	58 845	63 401	88 415	116 460	101 051	100 851	108 988	117 240	96 695	114 458	115 110
Capital expenditure (R/m)	3 154	4 494	4 958	6 070	5 573	5 091	5 855	6 844	4 950	9 659	6 031
Refinery shutdown	0	0	0	0	939	574	273	380	638	646	666
Other	0	0	0	0	4 634	4 518	5 582	6 465	4 312	9 014	5 365
After tax return on assets (%)	13	11	8	1	7	8	10	4	6	0	11.96
Sales volumes (bn litres)	29	32	32	35	29	22	20	29	29	31	34
Net income after tax (c/l)	26	21	22	4	24	36	55	18	20	0	40.5

Individual company financial data aggregated by Colin McClelland (independent chartered accountant)

*2012 data reported by 17 SAPIA members

*2013 data reported by 18 SAPIA members

*2014 data reported by 15 SAPIA members

*2015 data reported by 12 SAPIA members

Value added statements

	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013*	2014*	2015*
Turnover (R/bn)	109	130	171	241	353	195	217	267	285	329	365	300
Net cost of products and services (R/bn)	72	86	126	179	279	144	164	187	206	236	280	202
Total value added (R/bn)	**37**	**45**	**45**	**62**	**73**	**51**	**53**	**79**	**79**	**92**	**85**	**98**
To pay employees gross salaries, wages and benefits (R/bn)	3	3	6	7	12	5	5	4	6	6	6	6
To pay the State tax in the form of												
Income tax (R/bn)	3	3	2	2	1	0.2	1	3	2	3	0.02	4
Duties and levies (R/bn)	25	28	30	40	48	40	43	54	63	66	72	83
To pay providers of capital												
Net finance expense (R/bn)	1	1	(0.2)	1	2	1	2	1	1	1	1	1
Dividends (R/bn)	1	2	4	4	4	2	(0.1)	4	2	2	1	3
Retained for future growth												
Depreciation (R/bn)	2	2	3	2	2	4	3	3	3	3	3	5
Retained income / other for the year (R/bn)	4	5	1	6	4	0.4	(1)	10	2	12	2	(4)
Total value added (R/bn)	**37**	**45**	**45**	**62**	**73**	**51**	**53**	**79**	**79**	**92**	**85**	**98**

Individual company financial data aggregated by Colin McClelland (independent chartered accountant)

*2012 data reported by 17 SAPIA members

*2013 data reported by 18 SAPIA members

*2014 data reported by 15 SAPIA members

*2015 data reported by 12 SAPIA members

Petrol wholesale margin (93 octane)

	2005*	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MPAR return (%)	0	0	0	0	0	0	0	0	0	0	0
Indicated margin increase (c/l)	0	0	0	0	0	0	0	0	0	0	0
Increase granted (in succeeding year)	0	0	0	5.37	6.2	3.0	(1.369)	5.5	(27)	3	(0.3)
Margin at year end (c/l)	39.3	39.3	39.3	44.67	50.87	53.87	52.5	58	31	33.5	33.2

*The Marketing of Petroleum Activities Return (MPAR) system has not been in use since 2005

A wholesale margin in line with the regulatory accounting system was implemented on 4 Dec 2013

Sources of crude oil for SAPIA members: 2003 to 2015

Country of origin	Thousand tonnes												
	2003	2004	2005	2006	2007*	2008*	2009*	2010*	2011*	2012*	2013*	2014*	2015*
Algeria	0	0	0	0	0	66	0	0	0	0	0	0	0
Angola	116	654	404	1 144	3 054	3 598	3 817	3 409	1 948	3 356	2444	2614	3348
Antigua and Barbuda	0	0	0	0	0	0	0	0	66	0	0	0	0
Argentina	0	0	0	0	0	0	516	297	0	0	0	0	0
Bermuda	0	0	0	0	0	115	0	0	0	0	0	0	0
Bolivia	0	0	0	0	36	0	0	0	0	0	0	0	0
Cameroon	271	106	0	53	0	0	0	0	0	0	0	0	0
Colombia	0	0	0	0	296	0	0	0	0	0	0	274	219
Côte d'Ivoire	0	0	0	0	0	0	0	88	0	0	0	0	0
Cuba	0	0	0	0	0	0	0	9	0	0	0	0	0
Egypt	135	0	0	0	0	150	0	0	0	0	0	0	0
Ecuador	0	0	0	0	149	0	0	0	76	67	73	35	0
Equatorial Guinea	0	0	0	0	0	0	0	35	38	76	89	378	22
Gabon	0	191	270	0	0	0	90	0	0	0	167	163	0
Ghana	0	0	0	0	0	0	0	0	0	259	746	756	0
Guinea	0	0	0	0	0	0	0	0	0	0	0	0	138
Indonesia	0	0	0	0	0	0	232	0	0	0	0	0	0
Iran	7 012	8 166	8 008	6 054	6 092	4 637	5 604	5 528	4 874	1 502	0	0	0
Iraq	0	0	107	322	519	0	545	244	0	0	0	584	411
Israel	0	0	0	0	0	0	1	0	0	0.007	0	0	0
Kuwait	0	0	0	0	0	0	0	0	0	0	0	153	607
Liberia	0	0	0	0	0	0	395	0	0	0	0	0	0
Libyan Arab Jamahiriya	0	0	0	0	133	0	0	0	0	0	0	0	0
Mexico	0	0	84	0	0	0	0	0	0	0	0	0	0
Mozambique	0	0	0	0	0	0	0	44	0	0	272	0	0
Nigeria	3 450	1 313	2 472	2 935	3 386	2 517	3 963	3 594	3 755	4 310	4 336	6 658	7 291
Norway	0	0	0	0	76	35	74	37	0	0	0	0	0
Oman	0	0	330	16	712	178	141	72	862	0	0	0	133
Panama	0	0	0	0	0	0	0	0	0	0	0	145	0
Qatar	0	0	209	140	0	0	0	0	266	242	0	202	832
Russian Federation	0	0	0	0	971	89	839	0	0	0	140	0	0
Saudi Arabia	9 521	8 137	7 331	6 486	5 876	6 265	6 968	4 584	4 793	8 437	9 723	8 120	4 895
Singapore	0	0	0	0	0	267	0	0	0	0	0	0	0
South Africa	570	1 482	701	684	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	134	0	0	0	0	0
Switzerland	0	0	0	0	0	0	128	126	76	152	132	0	0
United Arab Emirates	106	109	779	514	332	855	553	1 018	598	538	307	924	1 337
United Kingdom	0	0	0	0	0	0	80	0	77	0	24	273	0
United States	0	0	0	0	0	282	0	36	262	0	0	0	0
Venezuela	0	0	0	0	153	424	277	0	0	0	0	0	0
Yemen	179	338	272	192	304	1 589	818	0	142	0.00005	207	0	0
Total	**21 360**	**20 496**	**20 967**	**18 540**	**22 090**	**21 067**	**25 040**	**19 254**	**17 834**	**18 940**	**18 658**	**21 279**	**19 233**

