Report of the Portfolio Committee on Mineral Resources and Energy on the Fuel Price Increases, dated 01 April 2022.

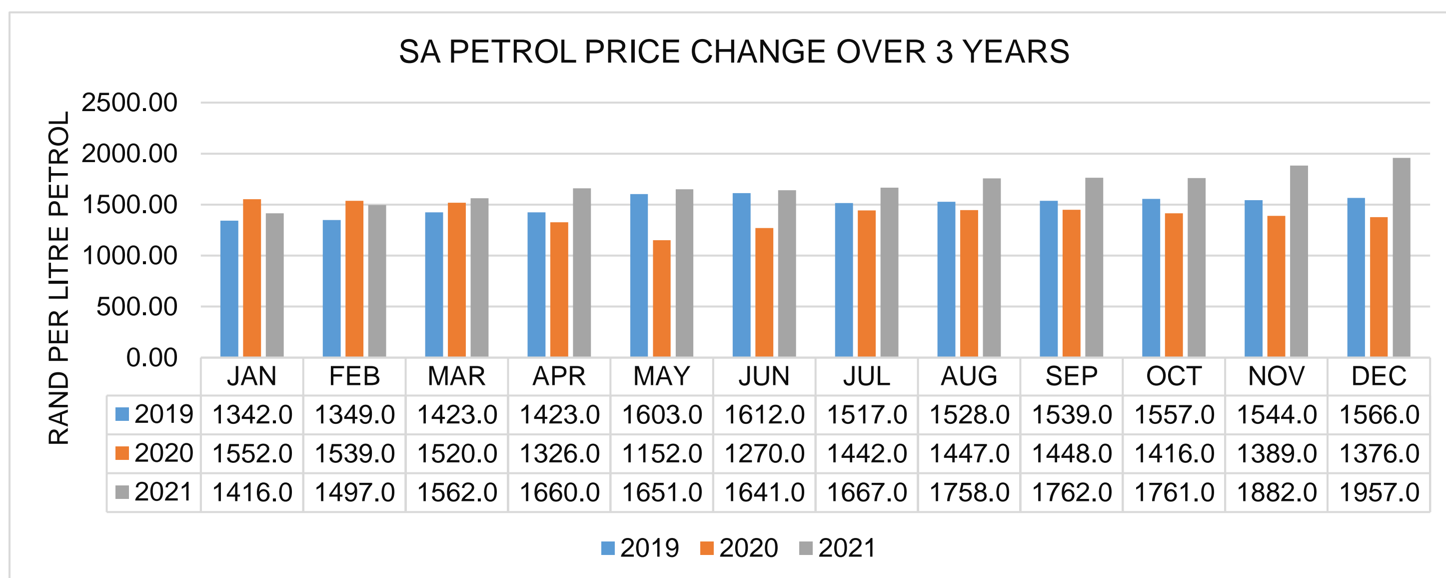
The Portfolio Committee on Mineral Resources and Energy having considered the fuel price increases, reports as follows:

1. Background

The Portfolio on Mineral Resources and Energy (hereafter, the Committee) held several engagements on fuel prices. On 14 April 2021, the Committee held a meeting on fuel prices, wherein it was briefed by the Department of Minerals Resources and Energy (DMRE), and the Automobile Association South Africa (AASA). On 28 April 2021, the Committee held an internal discussion on fuel prices. Further stakeholder engagements on fuel prices were held on 15, and 25 March 2022. The Russia-Ukraine conflict has added threat to the security of fuel supply and the prices associated thereto.

These engagements were necessitated by the exponential increase in fuel prices and the impact thereof on the economy. In these, engagements, the Committee was interested in gathering information on measures to mitigate the increasing fuel prices.

Table 1: South Africa's Coastal Petrol Prices [2019 – 2021]



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2019	1342.0	1349.0	1423.0	1423.0	1603.0	1612.0	1517.0	1528.0	1539.0	1557.0	1544.0	1566.0
2020	1552.0	1539.0	1520.0	1326.0	1152.0	1270.0	1442.0	1447.0	1448.0	1416.0	1389.0	1376.0
2021	1416.0	1497.0	1562.0	1660.0	1651.0	1641.0	1667.0	1758.0	1762.0	1761.0	1882.0	1957.0

Source: South African Petroleum Industry Association

As shown in Table 1 above, petrol prices in the coastal region was roughly just under R16 per litre between 2019 and 2020. However, in 2021, petrol price shows an exponential increase, recording the highest increase to just under R20 per litre, for the coastal region. It is important to note that the inland petrol prices differ with that of the coastal areas because of transport costs from the harbour to inland areas. That is why a litre of petrol in December 2021 was R20,07 and R20,29 in inland areas compared to R19,57 in coastal areas.

