

MEDIA STATEMENT FROM THE SOUTH AFRICAN PETROLEUM INDUSTRY ASSOCIATION

01 February 2012 – The South African Petroleum Industry Association (SAPIA) today responded to public concerns regarding claims of fuel stockpiling by the petroleum industry to benefit from the latest fuel price increase.

“We wish to allay public concern in this regard. It is a complete misconception that oil companies benefit from withholding fuel sales,” said Avhaphani Tshifularo, Executive Director of SAPIA.

“The Basic Fuels Prices (BFP) system used by the Department of Energy to determine price adjustment recognises fluctuation in the price of fuel. It makes allowances accordingly for the recording of over and under recoveries that result from the disparity between the daily Basic Fuels Price values and those ruling for a particular period – i.e. from the first Wednesday of a particular month to the first Tuesday of the following month at the pump. The fuel pricing system compensates oil companies for under recoveries.”

In recent months, the petroleum industry has faced various operational challenges which have had a rolling effect on the supply of fuel. As such, the government and industry is continually focusing on ways to address the security of fuel supply, which is an ongoing challenge. Recent events, such as the extended repair work on the Durban Single Buoy Mooring (SBM) which was completed in early January 2012, and its subsequent impact on the SAPREF (a joint venture between Shell SA Refining and BP Southern Africa) refinery, compound the tight supply situation.

Says Tshifularo, “A petroleum products logistics planning team (LPT), which comprises the petroleum industry, the National Energy Regulator of South Africa (NERSA), the Department of Energy and pipeline owners, Transnet, is meeting on a regular basis to assess the situation and implement measures to minimise supply disruptions.”

“We wish to assure the public that our key focus is to mitigate any impact on supply disruptions by ensuring fuel distribution to all regions,” concludes Tshifularo.

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Note to Editor

Please direct requests for interviews to jean@storybookcommunications.co.za or 073 631 9077.

Issued by : Jean Dennis on behalf of Avhaphani Tshifularo – Executive Director, SAPIA

Email : jean@storybookcommunications.co.za
Mobile : 073 631 9077
Telephone : 021 465 5080
Website : www.sapia.co.za
Twitter : [sapia_za](https://twitter.com/sapia_za)