*South African Revenue Service

Crude oil price movements: January 2009 to December 2015

Average monthly prices (US$/bbl)

	2009		2010		2011		2012		2013		2014		2015	
	Brent	Dubai	Brent	Dubai	Brent	Dubai	Brent	Dubai	Brent	Dubai	Brent	Dubai	Brent	Dubai
January	43	44	76	77	97	93	110	110	113	108	108	104	48	46
February	43	43	74	73	104	100	120	116	116	111	109	105	58	56
March	47	46	79	77	115	109	125	122	108	106	108	104	56	55
April	51	50	85	84	123	116	120	117	102	102	108	105	59	58
May	57	57	75	77	115	108	110	108	103	100	110	106	64	64
June	69	69	75	74	114	108	95	94	103	100	112	108	62	62
July	65	65	76	72	117	110	103	99	108	104	107	106	57	56
August	73	71	77	74	110	105	113	109	111	107	102	102	47	48
September	67	68	78	75	113	106	113	111	112	108	97	96	48	45
October	73	73	83	80	109	104	112	109	109	107	87	87	49	46
November	77	78	85	84	111	109	109	107	108	106	79	76	44	42
December	74	75	91	89	108	106	109	106	111	108	62	60	38	35
12-month average	**61**	**62**	**79**	**78**	**111**	**106**	**112**	**109**	**109**	**106**	**99**	**97**	**52**	**51**