The current petrol price is R20,88 in coastal provinces, and R21,35 in inland regions. Table 2 below shows breakdown of fuel prices, using the inland petrol prices for March 2022.

Table 2: Breakdown of Petrol Prices, March 2022

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l
Wholesale margin	45.500	45.500
Secondary Storage	30.700	30.700
Secondary Distribution	17.940	17.940
Router Differential	0.000	0.000
Retail margin	228.800	228.800
Zone differential in Gauteng	64.900	64.900
IP Tracer levy	0.000	0.000
Fuel levy	393.000	393.000

Source: South African Petroleum Industry Association, 2022

2. OVERVIEW OF THE COMMITTEE ENGAGEMENTS ON FUEL PRICES

This section of the report provides a summary of the stakeholder engagements with the Committee held on 15 and 25 March 2022. As indicated above, the purpose of engaging the stakeholders was for the Committee to get facts on or insights into the impact of the exponential increase of fuel prices and the alternatives available to mitigate the fuel crises for the South African economy and its citizens. It is important to note that, some presentations covered issues that were beyond the scope of these engagements.

The stakeholders that the Committee engaged were:

- Department of Mineral Resources and Energy (DMRE),
- National Treasury (NT),
- Council for Scientific and Industrial Research (CSIR),
- South African Petroleum Industry Association (SAPIA),
- South African Oil and Gas Alliance (SAOGA),
- Liquid Fuels Wholesalers Association (LFWA);
- South African Petroleum Retailers Association (SAPRA), and
- Fuel Retailers Association (FRA).

The subsequent section summarises the submission of each stakeholder as listed above.

2.1. The Department of Mineral Resources and Energy (DMRE)

In its submission, the DMRE emphasised that the fuel prices have reached an unstainable level, with South Africa reaching highest record levels. It was stated that the growing conflict in Europe is not only disruptive on fuel prices, but also on fuel supply chain. Besides the effects of the Russia-Ukraine on fuel prices and fuel supply, other reasons cited for increased fuel prices included the increased price of crude oil, and Organisation of the Petroleum Exporting Countries (OPEC+) stance to limit the supply of crude oil. Since the start of the Coronavirus (COVID-19) pandemic and the resultant lockdowns, OPEC+ had made a decision to limit crude oil supply. In the post-COVID-19 vaccination period, there has been a rebound in economies in a number of countries, but OPEC limitations on crude oil supply remain. This also contributes to the high fuel prices. The biggest members of the OPEC+ are the Russian Federation and the United Kingdom.

It was reiterated that the energy system is globally interconnected, what happens in one country affects the other. For instance, the United States (US), Saudi Arabia and Russian Federation are the biggest oil producers. Russia produces about 10.5 million barrels per day of crude oil, uses the third of this and export the rest. Thus, a ban of Russian crude oil would remove about 7 percent of crude oil from the international market.

In response to the fuel price challenge, the DMRE submitted the following as possible solutions:

