

Keynote Address by the Minister of Energy: Honorable Dipuo Peters, MP

At the Launch of the Total's New Branding for Service Stations

21 September 2012

Master of Ceremonies

Chairman of the Board of Total SA

Members of the Total SA Board

CEO and MD of Total SA: Christian des Closieres

Executive Management of Total SA

Chairman of Petroleum Retailers Association Forum (PRAF) – Mr. MC Lamprecht;

CEO of Fuel Retailers Association (FRA) – Mr. Reggie Sibiya

Honoured Guests;

Ladies and gentlemen.

Bonjour

It is indeed a pleasure for me to celebrate with you on the occasion of the unveiling of a new branding of the Total service stations. This is a good news story and needs to be told. I say this because the resolve of the people of our country has been tested in the last few weeks. Some were predicting doom and expecting our democracy to fail the test. We are pleased that there has been an amicable solution to the challenges in the Marikana area of the North West and we believe that all other challenges in that sector

will be resolved amicably. As the energy sector we need to constantly be asking ourselves questions about what we can do better to improve the lives of all South Africans particularly the poorest of the poor. Sloganeering and grandstanding is not a solution and will not work.

Initiatives such as this rebranding therefore bring excitement to us as leaders in this sector. In the first instance this is a launch of the renewal of infrastructure that is needed in this and many other sectors in line with the President Jacob Zuma's call for investment in infrastructure. This particular renewal championed by Total will create the necessary jobs not only in the construction but also in the manufacturing of the various components that will be part of the new format. We trust that both localization of manufacturing of the components, in line with the Industrial Policy Action Plan and the New Growth Path as well as the empowerment initiatives have been factored into this initiative. Secondly, I am here wearing a fossil and renewable hat because we have been informed that Total is joining renewable energy drive of this country by ensuring that the canopy of the forecourt has a solar panel option. This we welcome and trust that others will follow your lead in this regard. Thirdly this is an opportunity to also improve the health and safety in the forecourt environment. The intended use of recyclable material bodes well for sustainability.

As a Department that is concerned about crude oil security of supply, we have noted with interest Total's upstream division's keen interest in our offshore acreage. We wish the upstream division success as they pursue this option because a find of either gas or oil within our shores will enhance our energy security.

Total's record as a corporate citizen of this country has perhaps been characterized as a slow start on transformation however that has been followed by a rapid and sustained acceleration. Your recent record on transformation speaks volumes about your commitment to the imperatives of the host country. Very few people realise that Total South Africa is effectively half owned by South Africans. Of this Half 50% (effectively 25%) is owned by a BEE company and in a deal that is unencumbered. Total is not shy to go to semi-rural areas. You go to Dutywa you find them. We however need to see some enhanced commitment to Integrated Energy Centres, which is a vehicle for bringing energy services to rural communities.

The levels of inequality and underrepresentation of women as well as unemployment rate are the challenge that requires a partnership between Government and Private sector. Total SA has demonstrated this in how it has embraced the Petroleum Liquid fuel Charter Audit outcomes. The Chair has been a woman and we are confident that this trend will continue. Our Hostess the General Manager of Sales and Marketing as well as the Head of Strategy are both women. I should not go any further lest I expose other companies in this sector who need to follow in your footsteps. You need to be proud of this achievement. Mr. des Closieres your predecessor has left a firm foundation from which you can build. On a regional basis Total has not followed other multinationals that have divested from downstream in Sub Sahara showing once again a keen commitment to the African continent.

An area that requires focus is equity in the retail services stations. We will need to work together to ensure that in the allocation of retail sites, there is a bias towards those sections of the population that are not well represented. Given Total's record we

believe that here too we will not be disappointed. We would encourage you to choose those that meet your standards and those that are prepared to put in the long hours, days and nights.

Coming to fuel price issues, we have in the past two months seen an upward spiral in the price of fuels driven mainly by the bubble of the crude oil price, which was not backed by any fundamentals of supply and demand. There are signs that the bubble has been pricked in the last few days. However I must remind all of us that as the winter season approaches in the Northern Hemisphere, the price of diesel and heating fuels will come under pressure. In addition the geopolitical concerns in the middle-east remain.

Taking all this into account, I would like to appeal to motorists to change their driving habits for the better by amongst others reducing the speeds at which we drive. When the speed limit is 120km/h, that is the upper limit and it does not mean that you should aim to reach that speed all the time. Try and develop a habit of reducing the speed at which you drive by 15km/h and you will definitely reduce your fuel bill. There is definitely no need for drivers to race from one traffic light to the next. All you are doing is using your engine more and in the process consuming a lot of fuel. Even teenagers do not drive like that nowadays. They prefer *cruising in style so that they can be seen by their peers*. I believe that Total is not opposed to fuel efficiency because business as usual will in the long term lead to them losing customers permanently to other modes of transport.

Allow me to conclude by talking about the people that really offer us service as we come to the Service Stations. The retail workers in the liquid fuels sector; they are the ones that ensure that we can continue driving and there are 60 000 of them. Recently some people were concerned about the 3 cents/Litre that I had included in the price so that the forecourt workers could continue to move towards a wage that can make us all proud. I cannot accept such criticism because we all have an obligation to ensure that we contribute to a *Better Life for All* that our people particularly the workers struggled so hard for. We need to always ensure that we contribute to the improvement of the quality of life of the workers in the retail sector. There has got to be monitoring of full implementation of agreements even in the most remote of areas because these could be areas where workers may not be reaping the full benefit of the negotiated settlements. The retail sector also needs to be proactive and ensure that amongst others incentives can be introduced that are linked to improved service and that this should come from the efficiency gains that the retailer achieves and not necessarily from the regulatory framework. I am pleased that in this service station design, ventilation has been enhanced meaning that the retail workers' exposure to elements will be reduced thereby contributing to a healthier working environment.

Once again I wish to say well done to Total and may we see many more of these in all parts of our country.

I thank you!

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