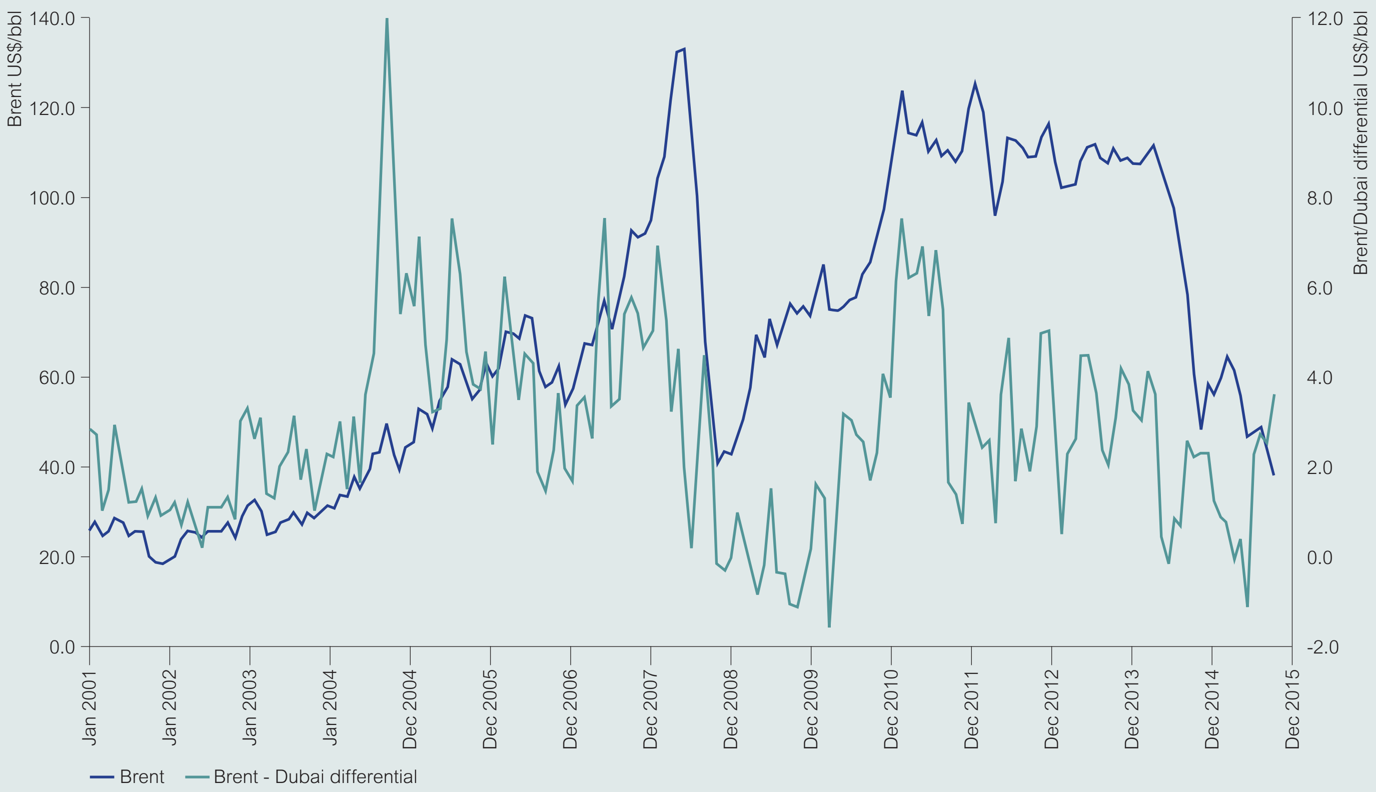


***Figure 5** Dated Brent and Dubai differential*

Brent crude prices

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Average US$ price	28.8	38.2	54.4	65.1	72.5	97.0	61.5	97.5	111.3	111.6	108.7	99.0	52.0
Average rand price/barrel	218.1	246.9	347.5	422.6	511.5	548.5	520.8	715.6	810.2	918.4	1 050.7	1 074.0	661.9

Consumption of petroleum products in South Africa

	Millions of litres					
Year	Petrol	Diesel	Paraffin	Jet fuel	Fuel oil	LPG
1989	8 395	5 350	678	835	546	432
1990	8 612	5 273	723	866	576	434
1991	8 906	5 130	725	861	526	464
1992	9 171	4 950	743	1 009	549	465
1993	9 202	4 940	834	1 095	595	454
1994	9 630	5 110	875	1 193	633	485
1995	10 153	5 432	850	1 368	616	472
1996	10 566	5 759	917	1 601	704	450
1997	10 798	5 875	970	1 777	635	502
1998	10 883	5 959	1 052	1 877	574	523
1999	10 861	5 993	1 054	1 995	561	540
2000	10 396	6 254	857	2 020	555	567
2001	10 340	6 488	786	1 924	555	599
2002	10 335	6 831	745	1 967	536	586
2003	10 667	7 263	769	2 099	528	558
2004	10 985	7 679	797	2 076	569	563
2005	11 165	8 115	761	2 180	489	550
2006	11 279	8 708	738	2 260	476	605
2007	11 558	9 755	696	2 402	465	636
2008	11 069	9 762	532	2 376	555	613
2009*	11 321	9 437	551	2 349	724	554
2010*	11 455	10 170	545	2 308	468	612
2011*	11 963	11 225	581	2 434	477	717
2012*	11 714	11 262	470	2 367	568	656
2013*	11 153	11 890	530	2 223	523	485
2014*	11 344	13 169	558	2 197	487	398
2015*	12 072	14 178	573	2 441	591	588

