



sapia | South African Petroleum
Industry Association

**2020
ANNUAL
REPORT**

sapia | South African Petroleum
Industry Association



CONTENTS

02	Introduction by SAPIA Executive Director
04	SAPIA overview
06	Vision, mission, objectives and strategy
09	Membership
09	Organisation structure
10	Board of Governors
12	SAPIA staff members
13	SAPIA committees
13	Financial statement
14	The year at a glance
16	Strategic focus areas
17	Transformation
18	Health, safety, security and environment
22	Climate change
24	Refinery sustainability
26	Security of supply
27	Regulated price elements
30	Statistics
43	Member contact information
44	Abbreviations

INTRODUCTION BY SAPIA EXECUTIVE DIRECTOR



**Avhaphani
Tshifularo**

Welcome to the 2020 SAPIA Annual Report. The oil industry in South Africa, plays a strategic role in enabling and stimulating the country's economy and is pivotal in growth, investment and employment.

The Covid-19 pandemic, resulted in the destruction of global economies as entire industries were halted in an effort by governments around the world to mitigate the ongoing spread of the virus that has already taken many lives. While the petroleum industry is classified and as essential service, allowing the operations of refineries and retail service stations, the industry was not unscathed. The minimized movement of people saw dramatic decreases in the demand for fuel.

As the industry association for liquid fuels, SAPIA represents the collective interests of the South African petroleum industry and plays a strategic role in addressing a range of common issues.

Key developments during 2020

Health, Safety, Security and Environment

- Risk management of the Covid-19 pandemic as continuous challenges require new ways of working and ongoing awareness, evaluation of employee behaviour and protocols to mitigate the spread
- HSSE legislation and regulatory input provided to stakeholders
- National Oil Spill Tier 2 assessment completed as part of the improvement of oil spill capability
- Review of contaminated land management risks is ongoing

- Sharing Best Practice Guideline to improve contractor and internal stakeholder capabilities
- Focus on security and road transport safety to mitigate risks

Climate Change

- Climate Change Bill published with subsequent deliberations at NEDLAC

Refinery Sustainability

- No further regulatory developments on Clean Fuels
- Sulphur cap on bunker fuels was initiated on 1 January 2020
- Implementation of the Carbon Tax Act and development of the Climate Change Bill
- Engagements with the Transnet on the implementation of the Island View strategy

Security of Supply

- Identifying the emerging risks to the security of supply of petroleum products
- Tank farm relocation to the port of Ngqura (Coega)
- The Competition Commission granted the industry a six-month exemption
- NERSA agreed to mediate between SAPIA and Transnet Pipelines to get to an amicable solution on the dispute on the Conveyance Agreement

Transformation

- SAPIA withdrew from the sector codes process and no further developments on the gazetting of the draft codes.

In this report you will find the SAPIA vision, mission and strategy; the impact of the Covid-19 pandemic on the industry, development and changes to legislation and economic regulation, HSSE feedback, safety and security of petroleum products across the supply chain, industry transformation updates and the statistical review of the industry showing the evolution of demand and supply of petroleum products.

I would like to take this opportunity to thank the Department of Mineral Resources and Energy (DMRE) for the ongoing efforts to maintain a mutually beneficial relationship that enables two-way engagement – it is highly valued. I also want to thank the Board of Governors for their commitment to the Association and their governance. Finally, to all our committee members and member company employees – thank you for your contribution to ensuring that together, we can drive the industry agenda for the benefit of our economy and all South Africans



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. SAPIA endeavours to appraise the Minister of Energy and the Director General 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.

PERSPECTIVES OF SUCCESS

GOALS

Stakeholders

Internal process

Learning & growth

Financial

VALUES

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.



Priorities for the year

The Board of Governors identified the following focus areas for 2020:

	Transformation	Facilitate industry transformation and skills development
	Health, safety, security and environment	Promote health, safety, security and environmental leadership within the industry
	Climate change	Provide input into the development of climate change policy and regulations including the monitoring, measuring and reporting of GHG emissions
	Refinery sustainability	Promote sustainability of the current refining fleet
	Security of supply	Promote the security of supply of liquid fuels
	Regulated price elements	Contribute to policy formulation, implementation and a fair regulatory framework for all

Membership

INTEGRATED MEMBERS		NON-INTEGRATED MEMBERS	
		Fuel wholesalers	LPG wholesalers
Astron Energy (Pty) Ltd		Afric Oil (Pty) Ltd	African Oxygen Limited
BP Southern Africa (Pty) Ltd		Elegant Fuel (Pty) Ltd	Easigas (Pty) Ltd
Engen Petroleum Ltd		Gulfstream Energy (Pty) Ltd	Indigas (Pty) Ltd
PetroSA Ltd		FFS Refiners (Pty) Ltd	Petregaz (Pty) Ltd
Sasol Oil (Pty) Ltd		Makwande Energy Trading (Pty) Ltd	Totalgaz Southern Africa (Pty) Ltd
Shell Downstream South Africa (Pty) Ltd		MBT Petroleum (Pty) Ltd	Wasaa Gasses (Pty) Ltd
Total South Africa (Pty) Ltd		Puma Energy (Pty) Ltd	
		Royale Energy Ltd	
		SA Bunkering and Trading (Pty) Ltd	

Total of 22 members on 31 December 2020

Organisation structure

SAPIA operates under a Board of Governors comprising members from member companies. A new chairperson and vice-chairperson is elected biennially and annually respectively. The association has a small and highly skilled staff complement, led by an executive director. SAPIA staff are independent from the member companies.

The 2020 Board of Governors

Mariam Kane-Garcia, MD and CEO of Total Energies South Africa is the Chairperson of SAPIA for the years 2020 and 2021. She is the second woman and 24th industry leader to chair the association since its establishment in July 1994.

The Board of Governors consists of nine representatives from member companies. The Chairperson and Vice-Chairperson rotate. 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 to each issue and ensure that resources are available to address the matters at hand.

2020 BOARD OF GOVERNORS



SAPIA Chairperson:
Mariam Kane-Garcia

Total Energies
South Africa, Africa



SAPIA Vice-Chairperson:
Mr Hloniphizwe Mtolo

Shell Downstream
South Africa, Africa



Mr Jonathan Molapo
Astron Energy



Mr Pragasen Naidoo
PetroSA



Mr Yusa Hassan
Engen Petroleum



Mr Phinda Vilakazi
Sasol Oil



Ms Taelo Mojapelo
BP Southern Africa

Mr Walter Sanchez
Easigas

Ms Nonda Chili
Makwande (NIMs)

Board of Governors attendance at meetings:

Attendance at meetings:	17/03/2020	01/06/2020	02/09/2020	03/12/2020
Ms M Kane-Garcia	Y	Y	Y	Y
Mr H Mtolo	N	Y	Y	N
Mr J Molapo	Y	Y	Y	Y
Mr B Sayidini	N	R	R	R
Mr P Naidoo	-	N	N	N
Mr W Sanchez	Y	Y	Y	Y
Mr Y Hassan	Y	Y	N	Y
Mr P Mabelane	N	N	R	R
Ms T Mojapelo	-	-	Y	Y
Mr P Vilakazi	-	Y	Y	Y
Mr T Booley	N	R	R	R
Ms N Chili	Y	Y	Y	Y

Y = Attended Meeting
N = Apology Received
- = Not Yet Appointed
R = Resigned from the Board



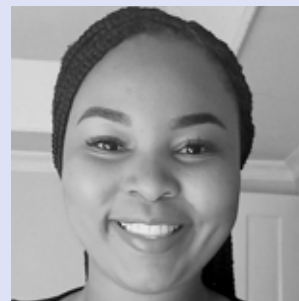
SAPIA STAFF MEMBERS



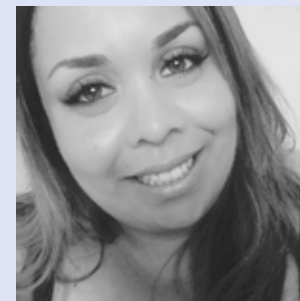
Executive Director
Avhaphani Tshifularoy



Office Manager
Nkhensani Machumele



Administrative Assistant
Bongiwe Phakathi



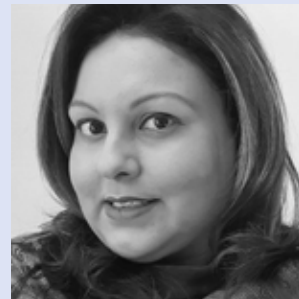
Head: Advocacy, Stakeholder and Communication
Cindy-Lee Maneveld



Head: Economic Regulation
Gadibolae Dihlabi



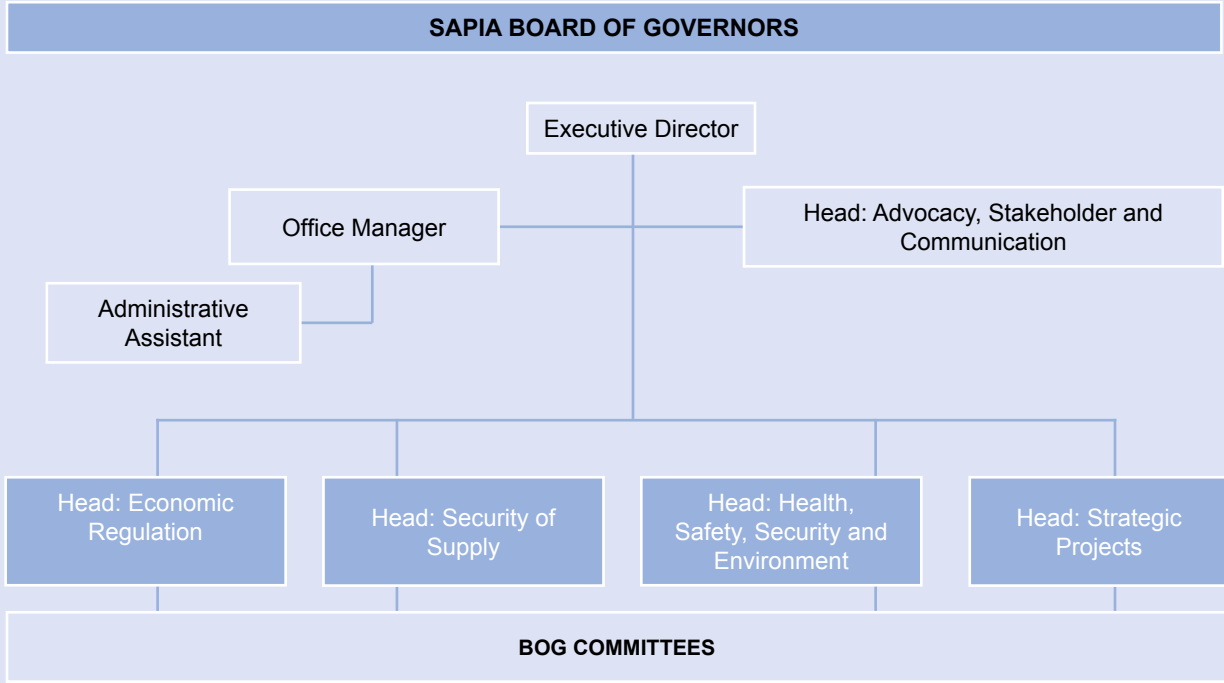
Head: Security of Supply
Siganeke Magafela



