

ENERGY

# Fuel industry welcomes Public Petroleum Products Act Compliance Forum to sort out illegal trading

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VARIOUS key representatives in the retail, petroleum, oil and gas sectors of the South African fuel retailing industry have come out strongly in support of the recent establishment of the Public Petroleum Products Act Compliance Forum by the Department of Mineral Resources and Energy. The forum was a means to clamp down on the sector's non-compliance.

Gadibolae Dihlabi, managing director of the Liquefied Petroleum Gas Association of South Africa (LPGSA), said they were concerned about the unacceptably high number of traders who were illegally filling or selling cylinders.

"The consequences are dire and can lead to serious accidents. Collaboration is key, because it allows us to share information and strategies with other stakeholders, including the SAPS and the fire department," said Dihlabi.

She said that the more the fuel industry stakeholders could unite, the stronger their efforts would become in their attempt to curb the scourge.

Consumer safety would be compromised if the rampant non-compliances in the fuel industry were left unchecked.

The South African Petrol Retailers Association (Sapra) Vishal Premllal said yesterday that this was a commendable move by both industry and government and believed that vigilance was what was needed to eradicate the unacceptably high levels of non-compliance plaguing the fuel industry.

He said huge diesel price discounts, the mixing of paraffin and/or other products with diesel (diesel adulteration); the illegal refilling and distribution of LPG and the sale of ULP 93 at the price of ULP 95 to unsuspecting retailers and motorists (especially in remote areas) were just some of the problems that have been highlighted.

"Far too many traders have been left unchecked while operating without a valid licence or complying with licensing conditions. This has also increased the illegal import and export of petroleum products," said Premllal.

Sapra said that the new forum was a proactive attempt by the government to curb the rampant illegal and illicit fuel trade activities. It said that it was encouraging that it had prompted collaboration with all petroleum industry stakeholders, including SA Revenue Service and the SAPS to enforce the provisions of the Petroleum Products Act.

The association said that the forum was set up in the last quarter of last year to discuss the various forms of non-compliance, propose possible solutions and enforce compliance within the law.

Premllal said Sapra was proud to report the establishment of its whistle-blower hotline ([www.sapra.co.za/whistleblower/](http://www.sapra.co.za/whistleblower/)) to report illegal trading of petroleum products. The Sapra hotline is said to have already put 46 cases before the inspectorate within the forum.

Petroleum Compliance Enforcement and Fuel Pricing chief director and

forum chairperson Gosetseone Leketi said progress had been made since the forum began its work in November, citing a decline in complaints and improved responses to non-compliance.

"In the past, an inspector would find an issue of non-compliance, a notice would be issued and the perpetrators would simply ignore this. We have, however, now noticed that those who are non-compliant are responding positively to our interventions, listening to our inspectors and doing the right thing," said Leketi.

"Stakeholder collaboration is definitely the key to the success of this forum. Non-compliance in the fuel sector is economic sabotage. The establishment of the forum has prompted the SA Revenue Service and the SAPS to elevate these issues as part of their standard operating procedures to check their systems and identify weaknesses," she said.

SA Petroleum Industry Association executive director Avhaphani Tshifularo said it was impossible for the department to win the battle on its own.

"This unified approach in which we work as a collective, with a zero-tolerance mindset, is critical ... not only for petrol and diesel, but also for LPG where illegal filling, under-filling and distribution occurs," said Tshifularo.

Liquid Fuel Wholesalers Association director Peter Morgan said this was a capital intensive industry with very small margins for both retailers and wholesalers and it was being disrupted by criminal activity.