- **Investment in Local Refineries:** The Department argues that being dependent on imported crude oil and products is proving to be unreliable. Thus, it encourages investment in local refineries, and pressed the need to discourage the closure of local refineries, such as SAPREF. Similarly, the PetroSA Gas-to-Liquid refinery has not been fully operational due to the fact that there is no gas feedstock. The Department is of the view that, instead of SAPREF closing, a buyer must be found. It was pleased with the fact that Astron Energy Refinery, had made a decision to restart rather than close its refinery, post the explosion which had occurred in July 2020. The Department believed that the decision to restart the refinery and invest in fixing the infrastructure was a clear indication that there are monetary returns to be made for investors. The Department reiterated that if South Africa imports without refining capacity, it will not just be importing petrol and diesel, it will import many by-products such as paraffin, jet fuel, lubricants, benzene, bitumen for roads, etc. Therefore, it means that if it does not have refining capacity it will end up importing all of these products. Thus, it is important to look at what the country will lose if there is no refining capacity.
- **Encourage Exploration:** The Department also submitted that, everything possible must be done to encourage exploration in the country, in order for the country to be self-reliant.
- **Enable Biofuels:** Enabling biofuels would create jobs and reduce imports. The challenge with biofuels is that they require subsidisation from the various government departments. Thus, it was stated that, such support, from the Government is necessary in order to promote the biofuels industry.
- **Energy Saving Measures:** Proposed measures include employers allowing workers to work from home, speed limits – such as encourage driving at 100km in a 120km road. In the worst case scenario, restrictions on how many litres each motorist is allowed per visit could be imposed. According to the Department, to effect these changes would not require a change in any law.

2.2. National Treasury (NT)

The NT briefed the Committee broadly on the economic impact of the Russia-Ukraine conflict on South Africa, as well the specific impact on the fuel prices and the possible alternatives. Moreover, the NT presented the fuel price forecast for the 2022 financial year, indicating that price of oil for 2022 has increased by just over 19 percent, with headline inflation anticipated to register 5.0 percent for 2022. This means that the increase in petrol price is significantly higher than inflation. Likewise, it is estimated that motorists (on average) will pay R20.28 per litre of fuel in 2022. The NT stated that the price of fuel is likely to keep on increasing, as the war between Russia and Ukraine drags on.

The NT further stated that the unrelenting rise in oil prices will continue to place upward pressure on the price of fuel, further eroding household disposable income through increased transport costs. Secondary effects are anticipated to spill over into other parts of the economy. In particular, there are upside risks to the food inflation as a consequence of the higher fuel prices coupled with increasing wheat prices. It is estimated that consumers will pay R3.00 more for a litre of fuel, should the price of oil rise by 50 percent.

The NT proposed the following mitigation measures in response to the escalating fuel prices:

- **Unchanged Road Accident Fund (RAF) Levy and General Fuel Levy:** In the budget for the 2022/23 financial year, where the Finance Minister announced no change to the RAF levy and the general fuel levy. This intervention was implemented to provide immediate relief from the impact of price increases and will result in a reduction in revenue of R3.5 billion, which will have to be recovered elsewhere.
- **Review of the Basic Fuel Price (BFP) Components:** In 2018, the DMRE undertook a review of the BFP components of the petrol price. Proposed recommendations from the review can be implemented immediately – with a potential once-off 3 - 18 cents/litre reduction in the petrol price. Some of the recommendations were that the 15 percent premium on freight should be removed, Evaporation or ocean loss be reduced from 0.3% to 0.1%, Demurrage days should be reduced from 3 to 2 days based on the

information from the Transnet National Port Authority which showed that it took, on average, 1.5 days to dock and offload petroleum products vessels at their harbours, and the coastal storage element should be reduced from 25 days to between 10 and15 days based on the fact that oil companies normally keep commercial stock of petroleum products that would last for 10-15 days during unplanned shutdowns.

- **Review of all aspects of the fuel price:** As announced by the Minister of Finance, a review of all aspects of the fuel price is under consideration by the NT and the DMRE.
- **Implementation of the Road Accident Benefits Scheme**: Adjustments to the RAF levy are dependent on the re-introduction to Parliament and the implementation, once promulgated, of the Road Accident Benefits Scheme (RABS) Bill. According to the NT, it is critical that that the parliamentary process regarding this bill is reinstated.
- **Undertake to review regulated margins:** According to the NT, the DMRE will, in addition to the BFP review, undertake to review regulated margins determined through the regulatory accounting system (RAS). Initial research has shown that changes to the RAS methodology components can reduce the petrol price by 85.82 cents/litre. However, the Petroleum Retail and Wholesale Associations were vehemently opposed to this proposal, arguing that a reduction of the margins would destroy the already struggling downstream sector.
- **Price Cap Considerations:** Consideration should be given to a price cap which was previously considered by the DMRE.