Head: Health, Safety, Security and Environment
Fatima Shaik



Head: Strategic Projects
Kevin Baart



SAPIA organisational chart

BOARD OF GOVERNORS COMMITTEES

There are 21 committees which 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 COMMITTEES	CHAMPION	COMPANY
Transformation Committee	Hloniphizwe Mtolo	Shell
Human Resource Development Committee	Avhaphani Tshifularo	SAPIA
Economic Regulation Committee	Jonathan Molapo	Astron Energy
Legal Committee	Avhaphani Tshifularo	SAPIA
Security of Supply Committee	Yusa' Hassan	Engen Petroleum
Fuels Technical Committee	Kevin Baart	SAPIA
Advisory Committee on Climate Change	Jonathan Molapo	Astron Energy
Health, Safety, Security and Environment Committee	Bernhard Eigenhuis	BP
HSSE sub-committees:		
Health, Safety Environment and Engineering Committee	Morne Fortuin	Astron Energy
Oil Spill Working Group	Dian Naicker	PetroSA
Road Transport Safety Committee	Amanda Lopez	Shell
Security Committee	Riyaad Adams	Astron Energy
Refinery Managers' Environmental Forum	Adele Borman	Astron Energy
Refinery Managers' Safety Forum	Linda Nene	PetroSA
Refinery Process Safety Meetings	Lucas Schabalala	Astron Energy
South African Petrochemical Fire Chiefs Committee	Michael Clarke	Astron Energy
Communication Committee	Avhaphani Tshifularo	SAPIA
Liquefied Petroleum Gas Forum	Walter Sanchez	Easigas
Non-Integrated Members Forum	Stephan Nothnagel	Royale Energy
Cleaner Fuels Task Team	Phinda Vilakazi	Sasol Oil
Refinery Managers' Forum	Victor Bester	Astron Energy

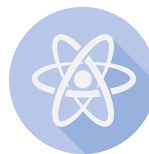
FINANCIAL STATEMENT

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)	2009	2010	2011	2012	2013	2014	2015	2016	2018	2019
Membership subscriptions	6 206	6 366	6 366	6 415	7 748	9 754	12 136	11 798	13 345	14 281
Other income (including interest)	1 505	138	1 426	180	173	508	3 606	424	27	10 787
Total income	7 711	6 504	7 792	6 595	7 921	10 262	15 742	12 222	13 372	25 068

Expenditure (thousand rands)	2009	2010	2011	2012	2013	2014	2015	2016	2018	2019
Personnel/payroll	3 113	3 663	4 009	4 259	4 326	5 404	8 262	8 220	8 827	9 066
Other expenditure (including interest)	3 231	2 782	3 321	2 931	2 919	2 752	5 520	4 064	4 590	6 123
Total expenditure	6 344	6 445	7 330	7 190	7 245	8 156	13 782	12 284	13 417	15 189

THE YEAR AT A GLANCE



WORLD ENERGY CONSUMPTION¹

Primary energy consumption was down 5% in 2020

By fuel, natural gas decreased 2.8% in energy consumption
Energy consumption rose by 2.1% in China



PRICING AND ENERGY CONSUMPTION IN SA

95 ULP petrol prices reached a high of R15.48 and a low of R11.48 in May 2020 on the coast

95 ULP petrol prices reached a high of R15.48 and a low of R11.48 in May 2020 on the coast
0.005% diesel wholesale prices reached a high of R14.08 and a low of R10.48 on the coast



HSSE legislation and regulatory input provided to stakeholders

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Engagement with Government, Business Associations and other Strategic stakeholders

Covid-19 Management: Development of industry guidance, crisis management, inputs into legislative protocols and directions, best practice sharing, incident tracking, etc.

National Tier 2 oil spill capability assessments completed

Ongoing development of SAPIA minimum guidelines and best practice documents e.g. Guidelines for Fire Protection and Fire Response for Geodesic Dome Roof Tanks Key focus areas, Refinery water sustainability interventions, Waste management with respect to new legal requirements, vapour recovery units, odour management, behavioural transformations post behavioural based safety, process safety insurance audits; working at height tagging, etc.

Development of contaminated land management strategies via NICOLA.

Phase 2 of the Road Safety decal project implemented

Advanced Petrochemical Fire Fighting training



SAPIA contributed to the development of country specific emission factors (Tier 2) for the consumption of liquid fuels

CLIMATE CHANGE

Publication of the Climate Change Bill and subsequent deliberations at NEDLAC

Regulations pertaining to the Carbon Tax Act were gazetted

The National Business Initiative (NBI) initiated a project to consider how South Africa can reduce its emissions profile as part of the reassessment of oil majors commitments to climate change and net zero emissions



Exemption granted by the Competition Commission, and it expires on 31 December 2020

SECURITY OF SUPPLY

Transnet Pipeline's multi-product pipeline project (Terminal 1) tank rebuild delayed and TPL is reviewing the business case and a decision will be communicated to all stakeholders.

Relocation of the tank farm from Port of PE to Port of Ngqura has been delayed and the appointed company informed the industry that it has withdrawn from the project. Transnet to advise the on the next steps.

Covid-19 induced demand depression have not recovered, with jet demand being the most affected as the lockdown continues to affect recovery.

Transnet National Ports Authority working with SAPIA to resolve the expired leases issues across the port system.



The Covid-19 pandemic had a profound impact on the oil industry with the shutdown on economies worldwide

REFINERY SUSTAINABILITY

No progress on regulatory framework on cleaner fuels and industry seeks financial support from government to implement the necessary modifications at refineries

Sulphur cap on bunker fuels initiated on 1 January 2020

Implementation of the Carbon Tax Act and development of the Climate Change Bill

SAPIA's interactions with the TNPA on the Island View Strategy published in 2018 were curtailed by the onset of the Covid-19 pandemic delaying implementation



SAPIA withdrew from process of developing sector codes due to governance and other issues but continued to monitor developments from the Minister of Mineral Resources and Energy and the Chairperson of the Charter Council

TRANSFORMATION

Advanced Certificate in Management for Oil and Gas course and Women in Leadership programme discontinued and alternative programmes considered



STRATEGIC FOCUS AREAS



TRANSFORMATION



HEALTH,
SAFETY,
SECURITY AND
ENVIRONMENT



CLIMATE
CHANGE



REFINERY
SUSTAINABILITY



SECURITY OF
SUPPLY



PRICING AND
ENERGY
CONSUMPTION
IN SA



WORLD ENERGY
CONSUMPTION¹



TRANSFORMATION

OUR FOCUS:

Promote industry transformation and skills development

FOCUS AREAS

New liquid fuels empowerment framework

KEY DEVELOPMENTS DURING THE YEAR

SAPIA withdrew from the sector codes process and no further developments on the gazetting of the draft codes.

Progress in 2020

New Liquid Fuels Empowerment Framework

The process of aligning the Petroleum and Liquid Fuels Charter to the Broad-Based Black Economic Empowerment Act is continuing. The Charter Council comprises the Department of Mineral Resources and Energy, industry associations, trade unions and other interested parties.

The Charter Council is working towards the gazetting of draft codes for section 9(5) and after missing a few deadlines in 2019, there was no clear indication as to when the draft sector codes will be gazetted for public comments. There was no further developments in 2020.

At the end of 2019, SAPIA wrote a letter to the Minister of Mineral Resources and Energy and the Chairperson of the Charter Council, informing them of the withdrawal from the sector codes process due to poor governance and others issues. SAPIA continued to monitor developments from the Minister and Charter Council and address them as they arose.

The implementation will be with immediate effect as the Department of Trade and Industry does not allow for a transition period. In the absence of Petroleum and Liquid Fuels Sector Codes, entities are continuing to be measured on the generic scorecard of the Broad-Based Black Economic Empowerment Codes of Good Practice which does not fully address the unique characteristics of the industry.

Industry value add development programmes

The SAPIA Corporate Education Advanced Certificate in Management for Oil and Gas (NQF Level 8) and the Women in Leadership Programme facilitated by the Duke Corporate Education Women in Leadership Programme was discontinued in 2020.

The Transformation Committee reviewed alternative industry value add development and training programmes. These were delayed due to the Covid-19 pandemic and the shutting down on economies and face to face engagements.

Future priorities

SAPIA will be focusing on the following areas in 2021:

- Continue to monitor the process of developing and gazetting sector codes.
- Reconfirming industry value add development and training programmes.



HEALTH, SAFETY, SECURITY AND ENVIRONMENT

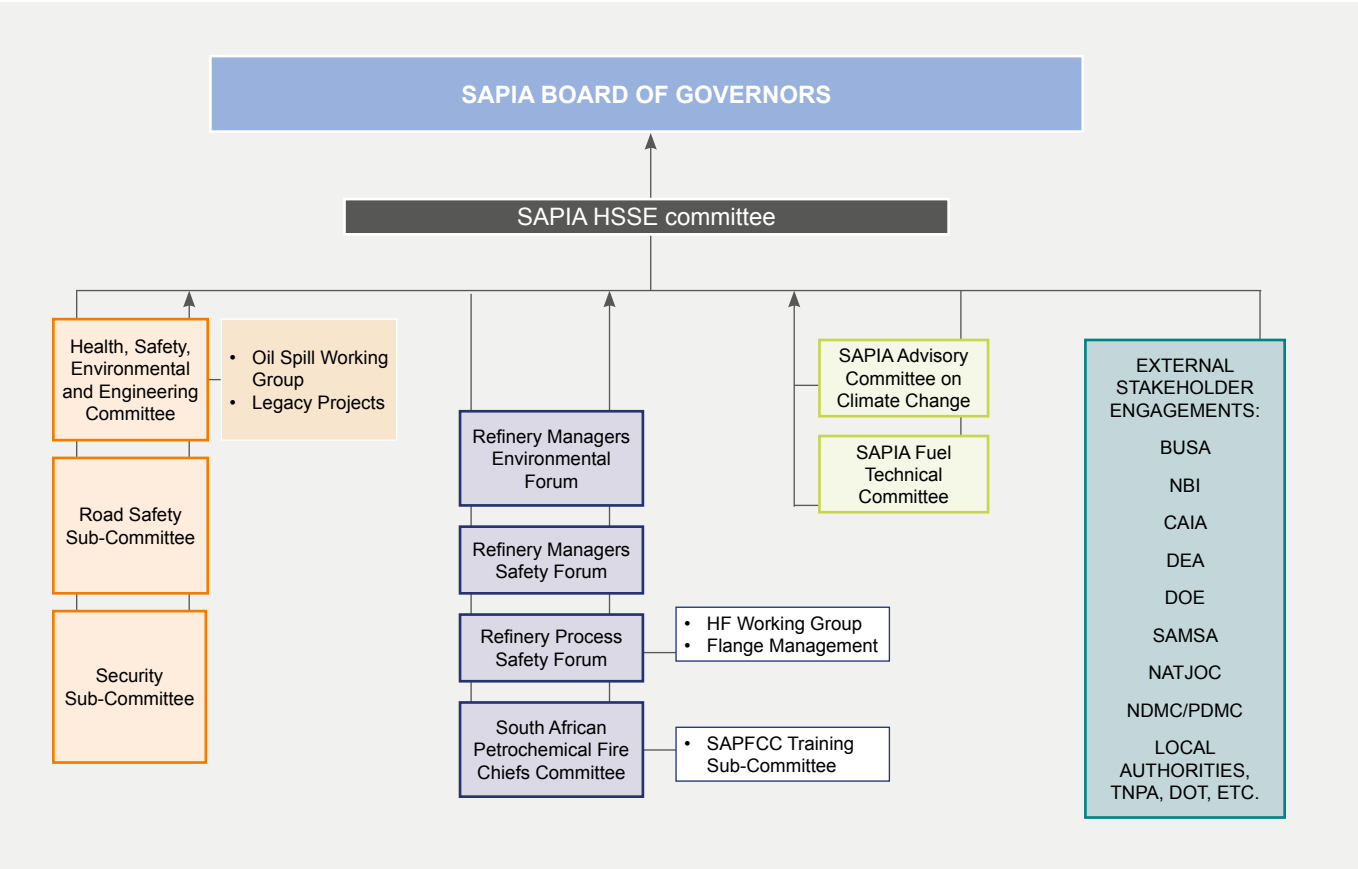
OUR FOCUS:
Promote health, safety, security and environmental leadership within the industry

Health, Safety, Security and Environment (HSSE) remains the oil and gas sector's number one priority. Integrated HSSE management across the supply chain is essential towards ensuring that employees go home safely to their families and that any impact to the environment and industry assets is eliminated or minimised. Industry efforts extend beyond the fence-line. Learning from local and international best practice, learning from incidents, focusing

on long-term behavioural change, complying with legislation, empowering employees and contractors in the sector and establishing a sustainable HSSE culture are key priorities for SAPIA members. SAPIA continues to work with relevant stakeholders to meet its objectives.

