



FOR IMMEDIATE RELEASE

CRITICAL ACTION NEEDED TO SAFEGUARD AVIATION KEROSENE SUPPLY IN SOUTH AFRICA

Johannesburg, Thursday, 10 October 2024 – The supply of aviation kerosene is facing a severe threat due to regulatory delays in the licensing of import storage facilities. Without immediate intervention, a fuel shortage could disrupt operations at O.R. Tambo International Airport and other airports, which include King Shaka International Airport.

The industry's concerns arise from the fact that under the Customs and Excise Act, 91 of 1964 (the Act), the import of aviation kerosene into dedicated storage facilities is subject to stringent licensing conditions. Following the termination of operations at Durban refineries, the South African Revenue Service (SARS) insisted during 2023 that affected parties should license their facilities in terms of the Act. In the interim, SARS granted temporary, time bound licensing parties for the importation of aviation kerosene. The affected parties set about applying for the permanent licensing of their facilities which was completed in February of this year. Another time-bound licensing arrangement had to be provided, set to expire later in October. However, more than six months later, SARS has yet to finalize the permanent licensing of these facilities, despite previously indicating that the process could be completed in a much shorter time frame.

Without immediate action to either extend the temporary arrangements or issue permanent licenses, South Africa risks a severe aviation kerosene supply shortage to O.R. Tambo and King Shaka International Airports and other airports directly supplied from Durban.

Local companies cannot be expected to import without regulatory approval and the regulatory uncertainty places the planning and the economic supply of aviation kerosene under pressure. This also has ramifications for the airline industry, who will take steps to avoid potential stock outs by cancelling scheduled flights, inconveniencing passengers and causing serious doubt about the local reliability of airline traffic due to the unreliability of aviation kerosene supply.

The industry's stance is clear, the Act must be urgently revised to align with modern industry practice, taking into account the requirements to protect the fiscus and the significant changes that have happened in the industry over the past few years. Current regulatory constraints, as a consequence of the Act, make it increasingly difficult to sustain local business or allow new entrants into the market.

The Fuels Industry Association of South Africa urgently calls on the Minister of Finance to instruct SARS to extend temporary licenses for at least 12 months or until the necessary permanent licensing is finalised to avert a supply crisis.

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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 petroleum products, as well as promoting the industry's environmental and socio-economic progress. The Association fulfils this role by contributing to the development of regulation in certain areas of South African policy; 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's Association of South Africa', second mention is 'the Fuels Industry Association' or 'the Association'.

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