



**REMARKS BY THE MINISTER OF ENERGY, MS, DIPUO PETERS, MP
Media Launch of the Reatile/Vopak Partnership**

**Sheraton Hotel and Towers, Pretoria
11th July 2012**

President of Vopak, Mr. Frank Erkelens,
Chairman of the Executive Board and CEO, Mr. Eelco Hoekstra,
Board members of Vopak International,
MD of Vopak SA Mr. Marcel van de Kar,
Chairman of Reatile Group, Mr. Simphiwe Mehlomakulu, and leadership of the Company,
DDG Maqubela, Senior Officials of the DoE
Distinguished guests,
Members of the media,

Thank you for the kind invitation to participate in this significant event.

We are pleased to partake in an event that celebrates a momentous transaction involving a homegrown black company and an international player in the petroleum storage investment and operator space.

We are on record that, in order to secure liquid fuels security of supply, we would require significant investment in liquid fuels infrastructure projects.

It is in that context that the DoE has been engaged in a process towards a twenty years liquid fuels infrastructure roadmap.

Almost 19 months ago, Cabinet adopted the New Growth Path as the framework to drive our jobs vision for the country, rebuild and strengthen the economy after the recession caused by the global economic crisis, and lays the platform for strong, sustained and inclusive economic growth. The first jobs driver in the New Growth Path is infrastructure development. Indeed, at the heart of our efforts to ensure effective delivery is to improve both physical infrastructure and human resources.

As a country, we have identified the development of integrated infrastructure as a focal point or focus for growth and development.

We have placed work in this area at the apex of government, through the Presidential Infrastructure Coordination Commission, led by the President of the Republic, and comprised a various Ministers, all contributing to an overarching plan that we think would propel our country to greater growth, and also, act as a catalyst to deal with the persistent socio-economic challenges facing our people.

You would also be aware that the Department has an enabling piece of legislation providing for the licensing of manufacturers (refiners), wholesalers and retailers of petroleum products, the Petroleum Products Act No. 120 of 1977 as amended. This piece of legislation promotes the transformation of the South African Petroleum and Liquid Fuels Industry. It also gives effect to the Liquid Fuels Charter.

The Charter enabled operationalising objectives as espoused in the Energy Policy White Paper, i.e. ***'sustainable presence, ownership or control by Historically Disadvantaged South Africans of a quarter of all facets of the liquid fuels industry, or plans to achieve this'***.

Last week, I have identified key areas of concern with regard to the progress we have made with empowerment in this sector. Whilst not wishing to re-iterate these here, I must emphasize the importance of all of us all pulling together to ensure that we foster fundamental and meaningful transformation in this sector that is so critical to our economy.

I am advised that the partnership between Reatile and Vopak is a major partnership, where there is significant BEE equity involvement in the petroleum infrastructure space in South Africa. There are not black many players in this sector. This is indeed a commendable transaction, with Reatile purchasing 30% equity in this company.

I am particularly encouraged by this partnership, and more so about the level and scale of the investment that the Vopak Executives has outlined earlier.

The expansion of the terminal in Durban will allow for the handling of greater volumes of fuels, which will through our National Multi Product Pipeline, contribute to alleviate and obviating the security of supply concerns in South Africa.

Secondly, we are advised that Vopak plans to build a terminal in Lesedi/Heidelberg, which will be a distribution point, and hopefully through this terminal, we will work hard to ensure that new players continue to enter this space.

It is incumbent on the stronger siblings in the liquid fuels family, such as Vopak, Reatile, and indeed even our National Oil Company, PetroSA, to contribute and even actively facilitate this entry of new black players, and to ensure that the capacity exist for these players to also be involved in the distribution and marketing of fuel and other products, alongside the established companies.

We also wish to welcome the prospects for further development in the Richardsbay area through this partnership. We note that the projects in Richardsbay are to involve petroleum and chemicals, but more importantly, also an LPG terminal. You would be aware that in recent years, the country has been short of LPG as a clean and competitively priced fuel. We have taken deliberate decisions to ensure that this product is regulated, with affordability and access in mind, and continue to see LPG playing an increased role in the energy mix of our country.

Therefore, the commitment by Vopak and its partners Reatile to invest in a 20 000 Cubic Meter terminal will further advance the development of LPG as a long term viable energy source in the country.

I would like to wish these two partners a very long and rewarding relationship, but also that they would have a long and rewarding investment within South Africa.

I have in the past extended an invitation for sector stakeholders to continuously engage with us on matters relevant and critical to the sector.

That invitation stands, and we say to you that our offices are open to the extent that we could assist in making sure these projects are brought to fruition, and that they are implemented for the benefit of not only the partners, but also the communities in which they are located and the broader South Africa.

Congratulations once again to Vopak and Reatile on achieving this very important milestone, and for contributing to transformation in this critical sector of our economy.

I thank you.