

SAPIA Championing Eco-Friendly Fuels in the Battle Against Climate Change

Johannesburg, 12 October 2023 - As part of the unwavering dedication of the South African petroleum industry to address climate change, the South African Petroleum Industry Association (SAPIA) is proud to back the government-enforced Clean Fuels 2 initiative for its potential to decrease detrimental tailpipe emissions. The Clean Fuels 2 program, mandated by the Department of Mineral Resources and Energy (DMRE) starting 1 July 2027, directs consumer sales of petrol and diesel with a maximum of 10 ppm sulphur content and imposes stricter limits on some compounds present in petrol, such as benzene, aromatics, and olefins. According to Avhaphani Tshifularo, Executive Director of the SAPIA, "The initiative is crucial for several factors like reducing tailpipe emissions and playing a role in combating climate change."

Implementing these regulations has triggered the South African Bureau of Standards (SABS) to update the associated standards for petrol and diesel. While secondary to DMRE regulations, these standards serve as a benchmark for fuel sold in the market. This move also allows the National Regulator for Compulsory Regulations (NCRS) to enforce the sale of vehicles approved at a higher tier than currently available - specifically Euro 2.

Positive Impact of Clean Fuels

Says Tshifularo, "SAPIA champions the Clean Fuels 2 program for its potential to lower toxic exhaust emissions, enhance air quality, and combat climate change. For instance, cutting sulphur in petrol and diesel results in decreased black carbon emissions from both old and new vehicles as reducing sulphur content also reduces the formation of these small black carbon particles."

"Moreover, the Clean Fuels 2 program paves the way for cutting-edge vehicle technologies that minimise consumption and further improve exhaust emissions." Modern vehicles with advanced catalytic converters and energy management systems foster this progress. For context, South Africa's petrol consumption dropped from around 11 billion litres to about 9 billion litres per year over a decade, despite a growing number of petrol cars. The program will also encourage more hybrid models to enter the market, optimising overall emissions performance.

"Implementing the Clean Fuels 2 program will positively influence the transportation sector's greenhouse gas output, lessening its contribution to South Africa's GHG inventory from the current 11% (2017)," advises Tshifularo.

Local Production of Clean Fuels

Recently, South Africa witnessed the closure of three refineries due to various factors, including reducing carbon footprints and prohibitive upgrade costs. Despite SAPIA's long-standing request for financial assistance in making refinery upgrades, little has been done, even after presenting data illustrating the importance. As a result, refinery shutdowns led to negative impacts on payment balances, liquid fuel supplies, and employment rates.

According to a SAPIA-commissioned study using 2019 data, the liquid fuels industry contributed R163 billion (3.2%) to South Africa's GDP - with refining making up around 40%.

Refining directly or indirectly employed 25% of the 250,000 workforce within the industry. Consequently, poorly informed government policies have cost jobs and reduced overall living standards.

Exploring Biofuels and Their Impact

“In addition to implementing the Clean Fuels 2 initiative, SAPIA advocates for integrating biofuels into the fuel supply,” says Tshifularo. This move offers numerous benefits, such as job creation in agriculture and manufacturing, decarbonising the liquid fuels sector through fossil fuel substitution, fostering a circular economy, and counterbalancing the negative balance of payments by promoting local biofuel production. However, cautions Tshifularo, the government has fallen short of establishing a regulatory framework that could help this industry thrive, including a sensible excise policy and comprehensive support.

“The fossil fuel industry is at the forefront of the battle against climate change.” The ongoing energy transition aims to reshape South Africa's energy supply landscape - whether it's electricity or fuels for transport and heat production. Concludes Tshifularo, “Despite liquid fuels' significant role in transportation over the next few decades, the Clean Fuels 2 strategy must also be considered within the climate change context.” Similarly, incorporating biofuels into the mix is crucial in this fight. “As we shift our transport sector towards electric and potentially hydrogen-powered solutions, both avenues must be actively encouraged,” concludes Tshifularo.

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