



FOR IMMEDIATE RELEASE

Fuels Industry Association of South Africa Standardises Cylinder Deposit Fees to Streamline Industry Practices

Johannesburg, Thursday, 31 October 2024 – The Fuels Industry Association of South Africa is pleased to announce a significant step forward in the standardisation of cylinder deposit fees across the liquefied petroleum gas (LPG) sector. Following an approach to the Competition Commission, the Association has secured approval to implement uniform deposit fees for LPG cylinders, marking a milestone that will benefit both the industry and consumers.

South Africa's LPG sector currently uses a hybrid cylinder model whereby in some instances, consumers purchase the cylinders themselves and refill them as needed through authorised refillers. In other cases, consumers pay a once-off deposit on a cylinder and then exchange the empty cylinder for a refilled one, paying only for the LPG. This exchange model can continue indefinitely, with the LPG wholesaler responsible for maintaining the cylinder's integrity.

The LPG industry has long advocated for uniform and cost-reflective cylinder deposit fees to facilitate the exchange model, and this decision by the Competition Commission allows the industry to take a vital step forward. By using an independent third party to collate data on cylinder procurement costs, a fair deposit fee for each class of cylinder was determined and approved by the Competition Commission. This approach is expected to streamline the exchange process and establish a fair, more cost reflective deposit. It encourages investments in new cylinders by all marketers, supporting a more efficient cylinder exchange program that promotes investment and much needed industry growth.

The table below provides the deposit fees per class of cylinder, as approved by the Competition Commission:

Cylinder Size	Deposit Fee (Rand per cylinder excluding VAT)
5 kg	R 350.00
9 kg	R 450.00
14 kg	R 550.00
19 kg (normal)	R 600.00
19 kg (forklift)	R 700.00
48 kg (single valve)	R 1050.00
48 kg (double valve)	R 1050.00

"This landmark approval underscores the Association's commitment to transparency and efficiency within the LPG sector, aligning with the Fuels Industry Association's mission to foster a balanced and consumer-friendly marketplace," said Avhaphani Tshifularo, the Executive Director of the Fuels Industry Association of South Africa.

"While the new standardised fees may result in increased deposit fees for new LPG consumers based on cylinder size, by introducing standardised deposit fees for each cylinder size category, we hope that this will reduce barriers to cylinder exchanges and ensure a more seamless experience for consumers across South Africa," he concluded.

The Association encourages all stakeholders to prepare for a sector-wide adoption of the standardised deposit fees by 18 November 2024, as part of its ongoing commitment to optimising services and reinforcing industry growth.

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About the Association:

The Association represents the collective interests of the South African fuels industry and plays a strategic role in addressing a range of common issues relating to the refining, distribution, and marketing of liquid fuels and transportation energy products, as well as promoting the industry's environmental and socio-economic progress. The Association fulfils this role by contributing to the development of fuels industry regulation; proactively engaging with key stakeholders; sharing research information; providing expert advice; and communicating the industry's views.

Kindly note that the Fuels Industry Association of South Africa does not have an **acronym**. First mention is '**the Fuels Industry Association of South Africa**', second mention is '**the Fuels Industry Association**' or '**the Association**'.

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