2.3. Council for Scientific and Industrial Research (CSIR)

According to the CSIR, South Africa has a substantial opportunity to reduce dependency on imported liquid fuels, reduce costs and decarbonise the broader energy system through the ***electrification of the transportation system***. This will take the form of the deployment of battery electric vehicles and hydrogen fuel cell powered vehicles, for applications in short and long-haul transportation respectively. Such a shift presents major opportunity for localisation of the value chain for economic growth and job creation. Expansion of the electricity power system is key, not only to reduce the amount of liquid fuels used due to power system constraints, but to also supply the transportation system energy requirements. This is a transition that needs to be actively planned and managed, through the integration of the related national plans, and with key infrastructure developed, such as electric charging and hydrogen fueling stations. Such a shift needs to be complemented through the optimisation of the transportation system to improve overall efficiencies. Integration and coordination are required to achieve short, medium and long term improvements, ultimately increasing energy security and reducing costs, while beneficiating local resources such as electricity power generation, electric vehicle manufacturing and battery and hydrogen value chain localisation.

In addition to the electrification of the transportation system, CSIR is of the view that biomass and biofuels present an opportunity to minimise reliance on imported products. Biofuels can be blended with existing diesel and petrol. According to the CSIR, despite biofuel blending targets and mandates in South Africa, this sector has grown slowly mainly due to not being cost-competitive with petroleum fuels. The CSIR further added that approximately 5 percent of current diesel consumption can realistically be sourced from biomass.

The CSIR noted with concern that Eskom was currently using four times more diesel for peakers due to constrained power system. According to the CSIR, mining operations consume about 2.2 billion litres of fuel per day. The transportation sector consumed 24 billion litres. In 2021, Eskom used 1 billion litres of diesel. The CSIR warned that South Africa faces a growing energy crisis, as ongoing load shedding problems risk being exacerbated by rising international diesel costs. The CSIR noted that 2021 was the worst year on record for load shedding with 1,169 hours of outages and 2,521 gigawatt-hour (GWh) of energy shed. It added that 2022 is already off to a poor start with 261 hours of outages to date and 554 GWh of energy shed. The Council urged that addition of new generation capacity is a matter of urgency.

2.4. South African Petroleum Industry Association (SAPIA)

SAPIA explained elements of the petrol price regulation and commented on areas that are of concern, and areas where relief for the consumers may be explored. According to SAPIA, the wholesale margin, secondary storage, secondary distribution, router differential and retail margin prices are controlled via the Regulated Accounting System (RAS), which is adjusted annually in December. SAPIA is of the view ***that this aspect of the price structure (RAS) provides the right degree of clarity, certainty and consistency for the future. If any changes were to be implemented, thorough consultation with affected stakeholders would be required***. The second regulated aspect of the petrol price is the zone differential, referred to as the Magisterial Differential Zones (MDZ), which is dependent on pipeline and road costs, and is adjusted annually in April. The MDZ covers the costs of transport from a major supply point at the coast to its point of consumption. On this aspect of the price, ***SAPIA considers that there is little scope for adjustment without a complete review of the entire system and urges that the review started by the Department of Energy be fast tracked***.

SAPIA proposed the following mitigation measures in response to the increasing fuel prices:

Relief through the Road Accident Fund: The third aspect of the petrol price which is controlled by National Treasury are the levies (fuel levy, customs and exercise duty, and the Road Accident Fund (RAF) levy. According to SAPIA, ***the fuel taxes is the only significant area where relief is immediately possible – however, this would impact the national budget and the shortfall would need to be funded from elsewhere***.

Retain the Slate Levy: The fourth aspect of the fuel price which SAPIA made a submission on is the Slate Levy. The Slate Levy Mechanism was introduced to finance the cumulative under-recovery realised by the petroleum industry in respect to daily changes between the Basic Fuels Price (BFP) of all grades of petrol and diesel and the BFP applicable in the petrol and diesel and the price is announced monthly. The Slate Levy can be positive or negative dependent on market structure. In a rising price market, the slate will always be negative with the consumer owing the oil industry. In a falling market, the slate will be positive – the oil industry owes the consumer. SAPIA argues that ***without this levy, oil companies will experience severe negative cash flows limiting the ability to purchase crude or imports which will impact security of supply***.

Review BFP: The last element of the fuel price is the BFP mechanism. The BFP represents cost for buying products from the international market until it lands in South Africa. SAPIA is of the view that the review of the BFP is long overdue and submits that ***the review started by the Department must be fast tracked***.

