

DEPARTMENT OF ECONOMIC DEVELOPMENT

NO. 568

12 APRIL 2019

COMPETITION COMMISSION

NOTICE IN TERMS OF SECTION 10(7) OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED): SOUTH AFRICAN PETROLEUM INDUSTRY ASSOCIATION GRANTED CONDITIONAL EXEMPTION

On 22 December 2015, the South African Petroleum Industry Association ("SAPIA") and its members applied to the Competition Commission of South Africa ("Commission") in terms of Section 10(1)(b) of the Competition Act No 89 of 1998, as amended (the "Act") to be exempted from certain provisions of Section 4 of the Act. The exemption was sought for a period of 5 (five) years from 1 January 2016 ending on 31 December 2020.

Notice is hereby given in terms of Section 10(7) of the Act that the Commission has extended the SAPIA exemption for a period of 3 (three) months starting from 01 April 2019 ending 30 June 2019 on the same terms and conditions as published in Government Gazette No.34651 of 7 October 2011.

The exemption granted by the Commission covers a wide range of agreements and practices which, according to SAPIA, are required to ensure the continuity and stability of liquid fuels supply to various sectors and geographic locations of the South African economy. In particular, the exemption covers agreements and practices in the petroleum and refinery industry which are considered by the Commission to be in contravention of Sections 4(1)(a) and (b) of the Act.

The Commission has previously, in response to the above mentioned application, granted SAPIA a conditional exemption in terms of Section 10(2)(a) of the Act for a period of 6 (six) months starting from 01 January 2016 and ending on 30 June 2016. Following the expiry of the conditional exemption, the Commission extended such exemption several times with the last one ending on 31 March 2019. SAPIA based its application on the premise that the aforesaid agreements and

practices are required to obtain the objective set out under Section 10(3)(b)(iv) of the Act. This is after the Minister of Economic Development Department designated the petroleum and refinery industry for a period of 6 (six) months starting from 01 January 2016 ending on 30 June 2016, which was extended to 31 December 2016, 31 December 2017; 31 March 2018; 30 September 2018 and then further to 31 March 2019.

In anticipation of the expiry of the industry designation and exemption on 31 March 2019, the Minister of Economic Development Department granted SAPIA a 3 (three) months industry designation ending on 30 June 2019.

The Commission is satisfied that SAPIA's exemption will contribute towards maintaining the economic stability of the petroleum and refinery industry for the period starting on 01 April 2019 and ending on 30 June 2019.

SAPIA or any other person with substantial financial interest affected by this decision may appeal it to the Competition Tribunal in the prescribed manner in terms of Section 10(8) of the Act.

Further queries should be directed to either:

Mr Mulalo Shandukani
Competition Commission of SA
Enforcement and Exemptions Division,
Private Bag X23,
Lynnwood Ridge, 0040

Email: MulaloS@compcom.co.za

In correspondence kindly refer to the following case number: 2015Dec0741