The Covid-19 pandemic has posed challenges to not only to the sector but to South Africa and the World. As a sector we

have adapted to new ways working while still delivering on our intended priorities. New legislation, global best practice implementation, revised risk assessment, engagement with key stakeholders to prioritise the sector as essential services, sector guidance, virtual work methods are some of the interventions that were rapidly implemented. Tragically we lost 24 of our colleagues to Covid-19.



Risk-based integrated HSSE management across the value chain

FOCUS AREAS	ONGOING CHALLENGES
HSSE Risk Management: Covid-19 pandemic	Covid-19 continues to pose challenges with mutations and new variants. As the end of 2020, over 2040 cases and 24 deaths were reported within the sector, with the country going in the second wave. Virtual ways of working while beneficial in many ways also poses a challenge. Mental wellness, fatigue, etc. have increased, forcing companies to find ways to mitigate these risks. A number of companies also embarked on internal re-structuring processes. New online tools need to be developed to eliminate face to face contact. Employee behaviour outside the workplace impacts on the exposure to Covid-19 when protocols are not observed.
HSSE Risk management: Regulatory input	Significant increase in regulatory burden placed on business and developing non-integrated members. Additional costs associated with compliance including permits, fees, levies and additional staff, among others. Contractor compliance remains a challenge. Limited number of competence specialised contractors requiring additional support from members Covid-19 directions have placed an additional compliance burden. In many cases clarity is lacking and challenges in compliance are experienced.
HSSE Risk Management: Improving oil spill response capability	The industry made submissions on the draft Marine Pollution Bill end 2019. The has been no feedback provided to date. The National Oil Spill Contingency plan will provide the framework for managing spills in the country. Approval is awaited. Member oil spill plans will need to meet with specific requirements. SAPIA has completed the National Oil Spill Tier 2 assessment. The reports were reviewed by all stakeholders. • SAPIA members will focus on their gap closure. • The national report has been submitted to DFFE and DOT for action on the national gaps. • TNPA has been provided a report on the gaps at the ports. • Presentations have been made to the authorities and other internal and external stakeholders on the gaps and recommendations for closure. • Gaps closure will be monitored in 2021.
HSSE Risk Management: Contaminated land management	Public disclosure of the contaminated land register i remains a potential reputational risk to the sector. There has been no further development in the inclusion of contamination land sites on the deeds register. SAPIA has revised it Hydrocarbon Management Agreement to include all applicable members. Member signatures are awaited. The agreement is a proactive measure to allow SAPIA to facilitate discussions between its members to resolve contamination related matters speedily by reducing/ eliminating impacts to the environment. This agreement does not supercede any legal requirement.
Improving contractor and internal stakeholder capabilities – Best practice guidelines	Inexperienced new entrants require support and guidance based on best practice. Simplification of contractor requirements where possible as HSSE compliance at the coalface remains a challenge. Legislative frameworks are lacking in some areas to provide adequate guidance. This may also be the case for new technologies.
Security risk management	Poverty, unemployment, crime and the lack of essential services have contributed to additional risks associated with unplanned community protests, impact on truck drivers, truck hi-jackings, illegal road blockades, etc. increasing. Increased efforts to mitigate risks across the supply chain is required however in some cases security of supply is impacted. Increase risks in sabotage of key supply chain infrastructure such as petroleum pipelines, rail network etc. has a negative impact to business.
Road transport safety risk management	Third party high-risk behaviour and non-compliance pose a major risk to safe operations on South African roads. This now contributes to the main cause of incidents and fatalities in the sector.

Progress in 2020

HSSE Risk Management: Covid-19 pandemic

SAPIA has led the Covid-19 related work for the Sector in the following areas:

- Covid-19 support to the Sector (internal and external), Covid-19 legislative, directions and guideline update. Sharing of guidelines and practice notes form B4SA, BUSA, PPGI and other stakeholders
- Active participation on the essential working groups with the escalation of matters to the Presidency and NatJoints. Daily Covid-19 crisis meetings.
- Feedback on key Covid-19 regulations, submissions and surveys,
- Supporting the sectors unblock issues and providing guidance to the Sector on the interpretation of the regulations and directions.
- Preparations of compliance framework documents for different Covid-19 Scenarios.
- Sharing of Covid-19 best practices and challenges amongst Members.

HSSE Risk management: Regulatory input

SAPIA has been instrumental in negotiations with key internal and external stakeholders on HSSE legislation for South Africa. These include among others: Covid-19, waste, hazardous biological agents, climate change,

carbon tax, air quality, critical infrastructure, ergonomics, major hazard installations, marine pollution, boilers. Transportation of dangerous goods, etc. Included in amongst these are good practice guidelines, SANS codes and other guidance.

HSSE Risk Management: Improving oil spill response capability

The Industry continues to work with the Department of Environment, Forestry and Fisheries (DEFF) and Department of Transport on the development and integration of the recommendations from the Global Initiative for West and Central Africa (GI WACAF) to operationalise the requirements of the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC).

SAPIA proactively appointed a consultant to conduct a national tier 2 oil spill response national capability assessment, to identify the gaps and measures needed to address these in South Africa. SAPIA Members, TNPA, DEFF and other agencies were included in the assessment. This assessment commenced end 2019 and was completed end 2020. Final assessment reports have been issued. Presentations were also made to internal and external stakeholders.

The industry is still awaiting the gazetting of dispersant policy and the revised marine pollution bill.

Improving contractor and internal stakeholder capabilities – Best practice guidelines

The development of minimum guidelines is key to reducing complexity for contractors or suppliers who service multiple members. The best practice documents also consolidate key learnings and best practices for specific subjects which are beneficial to both internal and external stakeholders. A number of these guidelines have been developed such as the joint venture HSSE guidelines, flash fire guidelines and bulk vehicle driver requirement guidelines, confined space entry, etc.

In 2020 best practice workshops included:

- Guidelines for Fire Protection and Fire Response for Geodesic Dome Roof Tanks
- Waste management best practices with respect to the new legal thresholds.
- Vapour recovery unit challenges and solutions.
- Odour management.
- Behavioural transformation post behavioural based safety,
- Alignment on working at height tagging
- Review of training and fitness to work during shutdown
- Fire Fighting
- Competence – process safety, fire fighting
- Flange management guideline – in progress
- Covid-19 best practice sharing

HSSE Risk Management: Contaminated land management

The industry is working closely with the SAPIA members, DFFE and other authorities on historical contaminated land. Part 8 of the Waste Management Act under NEMA provides the framework for how these sites are managed. Port facilities are managed through the Transnet National Port Authorities and the DFFE.

There are currently 10 multistakeholder projects being managed by SAPIA. The decommissioning and remediation of the Port Elizabeth Dom Pedro Terminal will be a significant project that could potentially set a precedent for other areas. SAPIA has revised it Hydrocarbon Management Agreement to include all applicable members. The agreement is a proactive measure to allow SAPIA to facilitate discussions between its members to resolve contamination related matters speedily by reducing/ eliminating impacts to the environment.

Security risk management

The industry faces increased security threats due to a number of factors such as fuel price increases, socio-economic conditions, service delivery protests, civil unrest and land grabs, all of which threatens people, environment, reputation and assets. Security threat to

critical infrastructure such as pipelines is a key concern and SAPIA is engaging with applicable stakeholders on this matter. Foreign driver protest continue to pose threats to our drivers and assets.

Road transport safety risk management

The second phase of the short-term decal project is still in progress. These decals carry safety message on fuel trucks. Preparations for the road transport masterclass are in progress. The masterclass roll out will take place in 2021. The masterclass is intended to share road transport business requirement to new entrants.

Future priorities

SAPIA's primary HSSE focus areas remain unchanged as these are broad and all-encompassing across the supply chain. The risk-based decisions are taken at the committee level and endorsed by the strategic HSSE committee and the Board to address various challenges within these focus areas. These focus areas include:

- Reducing HSSE risks in industry operations impacting people, environment, assets and reputation.
- Reducing road transport risks and engaging stakeholders on third party risk management.

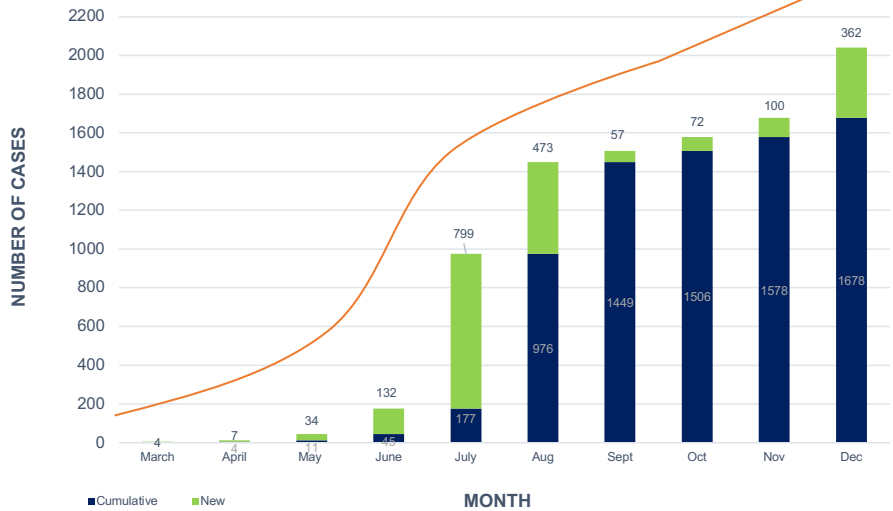
- Developing security related industry best practice to proactively assess threats and reduce security risks.
- Making recommendations for improvement in the national oil spill response capability.
- Increasing contractor capability through collaborative industry efforts.



SAPIA 2020 Covid-19 reported cases

TOTAL: 2040 cases

DEATHS: 24 cases





CLIMATE CHANGE

OUR FOCUS:

Provide input into the development of climate change policy and regulations including that pertaining to the monitoring, measuring and reporting of GHG emissions

FOCUS AREAS	KEY DEVELOPMENTS DURING THE YEAR
Input into the development of climate change policy and regulation	Publication of the Climate Change Bill and subsequent deliberations at NEDLAC.

Progress in 2020

SAPIA, through the SAPIA Advisory Committee on Climate Change and Business Unity South Africa (BUSA), has engaged throughout the year with both the Department of Forestry, Fisheries and the Environment (DFFE) and National Treasury (NT) on the development of legislation and associated regulations to manage GHG emissions emanating from oil industry activities.

Greenhouse Gas Reporting Regulations

The DFFE requested assistance from SAPIA to develop country specific emission factors (Tier 2) for the consumption of liquid fuels. SAPIA developed a paper which looked at international practice governing sampling for compliance purposes (fuel quality monitoring under EN 14274) seeing this as the closest that one could approach that for sampling for emissions testing. The paper was sent to the DFFE for consideration and SAPIA promised support to the Department for the sampling that was to be carried out in this regard. The DFFE would later commission the University of Pretoria to execute this project.

Climate Change Bill

The Climate Change Bill was originally published for comment during May 2018. The original Bill seeks to remove the GHG reporting and associated provisions from NEMA:AQA and place them under this new legislation. It furthermore seeks to create an integrated climate response programme across all three levels of government – executive, provincial and municipal.

This Bill is seen as very important since it aims to be the legislative instrument to report and manage the future trajectory of GHGs for the country. The absence of such a legislative instrument provides significant uncertainty to all players operating in the South African economy as to how GHGs would be managed going forward especially in the light of South Africa's commitments under the UNFCCC.

Carbon Tax

All regulations pertaining to the Carbon Tax Act were gazetted during the year. These regulations included that pertaining to the intensity benchmarks (or the Z factor), that pertaining to offsets and the trade exposure allowance.