Reducing VAT or waiving VAT: As alluded to above, according to SAPIA, the ***only realistic area for adjustment in the fuel structure, in the short term, is on fuel levies and RAF***. Moreover, SAPIA stated that both the Illuminating Paraffin and the Liquefied Petroleum Gas (LPG) prices are regulated by the Minister of Mineral Resources and Energy. SAPIA argues that there is VAT built into the price of LPG, thus for ***immediate relief, reducing VAT or waiving VAT in its entirety could be considered.*** On the other hand, there is no VAT nor levies applied to Illuminating Paraffin. Thus, ***specific considerations are required for illuminating paraffin directed only at poor consumers.***

2.5. The South African Oil and Gas Alliance (SAOGA)

In its submission, SAOGA argued that gas is a potential solution to high fuel prices, in the medium to long term. Exploiting the country's own gas resources would make the country a

price maker as opposed to being dependent on imported fuel. Moreover, the country would be less vulnerable to international markets, including geopolitics, as is the case currently between Russia and Ukraine. Moreover, SAOGA proposed that in the Upstream Petroleum Resources Development Bill (UPRDB), which is currently in Parliament, due for the Committee to process, ***should set aside a portion of indigenous oil and gas production as a Strategic National Reserve from which derivative products should be sold in ZAR, whilst the balance may be sold at an indexed price locally or abroad.*** In the short term, SAOGA is of the view that Liquefied Natural Gas (LNG) could be imported in weeks if there was no red tape. It could be imported into South Africa's nine (9) commercial ports, thereafter to regasification facilities. SAOGA estimated that the whole process, with no red tape, could take up to a month and a half.

2.6. The Liquid Fuels Wholesalers Association (LFWA) of South Africa

The LFWA, like SAOGA, reiterated the need for strategic stocks – a reference to the Moerane commission was made in this regard. Advocate Marumo Moerane (SC), was the Chairperson of the Commission of Inquiry into the Fuel Crisis that had occurred in South Africa in November/December 2005. One of the Commission's recommendations was that Government needed to review its policy with regard to strategic stocks. Strategic stocks are defined as both crude oil and refined products, physical in nature, held by Government and/or oil companies to cater for catastrophes or severe fuel supply disruptions. LFWA is of the view that there is a growing need for physical infrastructure development that would improve strategic stocks in South Africa, particularly if economic growth is so heavily relied upon. Moreover, the closure of the South African refineries was highlighted as concern.

The LFWA warned that while it understands the public frustration, there is a need to ensure that suggested revisions to fuel prices do not have unintended consequences. A concern was raised that there has been low levels of investment in infrastructure in the Non-Urban (rural/outlying areas) over the past 20 plus years. LFWA argued that presently, there is a system that ensures that rural and poor communities pay the same amount for the transportation of petroleum products to their communities, and they pay the same amount for storage. To allow this, the pricing mechanism only recognizes one average price for secondary storage – handling and secondary transport. This use of one average was workable when one company did all the transport from the refinery gate to the customer, (as over and under-recoveries typically balanced out without negatively affecting profits). However, the Oil majors (integrated Marketers) having experience in many countries around the world for many years, started a process of pulling out from the areas where the costs were above the level of recovery – (the new independent wholesalers filled this gap) - and to keep all the business where the actual costs are below the cost recovery; this move has created two very different, separate economies in the downstream Liquid Fuels Industry.

As its solutions to the fuel crises, the LFWA cautioned against a knee-jerk reaction, arguing that there is a need for a much wider discussion. They said that it should not only be about pricing today – but also about sustainability of market participants. The Pricing model must reflect what is happening on the ground. An import reliant economy will always be at the risk of geo-political impacts. Moreover, without crude refining capacity, South Africa is even more at the mercy of global markets. Specific solutions proposed were that:

- ***Pricing Review*** - A systemic review of the entire value chain (each part to be examined for their own specifics operational requirements and once this done that each section needs to be "ring fenced" to ensure that there is no damaging vertical integration).