*Source: Department of Energy website

*Paraffin includes power paraffin and illuminating paraffin

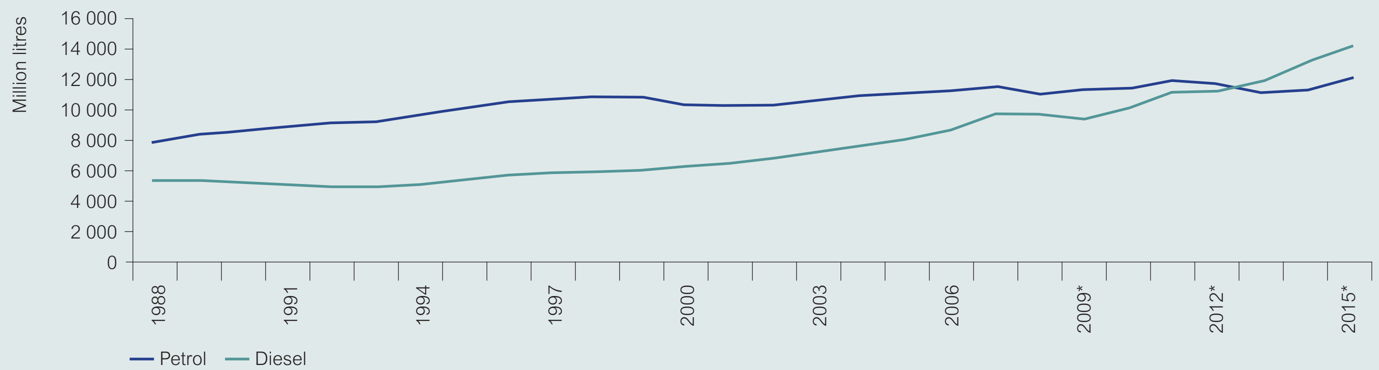


***Figure 6** Petrol and diesel consumption*

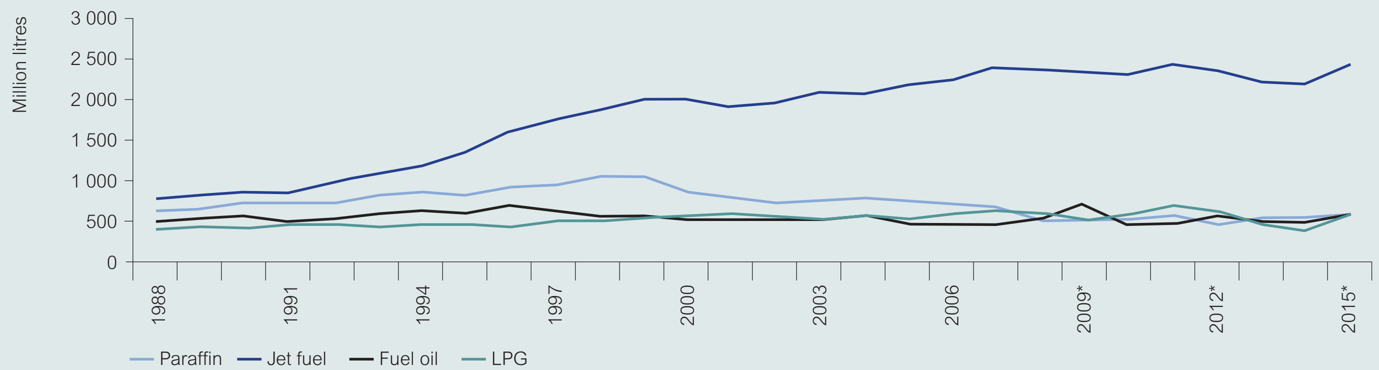


***Figure 7** Petroleum products consumption*

Petroleum products imports and exports

Thousand tonnes

	Imports				Exports			
Year	**Petrol**	**Diesel**	**Jet fuel**	**LPG**	**Petrol**	**Diesel**	**Jet fuel**	**LPG**
2015	1 402	5 451	217	30	816	1 368	667	18
2014	863	4 197	229	43	750	1 261	92	53
2013	1 113	4 158	183	65	122	399	14	25
2012	1 370	3 247	231	27	202	504	62	37
2011	1 815	3 153	199	47	176	452	126	28
2010	1 571	2 163	213	7.70	329	618	53	36
2009	1 484	1 943	85	13	333	717	40	31
2008	956	2 108	60	4	363	744	83	30

*Source: South African Revenue Service

Capacity of South African refineries

Capacity (bbl/day)

Refineries	1992	1997	2007	2010	2013	2014	2015
Sapref	120 000	165 000	180 000	180 000	180 000	180 000	180 000
Enref	70 000	105 000	125 000	120 000	120 000	120 000	120 000
Chevref	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Natref	78 000	86 000	108 000	108 000	108 000	108 000	108 000
Sasol	150 000*	150 000*	150 000	150 000	150 000	150 000	150 000
PetroSA	45 000*	45 000*	45 000	45 000	45 000	45 000	45 000
Total	**513 000**	**651 000**	**708 000**	**703 000**	**703 000**	**703 000**	**703 000**

*Crude equivalent

Petrol/diesel consumption ratio

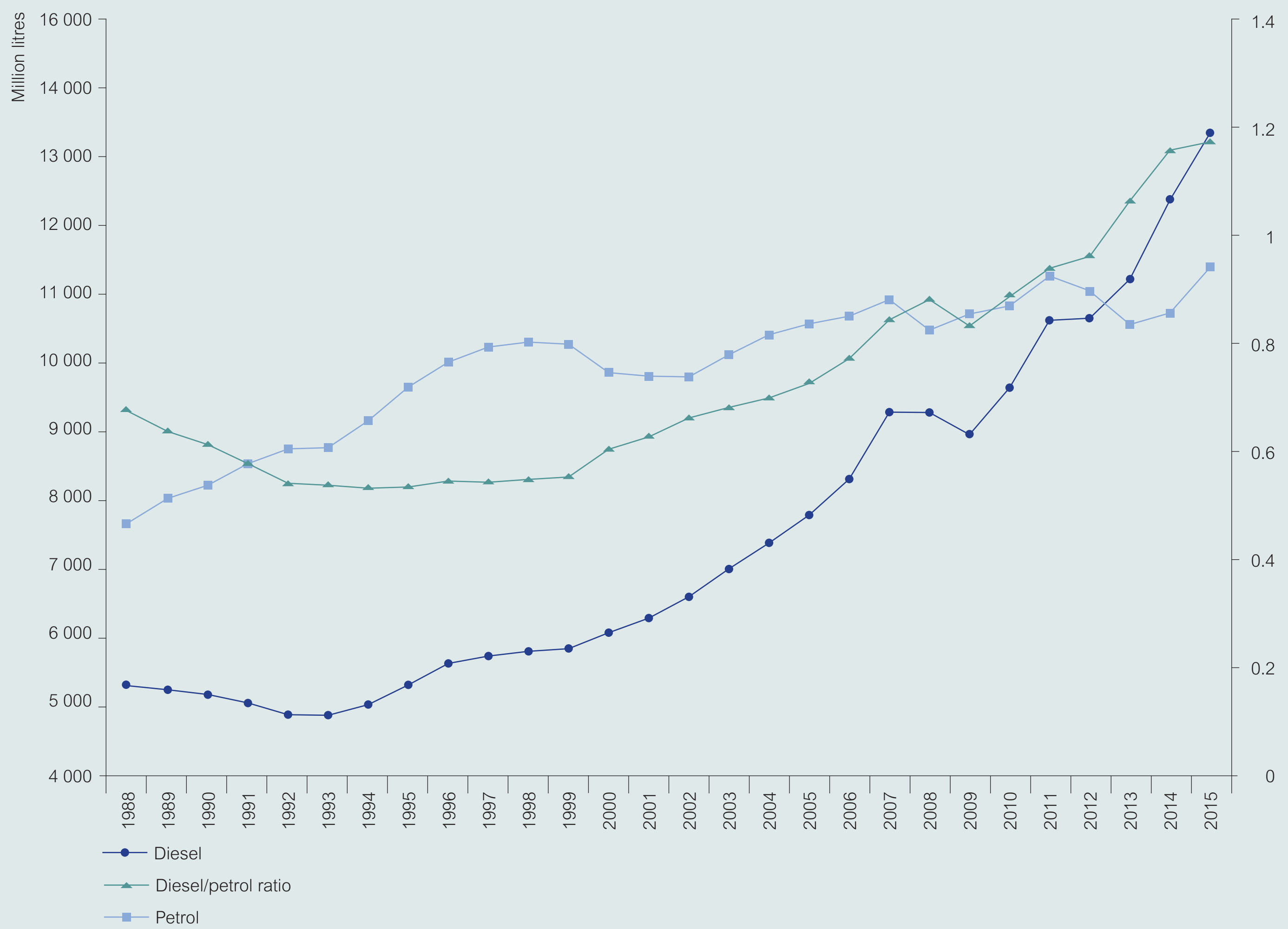


***Figure 8** Petrol and diesel consumption*

The ratio of demand between diesel and petrol in 2015 was about 14.2 parts diesel to 12.1 parts petrol which gives a ratio of 1.17. The ratio in 2014 was 1.16. Petrol consumption has continued to decreased in relation to diesel consumption from 2014 to 2015. The graph shows that there has been an upward trend in the diesel/petrol ratio from 1995 until 2015 with a slight decrease in 2009.

