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DEPARTMENT OF MINERAL AND PETROLEUM RESOURCES

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PUBLICATION OF THE DRAFT STRATEGIC PETROLEUM STOCK POLICY, 2026 FOR PUBLIC CONSULTATION

I, **SAMSON GWEDE MANTASHE**, **MP**, Minister of Mineral and Petroleum Resources, hereby publish the draft Strategic Petroleum Stocks Policy for public comments.

Interested persons and organisations are invited to submit written comments on the draft Strategic Petroleum Stocks Policy, 2026, within 30 days from the date of publication of this notice by —

(a) post to: Private Bag X 59, Arcadia, 0007; or

(b) hand delivery to: Trevenna Campus, 70 Meintjies Street, Sunnyside, Pretoria; or

(c) email to: petroleum.policy@dmpr.gov.za .

Comments must be addressed to the Director-General, Department of Mineral and Petroleum Resources, and marked for the attention of Ms Landeni Kabini.

A copy of the draft Strategic Petroleum Stocks Policy, 2026, is attached hereto.

SAMSON GWEDE MANTASHE, MP
MINISTER OF MINERAL AND PETROLEUM RESOURCES
DATE: 07/07/2026

mineral & petroleum resources
Department:
Mineral and Petroleum Resources
REPUBLIC OF SOUTH AFRICA

2026

DEPARTMENT OF MINERAL AND PETROLEUM RESOURCES

DRAFT STRATEGIC PETROLEUM STOCKS POLICY OF SOUTH AFRICA

2026

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1. ABBREVIATIONS

CAPEX	Capital Expenditure
CEF	Central Energy Fund
DMPR	Department of Minerals and Petroleum Resources
EWP	White Paper on Energy Policy of 1998
FIASA	Fuels Industry Association of South Africa
EIA	Environmental Impact Assessment
IEA	International Energy Agency
IEP	Integrated Energy Plan
GDP	Gross Domestic Product
LPG	Liquefied Petroleum Gas
NT	National Treasury
NERSA	National Energy Regulator of South Africa
MPP	Multi-Product Pipeline
OECD	Organisation for Economic Co-operation and Development
RSA	Republic of South Africa
SANPC	South African National Petroleum Company
SOEs	State Owned Entities
SPSP	Strategic Petroleum Stocks Policy

2. EXECUTIVE SUMMARY

The Strategic Petroleum Stocks Policy of South Africa establishes a comprehensive framework designed to safeguard the national economy against severe fuel supply disruptions and global market volatility. Recognising that the country is a net importer of both crude oil and refined petroleum products, the policy transitions from a voluntary stockholding model to a regulated, mandatory regime.

The main objective is to ensure readiness by maintaining a buffer of physical stocks that can be released during a declared state of emergency. This strategic reserve is specifically intended for catastrophic events rather than minor operational inefficiencies, with the Minister of Mineral and Petroleum Resources being the authority empowered to trigger the release of these stocks.

A central feature of the policy is the recalibration of stockholding levels to balance national security with the high opportunity cost of tying up capital in oil reserves. While previous targets in some jurisdictions are higher, the policy recommends a mix of stock holding total of 90 days of net imports to be held by the government, primarily in the form of crude oil stored at the State-Owned Saldanha Bay facility.

To complement this, the policy introduces a mandatory obligation for licensed manufacturers and wholesalers to maintain an additional 14 days of refined product stocks, such as diesel, petrol and jet fuel. This dual responsibility ensures that the state manages long-term strategic security and cushions the economy against global supply chains shocks while the private sector contributes to immediate downstream resilience.

The governance and funding of this system are anchored by the newly established South African National Petroleum Company (SANPC), which emerged from the merger of SFF, PetroSA, and iGas in 2025. This entity is responsible for the procurement, maintenance, and infrastructure management of the state's reserves. To fund these capital-intensive operations, the policy proposes a sustainable financial model that may include provisions in the Central Energy Fund Act 38 of 1977 alongside revenue generated by the SANPC. By integrating infrastructure

development, such as improved storage for LPG and refined products closer to demand centres, the policy aims to modernise South Africa's liquid fuels value chain and ensure long-term sovereign energy security.

3. INTRODUCTION AND HISTORICAL BACKGROUND

The global community is more than ever dependent on oil as a source of energy. By 1974 petroleum was powering transportation, supplying one third of the industrial sector power and one quarter of the electricity generation. In South Africa, the United Nations crude oil sanctions resulted in the establishment of a crude oil stockpiles as insurance against crude oil import disruptions.