SAPIA lobbied on behalf of its members to obtain some measure of pass through for the carbon tax associated with price regulated industries. A form of pass through had been recognised by National Treasury for such industries in their Carbon Tax policy paper published in 2013. Nevertheless, pass through was not provided by National Treasury since it was considered that the quantum would be too small to influence individual purchasing decisions. Instead, National Treasury proposed a carbon tax recovery system based on the volume of petrol produced by a facility. SAPIA acknowledged that pass through would not provide the necessary mechanisms to influence behaviour and accepted the carbon tax recovery system put in place as from the beginning of 2020.



The Just Transition

The onset of the global Covid-19 pandemic at the start of 2020 resulted in a reassessment of oil majors commitments to climate change and net zero emissions. This reassessment also included the assets held by international energy majors in South Africa.

The National Business Initiative (NBI) kicked off a major project to consider what could be done within the country to reduce its emissions profile. This work initially considered the electricity generation sector and that of petrochemicals, both sectors being significant contributors to GHG emissions. While it was recognised that oil refineries are contributors, the main impact on GHG emissions was recognised in the consumption of liquid fuels produced by these facilities. Nevertheless, SAPIA participated in the deliberations related to the aforementioned sectors with the intention to see what could be done in the short to medium term to reduce emissions for refineries.

SAPIA's view has developed over time in considering that, for South Africa, the provision of cleaner fuels (those enabling fuels for Euro V tailpipe emission requirements) is important for reducing GHG emissions. This is because the reduction of sulphur and other harmful pollutants in fuel improves tail pipe emissions, even for older vehicles, and so reduces noxious emissions (which include soot and other hydrocarbons) that can contribute to climate change and poor ambient air quality.

Future priorities

SAPIA will be focusing on the following areas during 2021:

- Continued engagement with the DEA on GHG regulations / budgets and with NT on the regulatory environment.
- Development of the Climate Change Bill.
- Assessment of appropriate emission factors for oil refining products in South Africa.
- Development of a Climate Change position paper
- Engagement with NBI and other interested parties on the Just Transition





REFINERY SUSTAINABILITY

PROMOTE SUSTAINABILITY OF THE CURRENT REFINING FLEET

OUR FOCUS:

There are a number of issues driven by the market and regulatory action that have the potential to affect the long-term sustainability of the local refining industry. These issues include: the demand for cleaner fuels and the requirements to manufacture these fuels; the impact of the sulphur cap on bunker fuels from 2020; greenhouse gas regulatory management (carbon taxes, carbon budgets); environmental regulatory control (such as minimum emission standards, waste management and water use licences) and electricity supply among others.

FOCUS AREAS	KEY DEVELOPMENTS DURING THE YEAR
Cleaner Fuels II	No regulatory developments regarding Cleaner Fuels occurred during the year.
MARPOL Annex VI	The sulphur cap on bunker fuels was initiated on 1 January 2020.
Greenhouse gas regulatory development	Implementation of the Carbon Tax Act and development of the Climate Change Bill
TNPA Island View Strategy	Engagements with the TNPA on the implementation of their Island View strategy

The biggest impact during 2020 was the advent of the Covid-19 pandemic and its devastation, socially and economically, across the world.

Developments in 2020

Covid-19 Pandemic

The Covid-19 pandemic which manifested itself in the first few months of the year had profound implications for the oil industry internationally and nationally. The shutdown of economies worldwide in an effort to control the spread of the pandemic had a major impact on oil markets. The large surfeit of oil products and crude oil as a consequence of these economy wide shutdowns saw prices collapse to levels last seen in the 90's.

The large overhand of both crude oil and petroleum products in the market saw producers respond by slowing and in many cases stopping production. Crude oil found storage in VLCC's at sea and in places offering large crude oil storage facilities such as the SFF's crude oil storage facilities in Saldanha. Some refineries, world-wide,

slowed and then stopped production with the effects most keenly felt in the developed economies across the Northern Hemisphere.

South Africa was not immune to these events as refinery output slowed and then eventually stopped altogether as tanks across the country filled with product as demand had dried up. Only Secunda and PetroSA manage to continue operations but at reduced capacity.

The shutdown in economies and the efforts of governments worldwide to control the pandemic via means such as social distancing severely curtailed public transport and air travel. Working from home became normal but when restrictions eased things did not return to normal. People preferred private to public transport to avoid crowds and opted for continued working from home so as to avoid public commuting or its alternative road congestion.

Demand for oil products remained subdued forcing the International Oil Majors to reconsider capital spending and optimise their portfolios – a reconsideration already

underway due to the events of April. This reconsideration entailed the disposal of non-performing refining assets, cutbacks in exploration and production and a refocus towards modern, low cost and low carbon-intensity facilities closely integrated with petrochem. Concurrently the large oil companies started accelerating their decarbonisation efforts coupled with major rebranding campaigns to big energy rather than big oil.

By the end of the year the decarbonisation efforts of the International Energy Majors were well underway with many announcing the disposal of high carbon intensity assets in favour of lower carbon footprint and green assets. South Africa is not expected to be immune from these international trends nor the long-term projection for the decline in consumption of petroleum products. While oil products are expected to play a significant role as transportation fuels in the economy over the next decade and beyond, the response of government with respect to these fundamental energy shifts will be crucial.

Electric vehicles are expected to start to play an ever-increasing role in local transport towards the end of this decade as the price of these vehicles fall due to production economies of scale and until range anxiety and other issues associated with electric vehicles and their use are mollified. However, the slow turnover of the car park will still constrain their widespread penetration at least to up until the mid 2030's. Furthermore, it is not expected, at this juncture, that government will promote their widespread introduction in the short term due to severe fiscal constraints and concerns over employment effects in the vehicle after market for internal combustion engines.

With the shift to greener energies and the re-optimisation of the portfolios of the International Energy Majors, the local refining industry is expected to be impacted. In the short term (out to five years) some disposals are expected but whether this will mean the widespread shutdown of existing assets and conversion to import facilities is conjecture. Other effects such as cleaner fuels introduction, environmental legislation (including the carbon tax) and transformation legislation are likely to be significant issues affecting the continued existence of the local refining industry in the country.

Cleaner Fuels II

No further clarity was made during the year on the implementation of the cleaner fuels program. Cleaner fuels continue to make headway into the market illustrated by petroleum product slate sales showing that diesel with a sulphur content of maximum 50 ppm (D50) consisted of more than 95% of the market. Diesel with a maximum sulphur content of 10ppm (D10) is not a regulated product under the Petroleum Products Act and is reported under D50 sales.

The industry's view remains unchanged that implementing the necessary modifications at refineries within the present price regulatory regime requires financial support from government since the current framework does not provide a return on investment for these major modifications. No industry can functionally operate in the longer term with such policy uncertainty and it is inconceivable that government has prevaricated for so long despite policy announcements that financial support was required.

MARPOL Annex VI

The sulphur cap on bunker fuels, maximum 0.5% sulphur, went ahead from 1 January 2020. Local manufacturers assured bunker suppliers that compliant fuels to the shipping industry would be provided and guidance

was published on the handling of these new fuels. This occurred after significant invest in refineries to provide these fuels.

The international stockpiling of 0.5% sulphur bunker fuels that had occurred prior to the implementation of the sulphur cap ensured that the market was well supplied after the 1 January deadline. Some significant price movements did occur in the lead up to 1 January but largely abated after the deadline.

The onset of the pandemic impacted the shipping market such that demand for bunker fuels did decrease. This mitigated the effects of the roll out where it was expected that increasing tightness in the supply of very low sulphur bunker oil (0.5%S) would eventually spill over into increased distillate prices.

Greenhouse gas regulatory development

The major developments during the year were the publication of the Climate Change Bill and the implementation of the Carbon Tax Act. More detail on the Climate Change Bill will be provided in the Climate Change focus area later.

National Treasury provided for a carbon tax pass through via a carbon tax recovery system in the Taxation Laws Amendment Bill which was passed into law in early 2021. A carbon tax recovery system was provided since the incremental rate for pass through would have been too small to affect consumer demand. The carbon tax recovery system allowed for a recovery based on petrol production only at a fixed quantum that is meant to increase in line with the headline carbon tax rate.

It has been SAPIA's position that pass through should apply to all price regulated fuels and remain in discussion with both the DMRE and National Treasury on this issue.

TNPA Island View Strategy

The TNPA published an Island View Strategy during 2018 aiming to radically transform the ownership of oil industry assets within the precinct. This would be by imposing onerous conditions of ownership and operatorship of assets within the Island View area when leases relating to various oil storage sites expired and were to be renewed. The TNPA rational for the study was to promote transformation, address the apparent lack of investment in ageing infrastructure, job creation and enhancing security of supply.

Industry responded by engaging with the TNPA on the strategy and providing them with a fact base showing the importance of Island View to the security of supply of petroleum products. This work showed

that the implementation of the strategy would have the opposite effect of what was intended by the Island View strategy;

- Job creation – it was unlikely that job creation would result by the strategy since the transfer of ownership from one company to another would necessarily also involve the transfer of employees from the one entity to the other. Rather the strategy does the opposite and creates significant employment amongst those employees potentially affected by the strategy;
- Investment - the strategy was threatened a further R57 billion worth of investment to 2024 due to uncertainty created;
- Security of supply - Implementation of the strategy would conversely serious impact the security of supply of petroleum product in a number of ways;
 - The strategy ignored the interconnectedness of manufacturing facilities with Island View.
 - It would raise cost for the utilisation of these assets since they would charge access commensurate with that authorised by NERSA which could be up to 23 c/l (as at Burgan in Cape Town), costs which are present borne by industry members. This could compromise the operations of small operators and likely curtail the development of other independents.
 - There would be disruptions to supply during any transition should it occur.

The onset of the pandemic severely curtailed SAPIA's interactions with the TNPA on the implementation of the strategy but we are nevertheless confident that a satisfactory conclusion in the interests of all parties will be obtained.

Future priorities

SAPIA will be focusing on the following areas in 2021:

- Continued engagement towards obtaining financial compensation for cleaner fuels production
- Promote the role of liquid fuels in the Just Transition as it applied to South Africa
- Continued engagement with the TNPA on the Island View Strategy
- Develop an Industry response to other DMRE initiatives affecting the liquid fuels pool such as biofuels



SECURITY OF SUPPLY

OUR FOCUS:

Facilitate the security of supply of petroleum products

FOCUS AREAS	KEY DEVELOPMENTS DURING THE YEAR
Identifying emerging risks to security of supply of petroleum products	Security of Supply Committee conducted a risk refresh workshop in March 2019 to identify new emerging risks. JET supply to ORTIA emerged as the highest risk due to: - the unreliability of TFR. - lack of Jet import infrastructure in Durban that is linked to the pipeline.
Tank Farm Relocation to the Port of Ngqura (Coega)	Oiltanking Grindrod Calulo (Pty) Ltd (OTGC) announced today that the development of its Liquid Bulk Terminal project in the Port of Ngqura has been discontinued.
Competition Commission exemption	The Competition Commission has granted the industry a six-month exemption which expired on 31 December 2020.
Engage Transnet Pipelines to finalise the Conveyancing	NERSA has agreed to mediate between SAPIA and TPL to get to an amicable solution on the dispute on the Conveyance Agreement

Progress in 2020

Tank Relocation from Port of PE to Ngqura

The Dom Pedro tank farm relocation from Port Elizabeth has been delayed from the initial commissioning date of September 2019 to 31 October 2020. The delays we caused by longer than expected time to conclude the off taking agreements with potential leases for the tank space. This had an impact on the construction schedule and

the tank farm capacity had to be reviewed to potentially be reduced.

Despite all the delays, OTGC reported progress in the construction, i.e., bulk earthworks were completed and tank fabrication tenders have been issued.

Multi-product pipeline project

Limited tankage connected to the MPP with the ability to supply jet fuel to the inland market, only 3800m3 tankage connected to the MPP available in Durban. This exposes the ORTIA to stock outs in the event of an unplanned shutdown at NATREF.

Several options are being explored to provide adequate tankage that is linked to the pipeline, among them is the use of the R tanks that TPL are building for SAPREF into jet fuel service.

Timelines for these tanks are to be available in the first quarter of 2022.