Prices in Gauteng: 30 June each year

Year	93 octane leaded petrol retail price (c/l)	0.05% sulphur diesel wholesale price (c/l)	Illuminating paraffin single maximum national retail price (c/l)	Liquefied petroleum gas maximum retail price (c/kg)
1995	187	172		
1996	219	202		
1997	217	207		
1998	232	203		
1999	268	226		
2000	331	284		
2001	401	342		
2002	419	378		
2003	361	320	267	
2004	471	428	379	
2005	506	498	482	
2006	636	600	589	
2007	711	625	629	
2008	983	1 080	1 186	
2009	736	646	586	
2010	827	766	723	0**
2011	1 007	926	918	2 068
2012	1 150	1 074	1 048	2 207
2013	1 216	1 137	1 106	2 289
2014	1 379	1 276	1 271	2 501
2015	1 308	1 167	1 006	2 217

*The single maximum national retail price for IP was introduced in 2003

**Effective from 14 July 2010

Source: Press release by DOE

Price trends

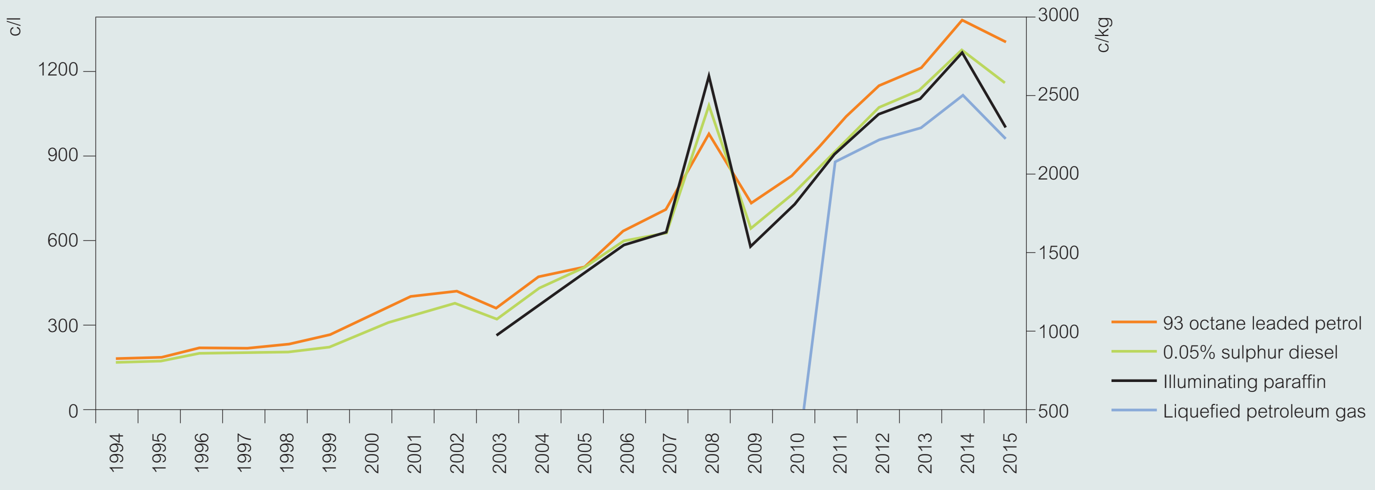
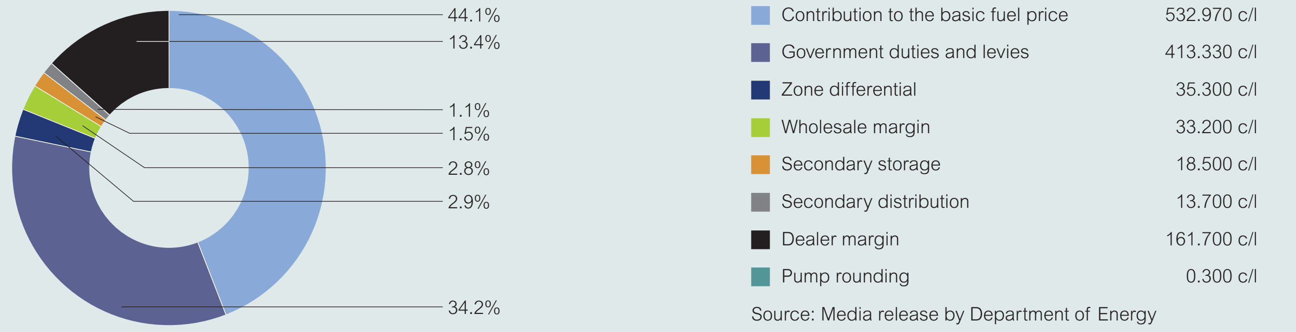