South Africa‘s economy, like all major industrialised nations, is dependent on the availability of energy for economic growth and development. The South African economy uses an average of 27 billion litres of petroleum products per year. The South African transport sector is 90% dependent on liquid fuels. The petroleum industry is also a major contributor to the Gross Domestic Product (GDP) of the country and as such, disruptions to the availability of petroleum products often result in economic losses besides social inconveniences.

In December 2005, the disruption of the supply of refined products resulted in major industrial and societal loss. Conservatively, it is estimated that a national non-availability of liquid fuels would cost South Africa's economy approximately R1 Billion per day in GDP. This raises a fundamental question regarding the role of government in ensuring security of supply. The international conditions have changed and there is a need for Government to put in place a comprehensive long-term strategic stocks policy to enable the country to ensure continuity of liquid fuels supply even in the face of severe disruptions or catastrophes.

As a net importer of crude oil and increasingly refined products, the country remains vulnerable to international supply chain disruptions, price volatility, and geopolitical shifts. This Strategic Petroleum Stocks Policy establishes a robust framework for the mandatory holding of emergency reserves. It aims to insulate the South African

economy from short-to-medium term supply shocks, ensuring that essential services, transport, and industry continue to function during periods of global or domestic crisis.

4. LEGISLATIVE FRAMEWORK AND POLICY ENABLERS

The management of strategic petroleum stocks in South Africa is anchored in a multi-layered regulatory environment. The primary legislative driver is the Central Energy Fund (CEF) Act, No. 38 of 1977, which empowers the State to manage fuels and products essential for energy security. This is complemented by the Petroleum Products Act (PPA), No. 120 of 1977, and its subsequent amendments, which provide the Minister of Mineral and Petroleum Resources the authority to regulate the manufacture, wholesale, and retail of petroleum products.

Crucially, the Upstream Petroleum Resources Development Act (UPRDA) of 2024 and the South African National Petroleum Company (SANPC) Bill of 2026 are the most recent enablers. These pieces of legislation facilitate the consolidation of state energy assets and mandate the SANPC to manage the state's strategic stocks. The policy is further supported by the National Energy Act of 2008, which empowers the Minister to acquire and maintain national strategic energy feedstocks and carriers to ensure security of energy supply.

5. PROBLEM STATEMENT, WHY THE POLICY?

South Africa's petroleum stocks are characterised by insufficient physical reserves which jeopardise the national petroleum security. This vulnerability is further compounded by the closure of major domestic refineries, which has shifted the country from being a manufacturer of petroleum products to a net importer of finished products. This leaves the economy exposed to risks such as fuel supply shortages in emergency situations without a buffer against external shocks and currency fluctuations and short-term supply logistics. This has necessitated a policy shift towards an agile and integrated stock holding model that will provide the necessary safeguards during emergencies.

This policy seeks to mitigate the following critical vulnerabilities within the South African energy value chain:

- Loss of refining capacity

  The closure or conversion of major domestic refineries such as SAPREF and ENGEN into import terminals has shifted South Africa from a crude-importing nation to a finished-product-importing nation, increasing the risk of immediate supply shocks.

- Regulatory Gaps

  There has been a lack of a mandatory stockholding obligation for the private sector leaving the State as the sole guarantor of supply during disruptions. This is a burden the State cannot carry alone especially given fiscal constraints.

- Supply Chain Vulnerabilities

  Dependence on long shipping routes and specific maritime chokepoints exposes the economy to an estimate of R1 billion in losses for every single day of total fuel unavailability.

- Lead times for the receipt of imports

  The time it takes for imports to land on South African shores. It takes a minimum of 21 days and a maximum of 42 days for imports to reach South African ports of entry. A further 10 -14 days are spent on offloading, refining and transporting products from coastal refineries to the inland market.

6. SOUTH AFRICA'S STRATEGIC PETROLEUM STOCKS POLICY IN CONTEXT

The oil embargo in 1974 led to the Government of South Africa adopting the self-sufficiency policy position resulting in the establishment of Sasol and Strategic Fuel Fund. Thirty-two years later, a shift in policy towards commercial security resulted in severe nationwide fuel supply shortages. This resulted in the appointment of a commission led by Adv Moerane. The Moerane commission investigated inter alia, business activities and practices in the entire supply chain of the liquid fuels industry.

The commission also reviewed the existing regulatory and policy framework governing the liquid fuel industry including the Strategic Stocks Policy.