Designation of the petroleum industry

The Minister of Economic Development and Competition designated the petroleum industry for the purposes of section 10(3) (b) (iv) of the Competition Act, 1998, for a six-month period with the latest period granted from 31 March 2019 until 31 December 2019. Consequently, the Competition Commission granted the petroleum industry an exemption for the same period.

SAPIA through Fasken submitted the application to the Competition Commission and a letter requesting a designation submitted to Minister Patel.

An update from the commission is that the case team has prepared a memorandum to the Commission's EXCO explaining the matter and its recommended next steps.

Future priorities

SAPIA will be focusing on the following areas in 2021:

- Conduct a risk assessment refresh to identify new emerging risks impacting security of supply and work on the new exemption application for the industry to the Competition Commission.
- Assist Transnet National Ports Authority to ensure a smooth relocation of the oil industry from the Port of PE to the Port of Ngqura (Coega).
- Engage Transnet Pipelines to ensure the introduction of jet fuel into the MPP including the commissioning of the jet fuel tanks at TM2
- Engage DoE on finalisation of regulatory framework with respect to biofuels
- Work with the DOE on the finalisation and implementation of the strategic stock policy.



REGULATED PRICE ELEMENTS

OUR FOCUS:

Contribute to policy formulation, implementation and a fair regulatory framework for all



Progress in 2020

Petroleum products price developments

The price of petrol, diesel and illuminating paraffin comprises the basic fuel price (BFP), magisterial district zones (MDZ), regulatory accounting system margins (RAS) for petrol only, government taxes and levies.

The following section will provide more detail on the elements of petroleum prices in which adjustments have been made during 2019.

Regulatory accounting system (RAS)

The regulatory accounting system was fully implemented in 2013 (with a transition period in 2011 from the old MPar system). The RAS system provides a consistent methodology to determine industry margins and guidelines for this have been provided by the Department of Mineral Resources and Energy (DMRE).

In 2016 the Department undertook to finalise the RAS manual which serves as the working rules for the computation of the RAS margins

calculations. This manual has been approved but is yet to be published as an official document although the guidelines therein are used in practice. The Department has informed SAPIA that the publication of the manual will be put on hold until the finalisation of the Fuel Retailers Association's court case where some elements of the margins are being challenged.

The RAS margins adjustments based on 2019 operational data became effective on Wednesday 2 December 2019.

Secondary storage element

The secondary storage (SS) portion was increased by 4.2 c/l from 23.0 c/l to 27.2 c/l for petrol. Diesel is not price regulated at the pump so there would be no regulated price for this part of the value chain.

Secondary distribution element

The secondary distribution (SD) portion was increased by 0.6 c/l from 15.2 c/l to 15.8 c/l for petrol. Diesel is not price regulated at the pump so there would be no regulated margin for this part of the value chain.



Wholesale margin of petrol

The wholesale margin was increased by 4.8 c/l from 35.7 c/l to 40.5 c/l.

Retail margin on petrol

The retail margin of petrol was increased by 10.6 c/l, inclusive of the Motor Industry Bargaining Council (MIBCO) wage agreement, from 211.6 c/l to 221.6 c/l. However, the Minister of Mineral Resources and Energy approved an increase of 5.3 c/l from 2 September 2020 for increases in the wages of service station pump attendants, cashiers and administrative staff. This meant that the retail margin on petrol climbed from 211.6 c/l at the beginning of 2020 to 216.9 c/l at the beginning of September to 221.6 c/l at year end.

Wholesale margin of diesel and illuminating paraffin

The wholesale margin of diesel and illuminating paraffin (IP) were adjusted with CPI in December 2020 from 74.6 c/l to 77.66 c/l with the Routers differential for IP remaining constant at 7.4 c/l

Government taxes and levies

The Minister of Finance announced in his February 2020 budget speech that the fuel and road accident fund levies on petrol and diesel will be adjusted effective from 1 April 2020.

The fuel levy was increased by 15 c/l for both petrol and diesel and the carbon tax levy was increased by 1 c/l on both products to bring the total increases on petrol and diesel to 16 c/l to 377 c/l and 363 c/l respectively. The road accident fund levy was increase by 9 c/l and stands at 207 c/l.

The customs and excise levy remained unchanged at 4 c/l and the IP tracer levy remains unchanged at 0.010 c/l.

Magisterial district pricing zones (MDZ)

The magisterial district price zones, also referred to as primary transport costs, are based on the cost of moving fuels from a supply point to the inland distribution centres by pipeline and road. The tariffs are adjusted annually subject to approval by the Minister of Mineral Resources and Energy.

The magisterial district zone 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.

In early 2020, NERSA announced an increase in allowable revenue for Transnet Pipelines of 9.01 % compared to the 2019/20 financial year. This resulted in a corresponding average increase of tariffs in the Transnet controlled petroleum pipeline system of 11.60%.

Revised road and pipeline transport tariffs become applicable to fully price regulated fuels from the 1 April of each year. Pipeline tariffs are applicable to all petroleum products conveyed by pipeline, irrespective of whether they are fully price controlled or not. On average the MDZ tariffs for the 2020/2021 period increased by 8.5%.

Basic Fuel Price

The Basic Fuel Price (BFP) underlying concept is that of the import of a substantial quantity of South African market demand and the mechanisms employed are chosen to provide this estimate. Product that is imported is deemed to originate from major trading centres that are capable of meeting South Africa's requirements in terms of both product quality and sustained supply considerations.

These working rules for BFP makes provision for the determination of prices for all grades of petrol, diesel and illuminating paraffin to be adjusted on the first Wednesday of each month based on prior month prices. The amounts of the monthly price adjustments determined by these working rules.

From time to time, the Department reviews the constituents and factors in the BFP and in December 2018, the Department published a discussion document to review selected elements of the BFP mechanism. Comments were made to this proposed review but the Department has yet to act on the final outcomes of the review.

The Effect of the Covid-19 Pandemic on Oil Markets

The Covid-19 pandemic that erupted at the beginning of 2020 resulted in nationwide lockdowns worldwide that saw a collapse in petroleum product demand as people were confined to their homes and movements severely restricted. Crude oil and petroleum product stocks rose sharply while prices collapsed. The situation became so severe that in April 2020 crude futures quoted NYMEX went negative for a short period

because close outs, settled in physical, could not be realised and holders of paper had to pay others to take physical barrels and settle their exposures.

Physical crude stocks were reported to languish on floating storage at sea while large on shore oil terminals, such as Saldanha, took crude oil into storage as oil producers were desperate to offload stock to avoid the shutting in of wells. While consumption of diesel and petrol continued, albeit at severely diminished levels, jet fuel consumption was significantly affected.

Brent crude oil prices reached a low of about \$/bbl 9 before recovering to around \$/bbl 51 at year end as economies slowly reopened. In South Africa, diesel demand was about 9% off total 2019 volumes, petrol demand declined approximately 19% and jet fuel demand was decimated – 55% off demand in 2019. Petrol is yet to fully recover from this demand destruction as ‘work from home’ became commonplace but diesel shortly recovered later in the year to similar levels for the equivalent periods of 2019.

The pandemic is reshaping the oil industry worldwide as companies have used the opportunity to tackle climate change issues by reshaping their portfolios towards less carbon intense products. This means offloading or even shutting down refineries to reduce their respective. The impact of the impact is still yet to fully play itself out in the liquid fuels sector.

LPG Pricing - Maximum refinery gate price (MRGP)

Price regulation of LPG in South Africa has historically been formula based as a discount to RON 93 petrol price. The correlation of LPG pricing to that of petrol is not coincidental because of the blending of a small amount of LPG components directly into petrol and / or the manufacture of high-octane petrol components from LPG and other constituents produced in a refinery.

Over the years, however, LPG pricing has become dislocated from petrol as demand for the product for space heating and other domestic and industrial applications has grown. The pandemic exposed this fragility when prices of petrol collapsed but LPG still remained relatively buoyant due to sustained demand. This made the imports of LPG

uneconomic since internationally pricing is based either off Saudi Aramco contract prices (CP) or US Gulf.

In South Africa, by the end of April 2020, all refineries (except Secunda and Mossel Bay) had shut down due to high stocks. LPG demand was starting to rise at the onset of winter and stocks were falling rapidly but importers were disinclined to import as local LPG pricing (off RON 93 petrol) could not match the significant higher costs of import (based off Saudi CP).

As a consequence, the DMRE changed the pricing formula to be more reflective of LPG import dynamics during June. That is the base price was changed to Saudi CP, plus import costs to Richards Bay on LPG tankers with allowances for wharfage, demurrage, loss, insurance and tankage.

Maximum retail price

The Maximum retail price (MRP) of LPG supplied to residential customers was implemented in July 2010. In December 2020, the Minister of Mineral Resources and Energy approved an increase in the pricing elements buildup to the MRP of 31.98 c/kg, excluding the 15% allowance on the retail margin.

National Ports Authority tariffs

The National Ports Authority (NPA) applied to the National Ports Regulator (NPR) for an average tariff increase of 4.8% for the period from 1 April 2020 to 31 March 2021. The NPR declined the proposed tariff increase and granted an average tariff increase of 0% by decreasing charges for some goods but increasing those for others. Cargo dues remained unchanged for 2020/2021 period at 3.244 c/l.

Levy on the petroleum pipeline industry for 2019/20

In terms of Government Notice No. 48 of 23 January 2020, the Minister of Mineral Resources and Energy in concurrence with the Minister of Finance approved a levy of 0.39734 c/l applicable from 1 April 2020 to 31 March 2021. The levy was determined based on the estimated volumes of 17.2 billion litres per annum, the 2019/20 annual performance plan and budget requirements of R68 356 705 and remained unchanged from the 2019/2020 levy.



STATISTICS

Aggregate financial results of SAPIA members
Value added statements
Petrol wholesale margin
Sources of crude oil for SAPIA members
Crude oil price movements
Brent crude prices
Consumption of petroleum products in South Africa
Petroleum products imports and exports
Demand/refining capacity balance
Capacity of South African refineries
Petrol/diesel consumption ratio
Prices in Gauteng
Petrol and diesel price breakdown
Maximum retail price of liquefied petroleum gas price breakdown
Fuels taxation history - South Africa
The total annual amounts of fuel taxes collected on petrol, diesel and paraffin
Workforce profile
Health, safety and environment performance indicators
Crude refineries resource consumption and waste/emissions
Crude and coal/gas-to-liquid refineries health and safety

Aggregate financial results of SAPIA members

Year ended 31 December

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating profit (R/m)	7 991	11 285	15 053	8 628	10 191	1 448	18 814	19 017	15 003	7 699	5 864	-22 119
Interest paid (R/m)	(973)	(1 868)	(1 175)	(1 295)	(1 386)	(1 393)	(1 336)	(880)	(1 227)	(1 279)	(2 066)	(1 205)
Income tax (R/m)	(190)	(1 609)	(2 745)	(2 240)	(2 970)	15	(3 712)	(3 577)	(3 870)	(1 122)	(1 642)	1 913
Net income (R/m)	6 828	7 808	11 134	5 092	5 834	69	13 766	14 560	9 906	5 298	2 156	(21 411)
Total assets (R/m)	101 051	100 851	108 988	117 240	96 695	114 458	115 110	125 088	171 123	143 654	156 007	140 295
Capital expenditure (R/m)	5 573	5 091	5 855	6 844	4 950	9 659	6 031	6 502	7 666	4 628	9 623	4 109
Refinery shutdown	939	574	273	380	638	646	666	342	780	891	1 120	187
Other	4 634	4 518	5 582	6 465	4 312	9 014	5 365	6 160	6 886	3 737	8 502	3 922
After tax return on assets (%)	7	8	10	4	6	0	12	12	6	4	1	-15
Sales volumes (bn litres)	29	22	20	29	29	31	34	33	31	31	31	25
Net income after tax (c/l)	24	36	55	18	20	0	40	44	32	17	7	(85)

Individual company financial data aggregated by Mr C McClelland CA(SA) (Independent Industry Consultant)

Notes

*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

*2016 data reported by 9 SAPIA members. PetroSA data is estimated

*2017 data reported by 12 SAPIA members.