***Figure 9** Prices in Gauteng: 30 June each year*

Petrol and diesel price breakdown



Source: Media release by Department of Energy

***Figure 10** 93 octane petrol: Gauteng retail price 1 209.0 c/l in December 2015*

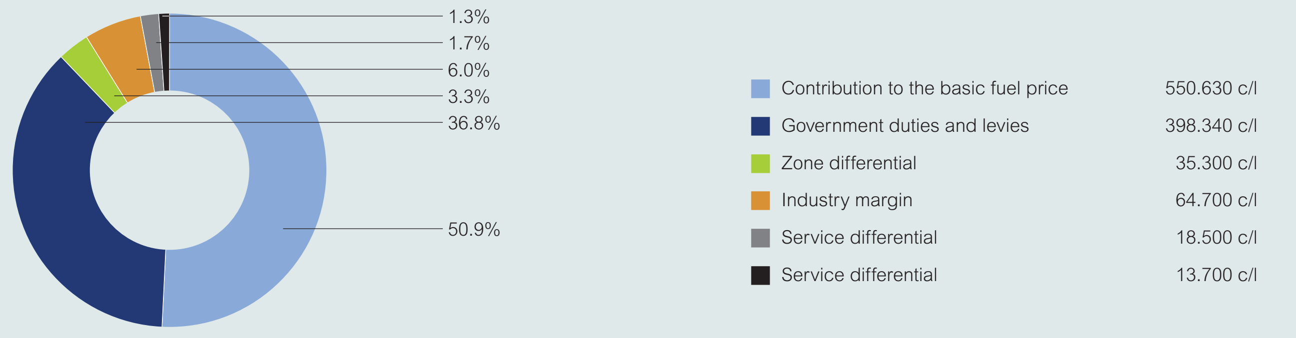
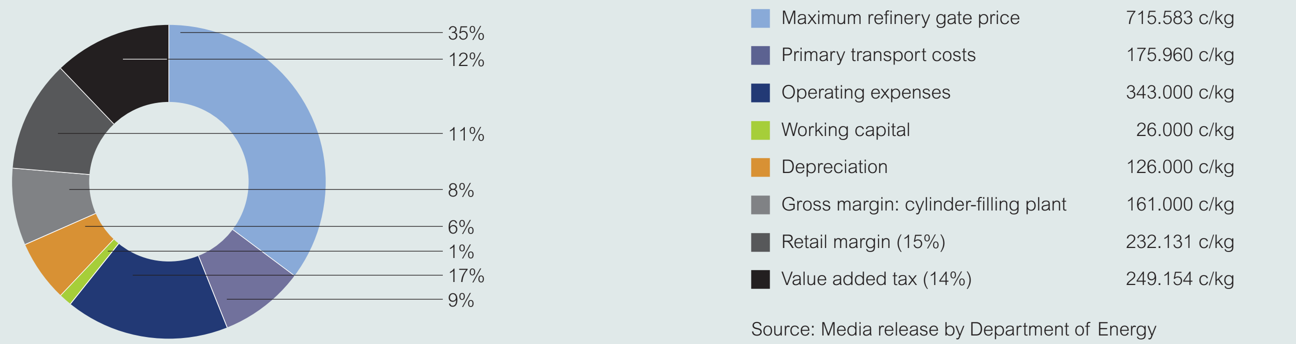


***Figure 11** Diesel (0.05% S): Gauteng wholesale price 1 081.17 c/l in December 2015*

Maximum retail price of liquefied petroleum gas price breakdown



Source: Media release by Department of Energy

***Figure 12** LPG maximum retail price: Gauteng retail price 2 029 c/kg in December 2015*

Fuels taxation history - South Africa (rates at 31 December each year)

Petrol

Year	Customs & Excise Duty	Fuel Levy	Road Accident Fund Levy	Equalisation Fund Levy	Petroleum Products Levy	Demand Side Management Levy*	Incremental Inland Transport Recovery Levy	Total Imposts
1990	4.0	31.9	4.2	7.0	0	0	0	47.1
1991	4.0	46.9	4.2	7.0	0	0	0	62.1
1992	4.0	54.9	6.2	7.0	0	0	0	72.1
1993	4.0	60.9	9.2	7.0	0	0	0	81.1
1994	4.0	60.9	9.2	9.4	0	0	0	83.5
1995	4.0	62.9	9.2	9.4	0	0	0	85.5
1996	4.0	71.6	10.5	5.4	0	0	0	91.5
1997	4.0	76.6	12.5	0.4	0	0	0	93.5
1998	4.0	86.6	14.5	8.0	0	0	0	113.1
1999	4.0	90.6	14.5	8.0	0	0	0	117.1
2000	4.0	95.6	14.5	0	0	0	0	114.1
2001	4.0	98.0	16.5	0	0	0	0	118.5
2002	4.0	98.0	18.5	0	0	0	0	120.5
2003	4.0	101.0	21.5	0	0	0	0	126.5
2004	4.0	111.0	26.5	0	0	0	0	141.5
2005	4.0	116.0	31.5	0	0	0	0	151.5
2006	4.0	116.0	36.5	0	0	10.0	0	166.5
2007	4.0	121.0	41.5	0	0.19	10.0	0	176.7
2008	4.0	127.0	46.5	0	0.15	10.0	1.5	189.2
2009	4.0	150.0	64.0	0	0.15	10.0	3.0	231.15
2010	4.0	167.5	72.0	0	0.15	10.0	3.0	256.65
2011	4.0	177.5	80.0	0	0.15	10.0	3.0	274.65
2012	4.0	197.5	88.0	0	0.15	10.0	3.0	302.65
2013	4.0	212.5	96.0	0	0.15	10.0	3.0	325.65
2014	4.0	224.5	104.0	0	0.15	10.0	0	342.65
2015	4.0	255.0	154.0	0	0.15	10.0	0	423.15

* DSML only on 95 ULP in zones 07A, 07C, 08A, 08C, 09A, 10A, 09C, 10C, 11A, 11C, 12C, 13A, 13C, 14C, 15C, 15A, 16C, 17A, 17C and 19A
Gauteng retail price of 93 octane was 1 209 c/l in December 2015. Taxes and levies as a % of this retail price: 35%

