

NATIONAL ASSEMBLY

QUESTION 270

QUESTION FOR ORAL REPLY

270. Mr S C Motau (DA) to ask the Minister of Energy:

(1) What have been the achievements of the Liquid Fuels Charter in terms of empowering historically disadvantaged South Africans (HDSAs) in the past ten years and in particular women;

(2) whether she will establish a task team to investigate the progress made with regard to the empowerment of HDSAs; if not, why not; if so, what are the relevant details?

REPLY

(1) As you are aware, the Liquid Fuels Charter was signed November 2000 and has since been annexed to Petroleum Products Amendment Act, 2003, making it part of the legal framework. Our observations however are that on the issue of women empowerment, inadequate progress has been made. In my discussions with industry, I have raised my concerns about lack of progress in procurement and empowerment of women.

The department has put in place a structure responsible for enforcing compliance with the Petroleum Product Amended Act (PPAA) of 2003 and also to manage the adjudication of Manufacturing, wholesale and retail petroleum product license applications. The PPAA objective is amongst others to effect transformation in the Petroleum and Liquid Fuels industry. To effect transformation of the industry, in considering license applications in terms of this Act, the Controller of Petroleum Products shall, as stated in Section 2C:

- Promote the advancement of Historically Disadvantaged South Africans(HDSA's) and
- Give effect to the charter.

(2) The Department has commissioned an audit to assess compliance to the Petroleum and Liquid Fuels Charter (Charter) by its signatories from November 2000 to date. An independent company, has been appointed to ascertain progress to achieving objectives of the Energy Policy White Paper to achieve, i.e. “ sustainable presence, ownership or control by Historically Disadvantaged South Africans of a quarter of all facets of the liquid fuel industry, or plans to achieve this” over the ten year period. The objectives of the audit amongst others are:

- To have a comprehensive, independent and representative assessment of the state of transformation within the industry against the set Charter targets;
- To determine whether signatories of the Charter are in compliance with the initiatives embarked on according to the findings of the previous audit reports; and
- To identify bottlenecks in the implementation of the Charter and interventions required.

The outcomes of the audit will inform the direction that the department needs to take to accelerate meaningful economic transformation across the petroleum and liquid fuels industry value chain.

In my meetings with the South African Petroleum Industry Association (SAPIA), we agreed to convene a bosberaad in the first quarter of 2011 to further elaborate on the transformation of the Liquid Fuels Industry.

Additional Information

There have been a number of Empowerment deals concluded since the signing of the charter as summarised below (*to mention a few*):

YEAR	OWNERSHIP DEAL
'95 – '97	Afric Oil, Tepco & Excel Formed
1999	Worldwide African Investment Holdings (WAIH) acquire 20% share in Engen, Engen acquires Afric Oil assets

2000	CHARTER SIGNED
2001	Mineworkers Investment Corporation (MIC) & Women's Development Bank Investment Holdings (WDBIH) acquire 25% share in all BP assets
2002	<ul style="list-style-type: none"> • African Legend Investment Holdings (ALIH), South African National Taxi Council (SANTACO), employees acquire 25% share in all Chevron assets • Thebe acquire 25% share in Shell SA Marketing, Shell acquires Tepco assets
2003	Tosaco acquire 25% share in Total SA TCS to market commercial fuels, 75% Tosaco 25% Total SA
2004	Sasol Oil buys BEE shareholding in Excel (77.5%)
2005	BP (45%) & Masana (55%) JV to market commercial fuels
2006	Tswarisano acquires 25% share in Sasol Oil
2008	<ul style="list-style-type: none"> • Sasol Limited transfers 10% equity to BEE groups • Thebe acquire 25% share in Shell SA refining (who have 50% stake in Sapref)