

NOTICE 340 OF 2010

Date: 07 April 2010

COMPETITION COMMISSION**NOTICE IN TERMS OF SECTION 10(7) OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED): SAPIA GRANTED UNCONDITIONAL EXEMPTION**

On 07 December 2009, the South African Petroleum Industry Association and its members (herein referred to as "SAPIA") applied to the Competition Commission ("the Commission"), in terms of Section 10(1)(b) of the Act, to be exempted from certain provisions of Section 4 of the Competition Act, No.89 of 1998, as amended ("the Act"). The exemption was sought for a period of six (6) years, ending on 31 December, 2015. In the alternative, SAPIA requested that the Commission grant it an exemption solely for purposes of the 2010 FIFA World Cup.

Notice is hereby given in terms of Section 10(7) of the Act, that the Commission has, in response to the above mentioned application, granted SAPIA unconditional exemption in terms of Section 10(2)(a) of the Act for a period of **168 days (five months and 15 days), commencing on 17 March 2010 and ending on 31 August 2010**. The exemption will ensure that different types of liquid fuels are available at various depots and service stations throughout the country to meet the anticipated demand during the World Cup period.

The exemption applied for and 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 **ALL** 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.

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 Trade and Industry has designated the petroleum and refinery industry on 5 June 2009.

After the analysis of the facts, the Commission is satisfied that SAPIA's exemption will contribute towards maintaining the economic stability of the petroleum and refinery industry for the period prior to and during the 2010 FIFA Soccer World Cup. The Commission found that the exemption will reduce the risk of interruptions to fuel supplies which could be caused by a coordination failure in the industry.

It should be noted that the exemption does not cover agreements or practices which SAPIA might have at wholesale, commercial and retail trade of the liquid fuels supply chain.

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:

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In correspondence kindly refer to the following case number: 2009Dec4813