Diesel									**Illuminating paraffin**	
Year	Customs & Excise Duty	Fuel Levy	Road Accident Fund Levy	Equalisation Fund Levy	Petroleum Products Levy	IP Tracer Dye Levy	Incremental Inland Transport Recovery Levy	Total Imposts	Equalisation Fund Levy	GST VAT%
1990	4.0	31.4	2.1	7.0	0	0	0	44.5	7.0	12%
1991	4.0	33.4	2.4	7.0	0	0	0	46.8	7.0	10%
1992	4.0	47.4	4.0	7.0	0	0	0	62.4	7.0	10%
1993	4.0	47.4	4.0	7.0	0	0	0	62.4	7.0	14%
1994	4.0	53.4	6.0	8.0	0	0	0	71.4	7.0	14%
1995	4.0	53.4	6.0	8.0	0	0	0	71.4	7.0	14%
1996	4.0	61.6	5.8	5.0	0	0	0	76.4	0	14%
1997	4.0	63.6	6.8	3.0	0	0	0	77.4	0	14%
1998	4.0	76.1	10.3	8.0	0	0	0	98.4	0	14%
1999	4.0	76.1	10.3	8.0	0	0	0	98.4	0	14%
2000	4.0	79.1	10.3	0	0	0	0	93.4	0	14%
2001	4.0	81.0	16.5	0	0	0	0	101.5	0	0%
2002	4.0	81.0	18.5	0	0	0	0	103.5	0	0%
2003	4.0	85.0	21.5	0	0	0	0	110.5	0	0%
2004	4.0	95.0	26.5	0	0	0	0	125.5	0	0%
2005	4.0	100.0	31.5	0	0	0	0	135.5	0	0%
2006	4.0	100.0	36.5	0	0	0	0	140.5	0	0%
2007	4.0	105.0	41.5	0	0.19	0.01	0	150.7	0	0%
2008	4.0	127.0	46.5	0	0.15	0.01	1.5	179.2	0	0%
2009	4.0	135.0	64.0	0	0.15	0.01	3.0	206.2	0	0%
2010	4.0	152.5	72.0	0	0.15	0.01	3.0	231.7	0	0%
2011	4.0	162.5	80.0	0	0.15	0.01	3.0	249.7	0	0%
2012	4.0	182.5	88.0	0	0.15	0.01	3.0	277.7	0	0%
2013	4.0	197.5	96.0	0	0.15	0.01	3.0	300.7	0	0%
2014	4.0	209.5	104.0	0	0.15	0.01	0	317.7	0	0%
2015	4.0	240.0	154.0	0	0.15	0.01	0	398.2	0	0%

Gauteng wholesale price of 0.05% sulphur diesel was 1 081.17 c/l in December 2015. Taxes and levies as a % of the wholesale price: 36.83%

The total annual amounts of fuel taxes collected on petrol, diesel and paraffin (calculated on 2015 volumes at June 2015 rates)

	Petrol	Diesel	Illuminating paraffin
Sales volumes (million litres)	12 072	14 178	573
95 unleaded petrol in the DSML area (million litres)**	2 631	0	0
Customs and Excise duty (c/l)	4.00	4.00	0
Fuel levy (c/l)	255.00	240.00	0
Road accident fund levy (c/l)	154.00	154.00	0
Equalisation fund levy (c/l)	0	0	0
Value Added Tax (VAT)	0	0	0
Demand side management levy (DSML) (c/l)	10.00	0	0
IP marker levy (c/l)	0	0.01	0
Petroleum products levy (c/l)	0.15	0.15	0

	Million rands			Total
Customs/ Excise duty	483	567	0	1 050
Fuel levy	30 784	34 027	0	64 811
Road accident fund levy	18 591	21 834	0	40 425
Equalisation fund levy	0	0	0	0
Value Added Tax (VAT)	0	0	0	0
Demand side management levy (DSML)*	263	0	0	263
IP marker levy	0	1	0	1
Petroleum products levy***	18	21	0	39
Total	**50 139**	**56 451**	**0**	**106 590**

*Only applicable to 95 octane unleaded petrol sold in the inland zones

**Based on SAPIA assumptions

***The levy is used to cover the cost of the National Energy Regulator for regulating the petroleum pipelines industry

Workforce profile

The table below reflects the combined workforce profile for direct employees of SAPIA member companies and its refineries as reported to the Department of Labour in October 2015. The last column lists employees with disabilities. It should be noted that the petroleum industry supports direct and indirect employment for over 100 000 people.

Occupational level	Gender	African	Coloured	Indian	White	Foreign national	Total	People with disabilities
Top management	Female	14	6	4	6	1	31	0
	Male	10	10	4	25	25	74	1
Top management total		**24**	**16**	**8**	**31**	**26**	**105**	**1**
Senior management	Female	55	28	18	36	1	138	0
	Male	103	53	54	124	26	360	6
Senior management total		**158**	**81**	**72**	**160**	**27**	**498**	**6**
Specialists & mid-management	Female	300	191	108	222	9	830	4
	Male	453	298	255	378	38	1 422	19
Specialists & mid-management total		**753**	**489**	**363**	**600**	**47**	**2 252**	**23**
Skilled technical	Female	606	330	122	182	2	1 242	20
	Male	808	384	218	241	7	1 658	32
Skilled technical total		**1 414**	**714**	**340**	**423**	**9**	**2 900**	**52**
Semi-skilled	Female	296	78	23	45	1	443	16
	Male	1 290	220	87	58	13	1 668	13
Semi-skilled total		**1 586**	**298**	**110**	**103**	**14**	**2 111**	**29**
Unskilled and defined decision making	Female	26	6	1	3	0	10	10
	Male	141	15	3	3	4	19	19
Unskilled and defined decision making total		**167**	**21**	**4**	**6**	**4**	**202**	**29**

Health, safety and environment performance indicators covering distribution activities outside the refinery gate

