

ECONOMIC DEVELOPMENT DEPARTMENT**NO. 1084****12 OCTOBER 2018****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 five (5) 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 6 (six) months starting from 01 October 2018 ending 31 March 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 exemptions, the Commission extended the conditional exemption until 31 December 2016 and further to 31 December 2017. This was followed by several extensions, with the latest one ending

on 30 of September 2018. 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 followed by several extensions, with the latest one ending on the 30 of September 2018.

In anticipation of the expiry of the exemption and the industry designation on 30 September 2018, the Economic Development Department granted SAPIA an industry designation ending on 31 March 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 October 2018 and ending on 31 March 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:

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