This commission found that there were serious limitations in the movement of petroleum products from the coast to inland and that the strategic stocks policy had some shortcomings in that, amongst other factors, it placed no obligation on licensed manufactures and wholesalers to hold prudent commercial stocks and that the strategic stocks held by the Government were in crude oil only thus revealing serious constraints in the petroleum products ecosystem.

This outcome therefore highlighted the need for regulations on strategic stocks to be held by licensed manufacturers and wholesalers. The approval of the Strategic Stocks Policy will underpin the regulations intended to ensure uninterrupted supply of petroleum products in the country through the provision of adequate strategic stocks and the trigger and release mechanisms to deal with crisis events.

7. MARKET DYNAMICS, GLOBAL FACTORS, AND GEOPOLITICS

South Africa operates in a depressed and volatile global oil market. Geopolitical tensions and conflicts have introduced a permanent risk premium on Brent Crude. Locally, the transition toward Clean Fuels II specifications which come into effect in July 2027 necessitates a strategic shift in the type of stock held, moving away from high-sulphur products to lower sulphur content equivalents.

Geopolitically, South Africa's role in the BRICS plus bloc and its proximity to the newly discovered offshore gas and oil basins in the Orange Basin which is shared with Namibia present opportunities to leverage regional stockholding agreements. However, the domestic market is currently characterised by a just in time delivery model by private oil companies, which optimises corporate profits but compromises national energy security and resilience.

7.1 The Economic Cost of Fuel Supply Disruption in South Africa

Fuel supply disruptions in South Africa have far-reaching economic consequences, affecting transportation, manufacturing, agriculture, and household consumption. Given the country's heavy reliance on petroleum imports and road-based logistics, even short-term interruptions can impose significant costs on the economy.

Assuming a moderate disruption lasting two weeks, with a 20% reduction in fuel availability, the economic cost can be estimated using sectoral fuel consumption and GDP contribution data.

South Africa consumes approximately 30 million litres of petroleum products annually, valued at around R600 million, this is based on an average price of R20 per litre. A 20% shortfall over two weeks, which is about 4% of annual consumption equates to 1.2 million litres of lost supply, valued at R24 million.

The direct cost of this shortfall includes the following metrics:

- Transport and logistics losses with 80% of freight moved by road, reduced fuel availability could cut logistics capacity by 15%, leading to delivery delays and higher costs. The estimated loss in this segment of the economy is R8 million.
- Manufacturing slowdown where fuel shortages disrupt production and supply chains, particularly in mining, chemicals, and food processing. This loss is estimated at about R6 million.
- Agricultural impact where delays in transporting produce and inputs can lead to spoilage and reduced output. The estimated loss in this sector is R2 million.
- Consumer and retail effects where higher fuel prices and shortages reduce disposable income and retail sales with an estimated loss of about R4 billion.
- Indirect GDP effects, multiplier effects from reduced spending and production could add another R4 billion in lost output.

The total estimated economic cost is R24 million (direct fuel value) + R24 million (sectoral and indirect losses) = R48 million over two weeks.

This figure represents roughly 0.7% of South Africa's annual GDP, a substantial impact for short-term disruption. Prolonged shortages would amplify these losses exponentially, affecting employment, inflation, and investor confidence. Therefore, strengthening strategic stocks, diversifying energy sources, and improving logistics resilience are therefore critical to mitigating future economic shocks.

8. INTERNATIONAL COMPARISON: POSITIONING RELATIVE TO GLOBAL TRENDS

Emergency stocks, technical redundancy or reserve margins are used by developed countries to minimise supply disruptions of petroleum products. The aftermath of the 1973 oil crisis saw the formation of the international Energy Agency (IEA) which was mandated with the task to coordinate purchases of oil during a future shock and coordinating the drawdown of reserves during a crisis period. The IEA member countries currently hold 90 days of net imports and there are considerations to increase their cover to 120 days.

8.1 The Indian case study

India's SPR is managed by the State-controlled Indian Strategic Petroleum Reserves Limited (ISPRL), which was set up in 2004 as a wholly owned subsidiary of Indian Oil and later handed over to Oil Industry Development Board (OIDB) in 2006. Under Phase 1, ISPRL established petroleum storage facilities with different capacities in different locations of the country based on import facilities, distribution routes and demand centres. These facilities were later upgraded in 2021 to increase stockholding capacity.