*2018 data reported by 9 SAPIA members.

*2019 data reported by 10 SAPIA members.

*2020 data reported by 9 SAPIA members.

Value added statements

	2019*	2020
Turnover (R/bn)	425	348
Net cost of products and services (R/bn)	273	223
Total value added (R/bn)	152	125
To pay employees gross salaries, wages and benefits (R/bn)	7	7
To pay the State tax in the form of		
Income tax (R/bn)	2.00	(1.38)
Duties and levies (R/bn)	131	130
To pay providers of capital		
Net finance expense (R/bn)	2	2
Dividends (R/bn)	4	2
Retained for future growth		
Depreciation (R/bn)	5	5
Retained income / other for the year (R/bn)	1	(21)
Total value added (R/bn)	152	125

Individual company financial data aggregated by Mr C McClelland CA(SA) (Independent Industry Consultant)

*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

*2016 data reported by 9 SAPIA members. PetroSA data is estimated

*2017 data reported by 12 SAPIA members

*2018 data reported by 9 SAPIA members.

*2019 data reported by 10 SAPIA members.

Regulatory Accounting System Margins (Petrol Grades)

	2015	2016	2017	2018	2019	2020
Wholesale Margin at year end (c/l)	33.20	35.60	34.00	34.80	35.70	40.50
Retail Margins	161.66	176.40	187.20	198.00	206.00	221.60
Secondary Distribution Margin at year end (c/l)	13.71	17.30	15.90	14.60	23.00	27.20
Secondary Storage Margin at year end (c/l)	18.52	17.90	18.60	20.90	15.20	15.80
Net income after tax (c/l)						
	2015	2016	2017	2018	2019	2020
Change over Prior Year (%)						
Wholesale Margin at year end	-0.9%	7.2%	-4.5%	2.4%	2.6%	13.4%
Retail Margins	7.0%	9.1%	6.1%	5.8%	4.0%	7.6%
Secondary Distribution Margin at year end	8.8%	26.2%	-8.1%	-8.2%	57.5%	18.3%
Secondary Storage Margin at year end	6.4%	-3.3%	3.9%	12.4%	-27.3%	3.9%

Notes:
* 2011 & 2012 were transition period for Regulatory Accounting System
**Regulatory Accounting System was fully implemented on 4 Dec 2013.

Sources of crude oil for SAPIA Members: 2009 to 2019

Country of origin	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019*	2020
Angola	3 817	3 409	1 948	3 356	2444	2614	3348	4 000	3 420	2 352	1 153	
Côte d'Ivoire	0	88	0	0		0	0			90		83
Equatorial Guinea	0	35	38	76	89	378	22	129	144		37	
Ghana	0	0	0	259	746	756	0		125	1149	1 276	1 400
Kuwait	0	0	0	0		153	607	107				
Nigeria	3 963	3 594	3 755	4 310	4 336	6 658	7 291	6 131	4 083	6 745	7 174	5 065
North Sea / U.K.	0	0	0	0		0	0	183				
Norway	74	37	0	0		0	0	270		37	145	37
Qatar	0	0	266	242		202	832	682		133		
Russian Federation	839	0	0	0	140	0	0					140
Saudi Arabia	6 968	4 584	4 793	8 437	9 723	8 120	4 895	7 939	8 170	8 780	6 122	5 490
South Africa	0	0	0	0		0	0					
Spain	0	134	0	0		0	0					129
Togo									297	157	137	
United Arab Emirates	553	1 018	598	538	307	924	1 337	673	107	794	2 011	133
United Kingdom	80	0	77	0	24	273	0		0			
United States	0	36	262	0		0	0		139		151	171
Unknown												301
Total	25 040	19 254	17 834	18 940	18 658	21 279	19 233	20 666	16 770	20 238	18 207	12 949

*South African Revenue Service
2020 Crude import figures do not include those into Saldanha from April onwards - these assumed to enter into SFF storage and not for processing

Crude oil price movements: January 2006 to December 2018

Average monthly prices (US\$/bbl)

	2019		2020		
	Brent	Dubai	Brent	Dubai	Forcados
January	59	64	63.6	64.3	64.5
February	64	67	55.4	54.2	56.5
March	66	71	31.8	33.7	33.3
April	71	70	19.0	20.5	21.0
May	71	62	29.0	29.9	28.8
June	64	63	40.1	40.8	40.0
July	64	59	43.4	43.3	43.3
August	59	61	44.8	44.0	44.4
September	63	59	40.8	41.5	40.9
October	60	62	40.2	40.7	40.6
November	63	65	42.7	43.4	43.6
December	67	64	49.9	49.9	49.8
12-month average	64	64	41.7	42.2	42.2

*South African Revenue Service
2020 Crude import figures do not include those into Saldanha from April onwards - these assumed to enter into SFF storage and not for processing

Brent crude prices	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average US\$price	61.5	97.5	111.3	111.6	108.7	99.0	52.0	43.7	54.3	70.9	64.3	41.7
*Average Rand price/litre	3.28	4.50	5.10	5.78	6.61	6.75	4.16	4.05	4.55	5.90	5.84	4.32
Average Exchange Rate	8.47	7.34	7.28	8.23	9.67	10.85	12.73	14.71	13.32	13.24	14.46	16.45

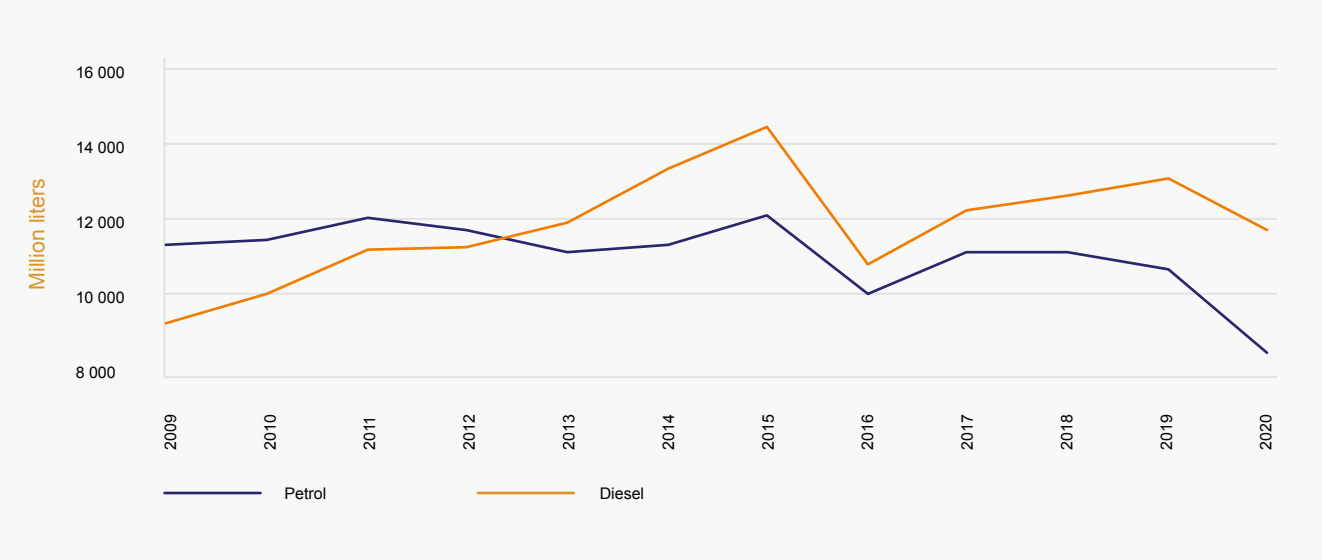
* Based on exchange rate as per CEF BFP rates

Consumption of petroleum products in South Africa

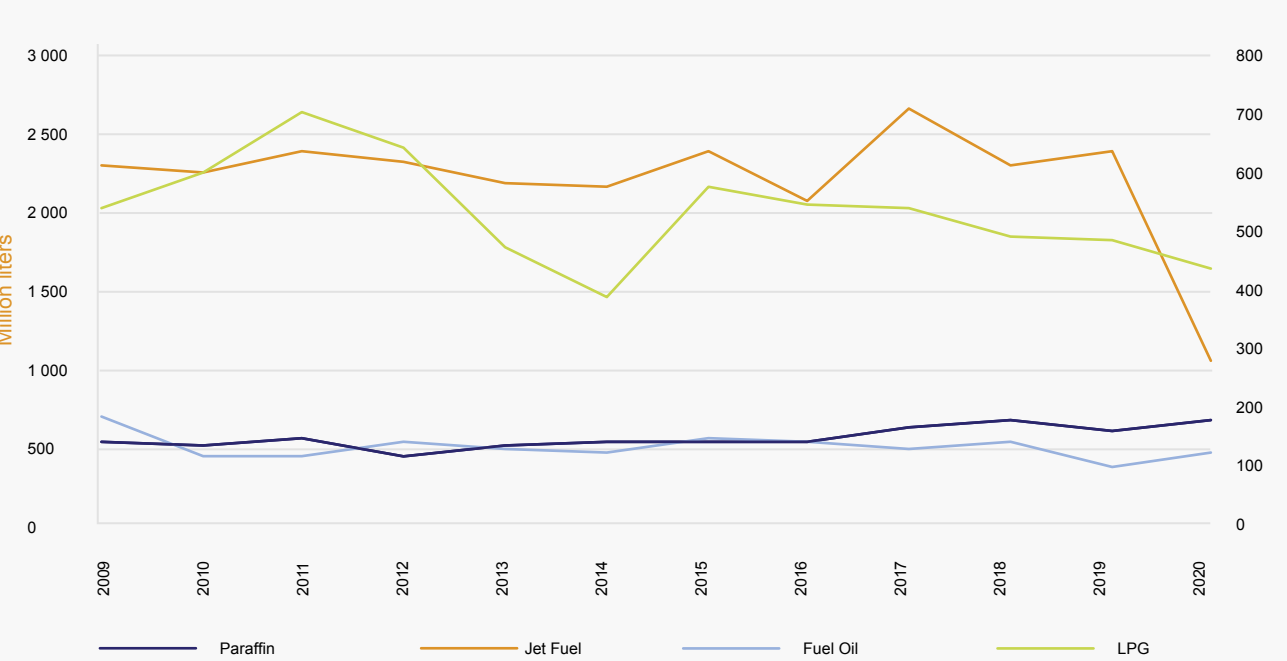
	Petrol	Diesel	Paraffin	Jet Fuel	Fuel Oil	LPG
2005	11 165	8 115	761	2 180	489	550
2009	11 321	9 437	551	2 349	724	554
2010	11 455	10 170	545	2 308	468	612
2011	11 963	11 225	581	2 434	477	717
2012	11 714	11 262	470	2 367	568	656
2013	11 153	11 890	530	2 223	523	485
2014	11 344	13 169	558	2 197	487	398
2015	12 072	14 178	573	2 441	591	588
2016	10 160	10 846	558	2 121	562	557
2017	11 174	12 147	648	2 713	523	551
2018	11 142	12 539	702	2 346	552	504
2019	10 773	12 909	620	2 439	410	495
2020	8 761	11 690	702	1 091	486	448