Performance indicators	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Not including refineries)										
Safety: staff and contractors										
Fatalities	18	7	17	7	27	8	10	9	14	10
Lost time injuries	73	49	70	64	51	44	43	26	25	16
Hours worked (million)	33.7	28.2	91.6	28.7	24.6	26.6	30.0	28.9	31	34.9
Total recordable rate (TRR), fatalities, lost time injuries and medical treatment cases per 200 000 hours worked.	**0.9**	**0.8**	**1.1**	**0.8**	**0.4**	**0.5**	**0.4**	**0.4**	**0.6**	**0.2**
Environment:										
Fires	2	24	25	16	33	16	13	29	21	32
Health:										
Occupational illnesses	1	1	1	1	2	1	2	1	1	1
Security:										
Hijackings: on retail forecourts	16	17	11	26	17	5	6	9	9	9
Cash-in-transit robberies	71	49	56	67	31	18	27	11	17	24
Retail robberies	376	651	782	611	430	156	222	214	274	410

Crude refineries' resource consumption and waste/emissions

		2008	2009	2010	2011	2012	2013	2014	2015
Water usage: litres	**Total**	**13 579 857**	**11 053 410**	**11 633 126**	**11 757 598**	**11 234 343**	**11 181 656**	**10 644 383**	**8 588 691**
	Municipal	9 740 503	7 495 492	6 794 633	6 702 822	6 507 540	6 651 098	6 284 621	5 944 116
Electricity consumption: Gwh		923	936	925	1 207	850	863	932	895
SO2 emissions: tons		22 823	38 024	30 246	19 440	21 210	21 677	22 054	21 206
PM emissions: tons		1 330	1 251	976	728	891	983	962	1 517
CO2 emissions: tons		3 462 715	3 383 713	3 183 018	2 734 124	3 164 964	3 144 239	3 447 894	2 653 748
Waste: tons	**Total:**	**42 114**	**28 455**	**27 902**	**16 619**	**16 952**	**39 177**	**24 190**	**37 130**
	Hazardous:	38 808	21 003	23 249	12 692	11 487	26 170	18 606	27 317
	Non-hazardous:	3 306	7 442	4 653	3 927	5 465	13 007	5 583	9 813

Crude and coal/gas-to-liquid refineries' health and safety indicators

Indicator	2009	2010	2011	2012	2013	2014	2015
Fatalities	4	3	3	0	1	0	3
Lost time injuries (LTI)	56	63	36	38	15	28	29
Exposure hours	73 093 285	70 971 882	76 971 672	19 241 699	23 530 093	61 993 158	54 175 090
Occupational illnesses	2	1	11	1	16	23	45
Total Recordable Rate (TRR) (fatalities, LTI and medical treatment cases per 200k hours worked).	**0.61**	**0.57**	**0.43**	**0.8**	**1.87**	**0.27**	**1.52**

Member contact information

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www.africoil.co.za

Altivex 529 t/a Elegant Fuel
Telephone: 015 516 1834
Address: 60A Corner Rissik and Kleinhans Street, Louis Trichardt, Makhado
www.elegantfuel.com

BP Southern Africa
Telephone: 011 488 5111
Address: BP House, 10 Junction Ave, Parktown, 2193
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Camel Fuels
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Chevron South Africa
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www.easigas.com

Engen Petroleum
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Address: Engen Court, Thibault Square, corner of Riebeeck and Long Street, Cape Town
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Gulfstream Energy
Telephone: 012 667 5382
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MBT Petroleum
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Oryx Oil South Africa
Telephone: 010 045 0803
Address: Ground Floor, Block A, Hobart Square Office Park, 10 Hobart Road, Bryanston
www.oryxenergies.com

PetroSA
Telephone: 021 929 3000
Address: 151 Frans Conradie Drive, Parow, 7500
www.petrosa.co.za

Royale Energy
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Address: Berkley Office Park, Unit 4, First Floor, 8 Bauhinia Street, Technopark, Highveld
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Sasol Oil
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www.wasaa.co.za

Acronyms

ACSA	Airports Company of South Africa
B-BBEE	Broad-based black economic empowerment
Bbl/day	Barrels per day
BEE	Black economic empowerment
BUSA	Business Unity South Africa
CHIETA	Chemical Industry Education and Training Authority
CO_{2e}	Carbon dioxide equivalent
CSI	Corporate social investment
DOE	Department of Energy
HDSAs	Historically disadvantaged South Africans
HRD	Human resource development
IEA	International Energy Agency
IeC	Integrated Energy Centre
IK	Illuminating kerosene
INDC	Intended nationally determined contribution
IP	Illuminating paraffin
Kb/day	Thousand barrels per day
LFC	Liquid Fuels Charter
LOE	Leadership in Oil and Energy Certificate Programme
LPG	Liquefied petroleum gas
MIBCO	Motor Industry Bargaining Council
MDZ	Magisterial district zones
MPP	Multi-product pipeline
MTT	Ministerial task team
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NICOLA	Network for Industrially Contaminated Land in Africa
NPA	National Ports Authority
NPR	National Ports Regulator
NPEA	National Petroleum Employers Association
NSDS	National Skills Development Strategy
NSDS III	National Skills Development Strategy III
OPEC	Organisation of the Petroleum Exporting Countries
PPA	Petroleum Products Amendment Act
PPC	Parliamentary Portfolio Committee
RAF	Road Accident Fund
RAS	Regulatory accounting system
RON	Research octane number
SAMSA	South African Maritime Safety Authority
SAPIA	South African Petroleum Industry Association
SBM	Single buoy mooring
SETA	Sector Education and Training Authority
SSP	Sector Skills Plan
TFR	Transnet Freight Rail
TOR	Terms of reference
TPL	Transnet Pipeline
WACC	Weighted average cost of capital

Production

NOVA COMMUNICATIONS

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