After opening its first strategic stocks site in east China in 2006, China now operates at least a dozen SPR bases, mostly along the eastern and southern coast, including some in underground caverns. The government also rents commercial sites for its strategic barrels. A new tank farm owned by CNOOC in Shandong province with the capacity of 31.5 million-barrels has been commission. This is keeping with the global trend of increasing storage capacity to reserve and strategic stocks.

8.2 The Kenyan Case Study

Kenya operates within a regulatory framework that ensures the availability of essential petroleum products even during supply disruptions. The Energy Minimum Operational Stock Regulations of 2008 are essential in this context. These regulations require importers of petroleum products intended for use in Kenya to always maintain a physical operational stock. The regulations further provide for a breakdown of the required minimum operational stock for various petroleum products such as LPG at 15 days worth stockholding, petrol at 20 days stockholding worth, Diesel at 25 days worth, and jet fuel at 30 days worth of stock. These figures ensure that Kenya can continue to function during external supply disruptions with the National Oil Corporation of Kenya (NOCK) playing a central role in maintaining these stocks.

9. POLICY PROVISIONS TO ENSURE SECURITY OF SUPPLY

There is a compelling need for South Africa to have a Strategic Stocks Policy to enhance the state of readiness in the event of major oil supply disruptions. This policy therefore sets the following in place: -

- The stock holding requirement for government;
- Mandatory stockholding for industry;
- Considerations for infrastructure to transport and hold stocks;
- The management of strategic stocks;
- The stock draw-down mechanism and the trigger and release mechanism and;
- Monitoring and compliance responsibilities.

The approval of this policy will alleviate supply risks and ensure that South Africa has a strengthened response mechanism to a petroleum crisis.

Having considered South Africa's situation in terms of risk exposure, the cost of funding the strategic stocks and other competing needs of the country, the policy proposes a balanced revision of stock holding with a mixture of crude oil and refined products. It further recommends specific percentages for both Government and licensed manufacturers and wholesalers.

To balance the burden of security, this policy introduces a dual-obligation model as follows.

Category	Obligation Days of Cover	Responsibility
State Strategic Stocks	**60 days**	Managed by the SANPC and focuses on 70% crude oil and 30 % key refined products i.e. diesel, petrol and jet fuel held in state-owned storage Saldanha & Milnerton.
Private Mandatory Stocks	**21 days**	Mandatory for all licensed wholesalers and importers. Stocks must be held in 70% crude & 30% finished product to ensure immediate market liquidity.
Total National Cover	**60+ days**	Combined buffer to allow for the procurement and shipment of emergency replacement volumes.

10. REVIEW OF THE STRATEGIC STOCKS LEVELS

A review of the level of strategic stocks coverage shall be done every three years to determine whether the level of stocks needs revising. However, SANPC as custodian of strategic stocks would review the strategic risk on an ongoing basis and report to the Minister responsible for petroleum resources who will make a decision on whether to initiate a review.

11. STRATEGIC STOCKS INFRASTRUCTURE CONSIDERATIONS

It is important that adequate infrastructure exists to store both crude and refined products and that the pipeline has sufficient capacity to move products under emergency conditions. An investigation into the required pipeline capacity and storage facility was conducted. All the strategic stocks reserves should be transported via a government owned pipeline or pipelines that are fully installed within the South African sovereign state to ensure full control in the event of an incident. Transnet Pipelines increased the capacity

of its MPP from the initially lower flow diameter pipeline to a higher diameter pipeline to accommodate this imperative.

12. PIPELINE CAPACITY

The 700km Durban-Johannesburg Pipeline (DJP) used to transport refined petroleum products is the main pipeline that moves finished products from the coast to the inland market. This pipeline reached the end of its economic life in 2018 and was replaced by the MPP which was commissioned early in 2012 to transport petrol and later diesel. The pipeline has extra capacity built and this constitutes a strategic reserve capacity which is above the normal market and commercially viable capacity.

Given the location of high demand centres inland, there is a need for extra capacity to move strategic stocks. Certain assumptions were made to make a determination of quantities of strategic stocks required and were partly based on the volumetric capacity required to accommodate any strategic stocks movement from the coast into the inland market. The MPP has sufficient capacity to service the market demand including the shortfall and depleted stocks due to inland refinery disruptions, and replenishment of depleted strategic stocks. Strategic stocks must be replenished to the original levels within 60 days while commercial stocks must be replenished within the period of 45 days. This requirement will be met by the MPP as it is capable of moving products in high demand.