* Source: Department of Energy

Petrol and diesel consumption

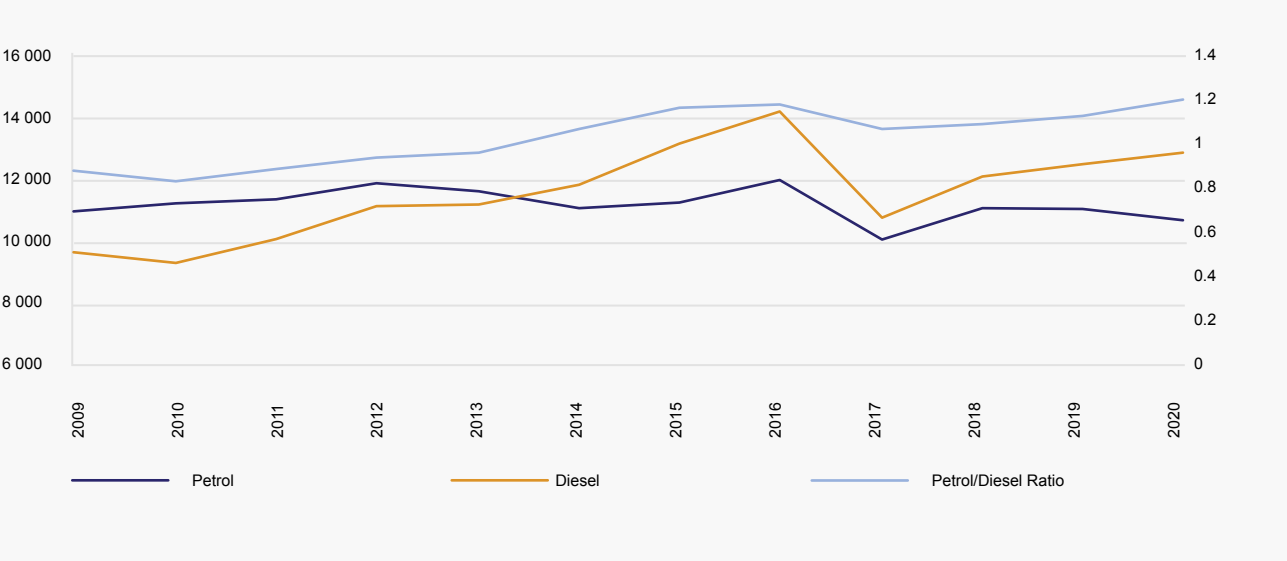


Petroleum products consumption



* Source: Department of Energy

Petrol/diesel consumption ratio



The ratio of demand between diesel and petrol in 2019 was 1.20, in comparison to 1.13 in 2018. There was a slight increase in consumption of diesel and petrol consumption remained constant. The diesel demand is mainly driven by the economic growth and is inline with the overall GDP rate of 0.2%

Petroleum products imports and exports

Thousand tonnes								
Year	Imports				Exports			
	Petrol	Diesel	Jet fuel	LPG	Petrol	Diesel	Jet fuel	LPG
2020	1 720	6 815	587	267	1155	914	619	109
2019	1 477	5 838	462	127	1179	1783	293	92
2018	1 830	5 286	342	40	1137	1,587	328	57
2017	1 586	5 070	333	70	811	1,498	277	39
2016	1 047	3 716	83	62	868	1,585	266	25
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

*Source: South African Revenue Service

2020 Jet Fuel - does not include dual purpose kerosene

Capacity of South African refineries

Nameplate Capacity (bbl/day)

Refineries	2010	2013	2014	2015	2016	2017	2018	2019	2020
Sapref	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000
Enref	120 000	120 000	120 000	120 000	135 000	135 000	135 000	135 000	135 000
Chevref	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Natref	108 000	108 000	108 000	108 000	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	150 000	150 000
PetroSA*	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000	45 000
Total	703 000	703 000	703 000	703 000	718 000	718 000	718 000	718 000	718 000

*Crude equivalent

Prices in Gauteng: 30 June each year

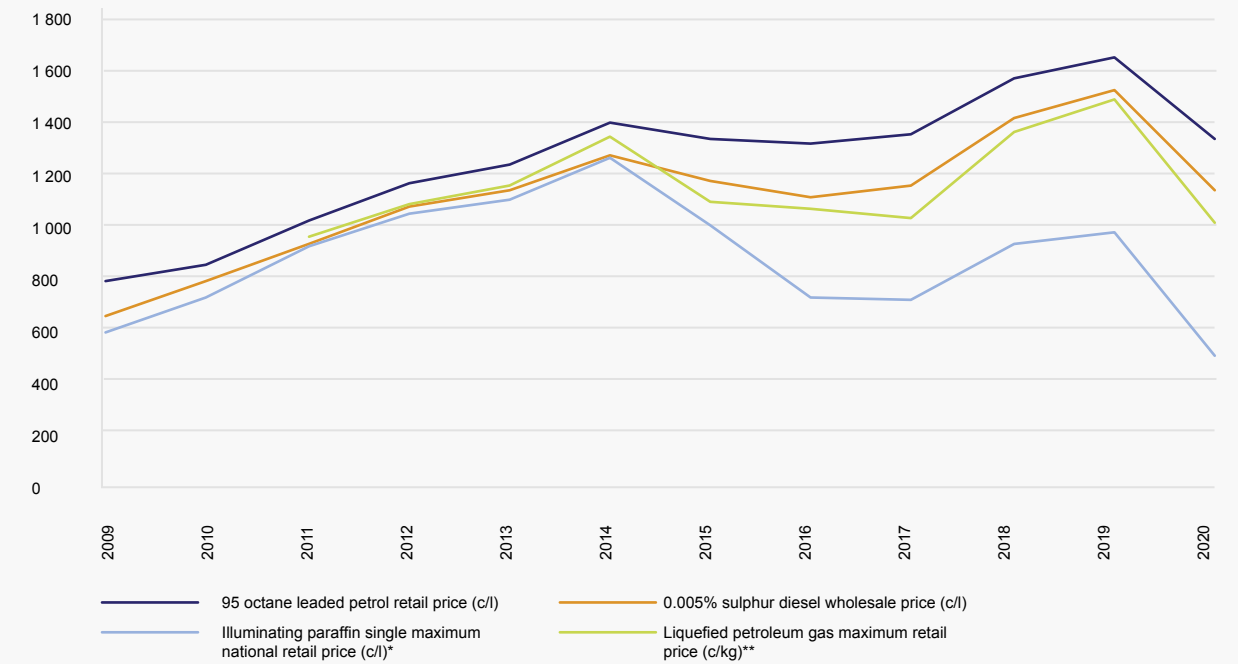
Year	95 octane leaded petrol retail price (c/l)	0.005% sulphur diesel wholesale price (c/l)	Illuminating paraffin single maximum national retail price (c/l)*	Liquefied petroleum gas maximum retail price (c/kg)**
2009	780	650	586	
2010	845	784	723	
2011	1 023	933	918	2 068
2012	1 167	1 078	1 048	2 207
2013	1 239	1 141	1 106	2 289
2014	1 402	1 280	1 271	2 501
2015	1 336	1 173	1 006	2 217
2016	1 326	1 111	718	2 185
2017	1 354	1 162	714	2 144
2018	1 579	1 425	927	2 522
2019	1 657	1 528	974	2 657
2020	1 340	1 139	490	2 129

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

**Maximum Retail price of LPG was introduced in July 2010

Source: Department of Energy June Price Schedule

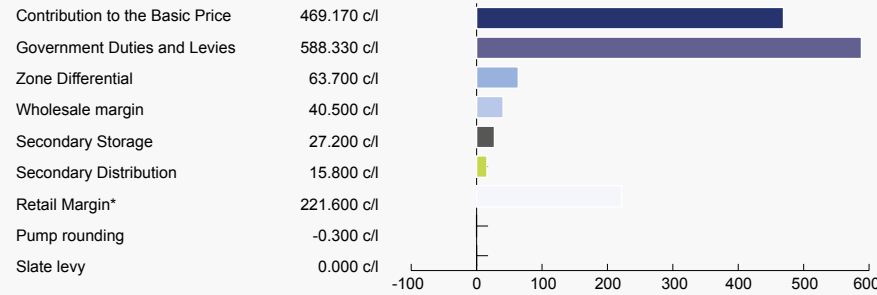
Petroleum Product Prices



Prices in Gauteng: 30 June each year

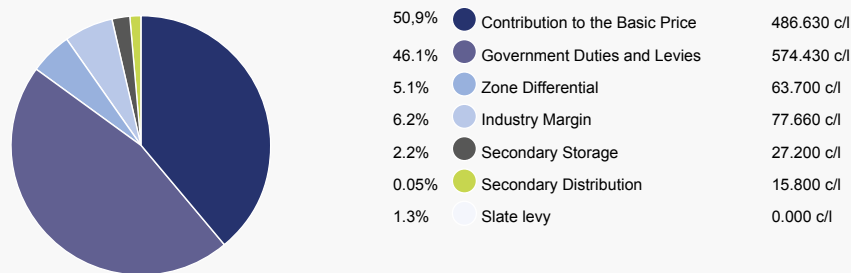
Petrol, diesel & LPG price breakdown

93 Octane petrol: Gauteng retail price 1426 c/l in December 2020

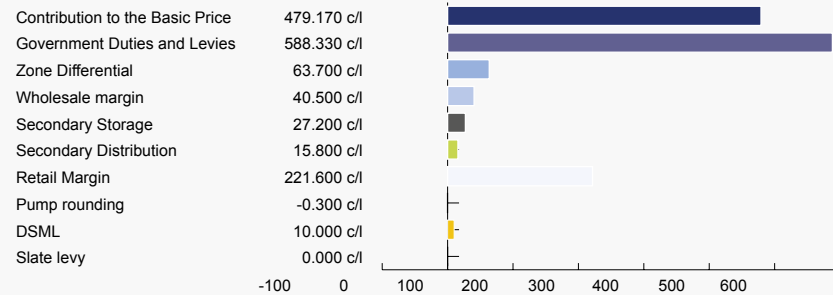


Source: Media release by Department of Minerals and Energy
* Includes MIBCO agreement for Fourcourts attendants which was only effective 1st Jan 2020

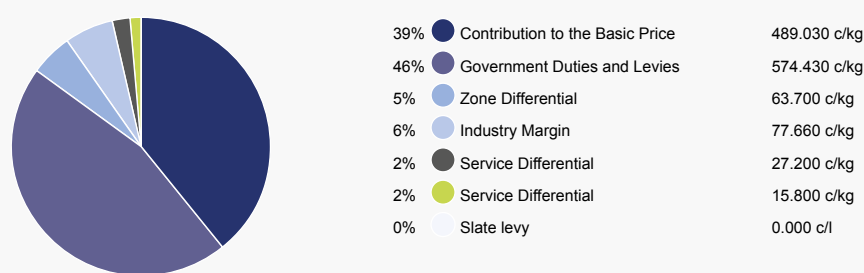
Diesel (0.05% S): Gauteng wholesale price 1245.42 c/l in December 2020



95 Octane petrol: Gauteng retail price 1446 c/l in December 2020

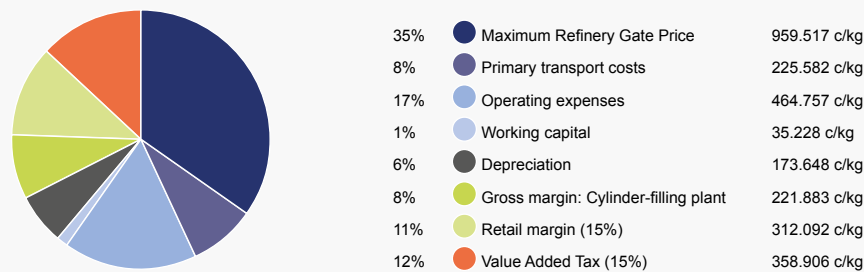


Diesel (0.005% S): Gauteng wholesale price 1247.82 c/l in December 2020



Maximum retail price of Liquefied Petroleum Gas price breakdown

LPG: Gauteng Max Retail price 2628 c/kg in December 2020



Source: Media release by Department of Minerals and Energy

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

Petrol

Year	Customs & Excise Duty	Fuel Levy	Road Accident Fund Levy	Petroleum Products Levy	Demand Side Management Levy*	Total Imposts
2006	4.0	116.0	36.5	0	10.0	166.5
2007	4.0	121.0	41.5	0.19	10.0	176.7
2008	4.0	127.0	46.5	0.15	10.0	189.2
2009	4.0	150.0	64.0	0.15	10.0	231.15
2010	4.0	167.5	72.0	0.15	10.0	256.65
2011	4.0	177.5	80.0	0.15	10.0	274.65
2012	4.0	197.5	88.0	0.15	10.0	302.65
2013	4.0	212.5	96.0	0.15	10.0	325.65
2014	4.0	224.5	104.0	0.15	10.0	342.65
2015	4.0	255.0	154.0	0.15	10.0	423.15
2016	4.0	285.0	154.0	0.33	10.0	453.33
2017	4.0	315.0	163.0	0.33	10.0	492.33
2018	4.0	337.0	193.0	0.33	10.0	544.33
2019	4.0	361.0	198.0	0.33	10.0	573.33
2020	4.0	377.0	207.0	0.33	10.0	598.33

