

## **MEDIA RELEASE**

### **SAPIA members successful in appeal to Ports Regulator**

**04 May 2022, Johannesburg** - The Ports Regulator of South Africa has unanimously decided to stop the eviction and termination of operator licenses at the Dom Pedro facility following hearings that were held on 5 and 6 April 2022.

These hearings came following an appeal lodged by members of the South African Petroleum Industry Association (SAPIA) to the Ports Regulator against the decision by the Transnet National Ports Authority (TNPA) to require SAPIA members to vacate Dom Pedro at the Port of Gqeberha by the end of April 2022.

SAPIA is not opposed to the decision to relocate the liquid fuels bulk facility from Dom Pedro to a suitable new facility in the region but has maintained that the underlying agreements with the TNPA in respect of the Dom Pedro facility, remain in force until a suitable alternative facility has been commissioned.

The hearing panel was of the view that the decision by the TNPA to terminate without adequate plans in place for an alternative bulk liquid fuel handling and storage facility, diminishes rather than enhances the objectives of the National Ports Act.

SAPIA members hold long standing lease agreements with the TNPA in respect of the land and infrastructure currently situated at the liquid fuels bulk storage facility at Dom Pedro. The facility provides critical fuel supply to the Nelson Mandela Bay region and there was no dispute about this fact.

The impact of an eviction and termination of operational licenses would have:

- affected the jobs and livelihoods of people who work at the Dom Pedro facility;
- affected the security of supply of liquid fuels to the Nelson Mandela Bay region and other regions that are supplied by Dom Pedro;
- significantly increased the cost of doing business in the Nelson Mandela Bay region since petroleum products would have needed to be sourced at extra expense from elsewhere to service customers;

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- affected consumers who would have been forced to absorb these costs in the form of fuel price increases in the region; and
- required the sourcing of petroleum products from new supply points that would have entailed significant increased risks associated with the lengthening of supply chains and associated costs.

One of the objects of the National Ports Act includes the development of an effective and productive South African ports industry that is capable of contributing to the economic growth and development in the country.

SAPIA welcomes this decision by the Ports Regulator as this will provide sufficient time for its members to plan a seamless transition of their operations at Dom Pedro, to the new facility at the Coega Special Economic Zone.

**ENDS**

**About SAPIA:**

SAPIA represents the collective interests of the South African petroleum 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. SAPIA 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.

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