13. STORAGE INFRASTRUCTURE

Accumulation and holding of strategic stocks require investment in storage facilities. The country does not have sufficient stocks storage facilities to accommodate refined strategic stocks. Therefore, the volume required to meet the need of refined products strategic stocks will require the construction of new tanks. The calculation of an estimated cost of investment in storage infrastructure and additional stocks is shown in the summary of infrastructure and inventory requirements as per table below.

Estimated Cost of Investment in Storage Infrastructure and Inventory Requirements

Category	Requirement	Required Infrastructure and time
National Target	Strategic Stock Level	60 days of net imports by Government plus 21 days by industry.
Inventory Volume	Current Shortfall	10 million barrels required to replenish sold or rotated stock.
Inventory Cost	Crude Oil and refined products Purchase	As per stock holding requirement
Infrastructure	Tank Construction (New)	As per approved standard
Storage Capacity	Unit Size	Standard 100,000 m³ per mega-tank, according to demand and local consumption
Total Capex	New Terminal Facility	Tanks, pumps, and fire systems
Operational Cost	Annual O&M	To be based on operational requirements
Location Focus	Strategic Hubs	Saldanha Bay and Durban/Heidelberg & other inland demand centres for refined products

14. LOCATION

In South Africa, about 60% of the approximately 27 billion litres of petroleum products consumed per annum have a market in the inland region which mainly comprises Gauteng, Limpopo, Free State and North-West provinces. The availability of effective and efficient transport infrastructure is critical to moving products to these markets. Currently the country has strategic stocks in the form of crude oil only, held in Saldanha Bay.

Crude oil should be held in coastal and inland large demand areas. Strategic stocks of refined products should be kept where they can be readily made available to the market in case of emergency and this makes a case for investment in infrastructure for finished products.

15. PROCUREMENT, MAINTENANCE, AND MANAGEMENT OF STRATEGIC STOCKS

SANPC shall be responsible for procurement, maintenance and management of strategic petroleum stocks on behalf of Government. For quality control requirement for refined products, these must be rotated at least every three months and therefore located close to operating facilities.

16. STOCK DRAW-DOWN, TRIGGER AND RELEASE MECHANISM

A liquid fuels emergency caused by the shortage of crude oil and finished petroleum products shall be declared by notice in the government gazette by the Minister responsible for Petroleum Resources. The Minister may declare an emergency after consultation with licensed manufacturers and wholesalers, Transnet Pipelines, NERSA and industry stakeholders as well as other Government Departments.

16.1 The Trigger Mechanism

The following triggers are categorised by severity to ensure that stocks are only used when market-based mechanisms fail to stabilise the supply.

Strategic Stock Release Triggers

Trigger Level	Category	Description / Threshold	Primary Action
Level 1	**Supply Alert**	Loss of 20% of national refined product supply (e.g., refinery outage or single port closure) for more than 14 days.	Voluntary industry stock sharing and SANPC readiness audit.
Level 2	**Supply Disruption**	Loss of 40% of national supply with total depletion of commercial industry mandatory stocks, the 21day safety buffer.	Initial drawdown, this is a restricted release of stocks to essential services and key economic hubs.
Level 3	**National Emergency** **Declared by Minister**	Severe global supply shock or total failure of the import value chain impacting more 50% of supply.	Mass drawdown, this is a wide market release and implementation of fuel ration.
Economic	**Price Stability**	Unprecedented price volatility reaching $145 per barrel threatening GDP growth.	This is a strategic sale of products in a competitive auction

	of stocks to lower local pump prices.

17. FINANCING OF STRATEGIC STOCKS

In the South African economy, the economic cost of not having fuel for a day is estimated at R Billion per day. This is a huge cost to the economy with severe negative socio-economic consequences. National Treasury and SANPC will develop financing mechanisms and instruments for the financing and guaranteeing strategic petroleum stocks.

18. POLICY STATEMENTS FOR ADOPTION

The following table summarises the strategic policy statements required for to ensure security of petroleum supply.

Number	Policy Area	Cabinet Position for Adoption
Policy Statement 1	Mandatory obligations for private sector	Private petroleum companies maintain a minimum of 21 days of refined product cover in strategic stocks on a 70 to 30 split between crude oil and refined product.
Policy Statement 2	Institutional mandate	Designate the South African National Petroleum Company (SANPC) as the sole custodian of the state's strategic petroleum stocks in terms of the Upstream Petroleum Resources Development Act.
Policy Statement 3	Funding mechanism	Introduce a security of supply financial instrument or cost-recovery framework to finance the procurement and rotation of state-owned barrels.
Policy Statement 4	Infrastructure revitalisation	Prioritise the refurbishment of the Saldanha Bay storage terminal, the completion of the LPG pipeline as strategic national infrastructure and infrastructure for refined products in the inland demand centres.
Policy Statement 5	Product diversification	Shift the strategic stocks mix to include at least 30% finished products to bypass the bottleneck of non-operational refineries.
Policy Statement 6	Regional integration	Negotiate shared stockholding agreements with SADC partners to optimise storage costs across the region.