* 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 (95 Octane) c/l - December 2020 1446
Taxes and levies as a % of this retail price 41.38%

Diesel

Year	Customs & Excise Duty	Fuel Levy	Road Accident Fund Levy	Petroleum Products Levy	IP Tracer Dye Levy	Total Imposts
2006	4.0	100.0	36.5		-	140.5
2007	4.0	105.0	41.5	0.19	-	150.7
2008	4.0	127.0	46.5	0.15	-	179.2
2009	4.0	135.0	64.0	0.15	-	206.2
2010	4.0	152.5	72.0	0.15	-	231.7
2011	4.0	162.5	80.0	0.15	-	249.7
2012	4.0	182.5	88.0	0.15	-	277.7
2013	4.0	197.5	96.0	0.15	-	300.7
2014	4.0	209.5	104.0	0.15	-	317.7
2015	4.0	240.0	154.0	0.15	-	398.2
2016	4.0	270.0	154.0	0.33	-	428.3
2017	4.0	300.0	163.0	0.33	-	467.3
2018	4.0	322.0	193.0	0.33	-	519.3
2019	4.0	347.0	198.0	0.33	0.10	549.4
2020	4.0	363.0	207.0	0.33	0.10	574.4

Gauteng wholesale price (0.005% S) c/l - December 2020 1247.82

Taxes and levies as a % of the wholesale price 46.03%

The total annual amounts of fuel taxes collected on petrol diesel and paraffin (calculated on 2020 sales volumes at June 2020 rates)

		Petrol	Diesel
Sales volumes (million litres)		8 761	12 539
95 unleaded petrol in the DSML area (million Litres)		3 483	
Customs and Excise duty (c/l)		4.00	4.00
Fuel levy (c/l)		377.00	363.00
Road accident fund levy (c/l)		207.00	207.00
Equalisation fund levy (c/l)		0.00	0.00
Value Added Tax (VAT)		0.00	0.00
Demand side management levy (DSML) (c/l)		10.00	0.00
IP marker levy (c/l)		0.00	0.10
Petroleum products levy (c/l)		0.33	0.33
		Total Million Rands	
Customs/ Excise duty	350	502	852
Fuel levy	33 031	45 516	78 546
Road accident fund levy	18 136	25 955	44 091
Equalisation fund levy	0	0	0
Value Added Tax (VAT)	0	0	0
Demand side management levy (DSML) 1	348		348
IP marker levy 2	0	13	13
Petroleum products levy 3	29	41	70
Total	51 895	72 026	123 921

Source : DMRE / CEF

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

2 Levy added to diesel to cover costs of marker added to illuminating paraffin recovered by the oil industry

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

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

Performance indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
(Not including refineries)												
Safety: staff and contractors												
Fatalities	7	27	8	10	9	14	10	3	5	0	1	0
Lost time injuries	64	51	44	43	26	25	16	23	27	33	9	14
Hours worked (million)	28.7	24.6	26.6	30.0	28.9	31	34.9	65.4	71.5	70.1	53.2	26.6
Total recordable rate (TRR), fatalities, lost time injuries and medical treatment cases per 200 000 hours worked.	0.8	0.4	0.5	0.4	0.4	0.6	0.2	0.3	0.4	0.3	0.4	0.2
Environment:												
Fires	16	33	16	13	29	21	32	31	31	18	13	9
Health:												
Occupational illnesses	1	2	1	2	1	1	1	1	1	3	0	0
Security:												
Hijackings	26	17	5	6	9	9	9	0	6	2	5	8
Cash-in-transit robberies	67	31	18	27	11	17	24	26	54	26	12	15
Retail robberies	611	430	156	222	214	274	410	381	787	431	363	401

Crude refineries' resource consumption and waste / emissions

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water usage: litres	Total	11 757 598	11 234 343	11 181 656	10 644 383	8 588 691	7 774 810	6 490 410	7 467 484	10 116 875	6 645 051
	Municipal	6 702 822	6 507 540	6 651 098	6 284 621	5 944 116	6 544 507	6 490 410	6 895 681	7 792 703	6 023 085
Electricity consumption: Gwh		1 207	850	863	932	895	950	1 176	967	933	754
SO2 emissions: tons		19 440	21 210	21 677	22 054	21 206	20 166	17 308	16 385	19 348	13 936
PM emissions: tons		728	891	983	962	1 517	866	945	1 108	576	425
CO2 emissions: tons		2 734 124	3 164 964	3 144 239	3 447 894	2 653 748	3 643 580	3 445 407	3 509 640	3 524 088	2 071 895
Waste: Tons	Total:	16 619	16 952	39 177	24 190	37 130	40 345	42 785	49 017	43 227	44 655
	Hazardous:	12 692	11 487	26 170	18 606	27 317	32 239	36 105	41 492	34 266	40 130
	Non-hazardous:	3 927	5 465	13 007	5 583	9 813	8 106	6 680	7 525	8 961	4 525

MEMBER CONTACT INFORMATION

Crude and Coal/Gas to liquids refineries' health & safety indicators

Indicator	2014	2015	2016	2017	2018	2019	2020
Fatalities	0	3	1	2	0	2	3
Lost time injuries (LTI)	28	29	47	44	55	23	33
Exposure hours	61 993 158	54 175 090	53 412 875	49 819 482	52 602 045	53 046 089	54 522 263
Occupational illnesses	23	45	25	6	36	62	53
Total Recordable Rate (TRR) (fatalities LTI and medical treatment cases per 200k hours worked).	0.27	1.52	0.99	1.5	1.29	1.5	1.13

Afric Oil

Telephone: 011 911 4284
Address: 12 Culross Rd,
Bryanston,
Johannesburg, 2021
www.africoil.co.za

Afrox

Telephone: 011 490 0400
Address: 23 Webber Road,
Selby, Johannesburg, 2000
www.afrox.co.za

Astron Energy

Telephone: 021 403 7911
Address: 5 Century Boulevard,
Century City, Cape Town, 7441
www.astonenergy.co.za

BP Southern Africa

Telephone: 011 488 5111
Address: Oxford Parks,
199 Oxford Road, Dunkeld,
Johannesburg, 2196
www.bp.com

Easigas

Telephone: 011 389 7700
Address: Gate no. 5,
Hibiscus Road,
Alrode, 1451
www.easigas.com

Elegant Fuel

Telephone: 015 516 1834
Address: 43 Rissik Street,
Louis Trichardt, Makhado, 0920
www.elegant-group.co.za

Engen Petroleum

Telephone: 021 403 4911
Address: Engen Court,
Thibault Square,
Corner Riebeeck and
Long Street,
Cape Town, 8001
www.engenoil.com

FFS Refiners

Telephone: 031 459 5300
Address: 104 Umhlatusana Road,
Seaview, 4094
www.ffi-refiners.com

Gulfstream Energy

Telephone: 011 100 7100
Address: 13 Electron Lane,
Lanseria Corporate Estate,
Lanseria, 1748
www.gulfstreamenergy.co.za

Indigas

Telephone: 012 653 3295
Address: 10 Bell Cres,
Hennopspark, Centurion, 0172
www.indigas.co.za

Makwande Energy Trading

Telephone: 011 234 2174
Address: 4th Floor, West Tower,
Maude Street, Sandton, 2146
www.makwande.com

MBT Petroleum

Telephone: 012 991 3093
Address: Club One,
1st floor Cnr Pinaster &
18th St, Hazelwood,
Pretoria, 0081
www.mbtpetroleum.co.za

Petregaz

Telephone: 021 555 0919
Address: Albion Springs Suite 104,
183 Main Road, Rondebosch,
Cape Town, 7701
www.petregaz.co.za

PetroSA

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

Puma Energy

Telephone: 011 343 6970
Address: 15 Alice Lane, Sandhurst,
Sandton, 2196
www.pumaenergy.com

Royale Energy

Telephone: 012 361 0110
Address: Unit A, 1st Floor,
1004A Corobay Corner Office Park,
Cnr Aramist and Corobay Avenue,
Waterkloof Glen, Pretoria
www.royale-energy.co.za

SA Bunkering and Trading

Telephone: 021 551 9588
Address: Portside Building,
Office 1502 15th, 4 Bree St,
Cape Town, 8001
www.sabunker.com

Sasol Oil

Telephone: 010 344 5000
Address: Sasol Place,
50 Katherine Street,
Sandton, 2196
www.sasol.com

Shell Downstream South Africa

Telephone: 011 996 7000
Address: The Campus,
Twickenham Building,
57 Sloane Street,
Epsom Downs,
Bryanston, 2021
www.shell.com

Total South Africa

Telephone: 011 778 2000
Address: Total House,
3 Biermann Avenue,
Rosebank, Saxonwold,
Johannesburg, 2196
www.total.co.za

Totalgaz Southern Africa

Telephone: 021 941 4012
Address: 2nd Floor Tygervalley
Chambers,
2 Willie Van Schoor Avenue,
Tygervalley Bellville, 753 0
www.totalgaz.co.za

Wasaa Gasses

Telephone: 011 708 0538
Address: 417-418 Hilston Street,
Kya Sands, Johannesburg
www.wasaa.co.za

ABBREVIATIONS

ACSA	Airports Company of South Africa	NERSA	National Energy Regulator of South Africa
B-BBEE	Broad-based black economic empowerment	NICOLA	Network for Industrially Contaminated Land in Africa
Bbl/day	Barrels per day	NOSCP	National Oil Spill Contingency Plan
BEE	Black economic empowerment	NPA	National Ports Authority
BUSA	Business Unity South Africa	NPR	National Ports Regulator
CHIETA	Chemical Industry Education and Training Authority	NPEA	National Petroleum Employers Association
CO2e	Carbon dioxide equivalent	NSDS	National Skills Development Strategy
CSI	Corporate social investment	NSDS III	National Skills Development Strategy III
DOE	Department of Energy	OPEC	Organisation of the Petroleum Exporting Countries
HDSAs	Historically disadvantaged South Africans	OPRC	Oil Pollution Preparedness, Response and Co-operation
HRD	Human resource development	PPA	Petroleum Products Amendment Act
IEA	International Energy Agency	PPC	Parliamentary Portfolio Committee
IeC	Integrated Energy Centre	PPP	Public-private partnership
IK	Illuminating kerosene	RAF	Road Accident Fund
INDC	Intended nationally determined contribution	RAS	Regulatory accounting system
IP	Illuminating paraffin	RON	Research octane number
Kb/day	Thousand barrels per day	SAMSA	South African Maritime Safety Authority
LFC	Liquid Fuels Charter	SAPIA	South African Petroleum Industry Association
LOE	Leadership in Oil and Energy Certificate Programme	SBM	Single buoy mooring
LPG	Liquefied petroleum gas	SETA	Sector Education and Training Authority
MMT	Methylcyclopentadienyl manganese tricarbonyl	SETs	Sectoral emission targets
MIBCO	Motor Industry Bargaining Council	SSP	Sector Skills Plan
MDZ	Magisterial district zones	TFR	Transnet Freight Rail
MPP	Multi-product pipeline	TOR	Terms of reference
MTT	Ministerial task team	TPL	Transnet Pipelines
NEMA	National Environmental Management Act	WACC	Weighted average cost of capital
NEMA: AQA	National Environmental Management: Air Quality Act		

Copyright © South African Petroleum Industry Association • May 2021

Contributors: Avhaphani Tshifularo, Fatima Shaik, Kevin Baart, Cindy-Lee Maneveld, Nkhensani Machumele, Siganeke Magafela and Bongiwe Phakathi

Production: SILVAPOD