19. MONITORING AND COMPLIANCE

All companies with holding stock obligation shall be required to submit monthly reports on their relevant stocks levels to the Department responsible for petroleum resources.

Any infringement should be investigated and if confirmed, penalties must be imposed as provided for in the National Energy Act, 2008.

20. ROLES AND RESPONSIBILITIES OF INSTITUTIONS

20.1 Department of Mineral and Petroleum Resources

The DMPR is the policy lead with the Minister being the Executive Authority. Its primary responsibility is the high-level governance of national energy security, policy formulation such as setting the national target for strategic stock levels. The Minister holds the authority to declare a supply emergency and to authorise the release of strategic stocks into the market. Additionally, the Minister has regulatory oversight on ensuring that the SANPC and private industry players comply with the mandated stock-holding requirements. Internationally, the Minister will represent South Africa in international forums such as IEA or BRICS energy blocks, SADC etc regarding collective stock-holding initiatives.

20.2 South African National Petroleum Company

Established through the merger of SFF, PetroSA, and iGas, the SANPC is the Implementing agency and custodian of the state's strategic stocks. The company is also responsible for asset management, operation and maintaining the physical storage infrastructure. The company is also responsible for the procurement and rotation of stock to prevent quality degradation. The SANPC is also responsible for strategic storage services which includes leasing excess tank capacity to third parties provided that the strategic floor (minimum required state stock) is never breached. It is also responsible for technical advisory providing the government with real-time data on stock levels, infrastructure integrity, and logistical bottlenecks.

20.3 National Treasury

The Treasury is the financial guardian, ensuring the policy is fiscally sustainable. The Minister of Finance considers funding mechanisms in terms of the CEF Act and other instruments.

20.4 Transnet Pipelines and Freight Rail

Transnet is the country's logistics backbone responsible for the movement of stocks during an emergency. The entity is responsible for ensuring infrastructure availability, maintenance of the multi-product pipeline and rail links to ensure that stocks can be moved from coastal storage to inland demand centres. Transnet is responsible for priority dispatch in a declared emergency where they must prioritise the movement of strategic stocks over commercial cargo and line fill management which is part of the country's secondary stocks.

20.5 The Fuels Industry Association of South Africa (FIASA)

SAPIA represents the private sector licensed wholesalers and ensures industry-wide compliance. Industry is responsible for mandatory stocks ensuring that private companies maintain their own operational and mandatory stocks as prescribed herein. FIASA also ensures data sharing, providing the DMPR with accurate, aggregated data on private stock levels to allow for holistic national energy planning and participating in the national integrated planning processes to coordinate refinery shutdowns and import schedules.

20.6 The National Energy Regulator of South Africa (NERSA)

NERSA is the economic regulator and is responsible for tariff setting, regulating the tariffs charged for using pipelines and storage facilities to ensure they are fair and do not create barriers for the state to store or move strategic stock while ensuring third part access. The entity is also responsible for licensing and monitoring licenses for the construction and operation of the storage facilities used for operational and strategic stocks.

21. CONCLUSION

South Africa's strategic petroleum stocks landscape has evolved from a traditional storage model into a dynamic pillar of national economic resilience. As the country navigates a volatile global energy landscape characterised by geopolitical tensions and a declining domestic refining base, the imperative for a robust security of supply framework is more urgent. The policy is no longer a mere physical insurance policy for

fuel but it is a critical tool for cushioning the broader economy against external price shocks and supply chain disruptions that would otherwise manifest as rapid inflation and stunted economic and industrial growth.

The establishment of the SANPC marks a definitive shift in the State's approach to energy sovereignty. By consolidating assets and formalising the management of strategic stocks, the government is moving away from a simple stock holding strategy towards an integrated value chain model. This approach prioritises not only the volume of crude oil held in the tanks, but the technical and logistical ability to convert those reserves into refined products. This policy shift presents direction for the holding if finished products to keep the economy gong when global supply routes are compromised.

22. REFERENCES

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