2.7. The South African Petroleum Retailers Association (SAPRA)

SAPRA pointed out that in 2008 the oil price was $140 a barrel, the petrol price was R11 per litre, but as the oil price stood at $120 a barrel, the petrol cost R21 per litre. Between 2011 and 2021, per-litre petrol levies increased by 116 percent, the RAF tax by 173 percent and the basic fuel price by 49 percent. In relation the fuel price challenge, SAPRA proposed the following solutions:

- **Price change frequency:** Change the monthly price adjustment to quarterly adjustments. This will reduce the hype and the monthly knock-on effect on the economy.
- **Card Machine Fees:** The retail fuel pricing structure is a cent per litre based structure. Bank card machine fees are based on percentage, meaning each time the fuel prices increase, the card machine fees automatically increase as well. Thus, SAPRA proposed that the card machine fees should be regulated on cent per litre basis to align with the fuel pricing methodology.
- **Reduce Government Tax burden** built into the fuel price.

2.8. Fuel Retailers Association (FRA)

According to the FRA, there are about 4 790 Service Stations in South Africa employing over 81 000 people. About 60 percent are under the control of oil companies and do not own assets. Transformation in the industry is still a challenge. Africans still represent less than 20 percent, and African women account for about 5 percent. The FRA stated that it is not an enabler of transformation in the sector, the enablers are the oil companies that issue the franchise agreement and the DMRE through licensing.

FRA sated that fuel is still a major revenue stream of the service station (60 percent - 80 percent) and more so in township and rural sites. It is, however, a volatile revenue stream as the margins are fixed cents per litre and are not relative to fuel price changes. Every time fuel prices go up, they erode a portion on this already compromised fixed margin (some costs like card transactions and insurance costs are linked to the pump price). As the Petrol Pump Price is regulated, Retailers cannot recover the losses by adjusting the pump price. FRA submitted that it is critical that DMRE review the Retail Margins regularly, to eliminate this cost recovery lag.

FRA called for ***the scrapping of the RAF tax, about R2.18 per litre of petrol, in favour of a flat-fee motor insurance***. It was submitted that any attempt to reduce retailers' margin would render most service stations unsustainable, noting that the industry already approaches 4 000 retrenchments due to hardships. FRA also recommended ***reduction in government fuel levies in order to give relief to already burdened motorists***. They called for review of the retailer's margin by an extra 12c/litre to assist the industry to remain sustainable, in order to promote Small-Medium and Micro Enterprises (SMMEs).

3. SYNOPSIS OF THE COMMITTEE'S PREVIOUS ENGAGEMENTS [2021] ON FUEL PRICES

As was stated in the introduction section above, the Committee had engagements on the fuel prices in the previous year, specifically on 14 and 21 April 2021. At the time, the Committee was concerned about the increasing fuel prices, as well the country's refinery capacity issues. At the time, Astron Energy had closed a portion of its plant, owing to the explosion which had occurred in July 2020, as explained above. Coupled with this, was the issue of PetroSA and the possible closure of the refinery, due to no gas feedstock.

In the aforementioned engagements, the Committee had made some proposals to the Department on what needed to be done at the time. The proposals included an urgent need for the Department to engage with the freight companies in order to resolve the issue of the 15 percent premium on freight. The Department had argued that the 15 percent premium on freight

was unjustifiable, hence the Committee proposal. The Committee had encouraged the Department to look into procuring fuel from the African countries, as opposed to outside the continent. It was believed that this could minimise the security risk. At the time, the Department indicated that 50 percent of oil imports were from the continent, namely, Angola, Nigeria and Ghana. With this, the Committee stated that ways of addressing these intra-trade initiatives with the Pan African Parliament were needed, in order to find common ground. Moreover, the Committee had advised the Department to conduct a review on the BFP, including alternatives on domestic taxation aspect of the fuel price structure.

4. OBSERVATIONS

The Portfolio Committee on Mineral Resources and Energy, having engaged with the stakeholders in the oil and gas sector, made the following observations:

- That geopolitics and South Africa's reliance on imported crude oil is a real security threat. It further noted that, although, for now, the Russia-Ukraine conflict may not have had a significant impact on the country, it is however a signal that the country should not take the situation for granted. A conflict could occur in any country, including those countries South Africa is importing crude oil from.
- Committee observed that even though the Moerane Commission had made strides for South Africa to be self-sufficient, some of its recommendations have not been implemented, including the review of strategic stocks policies.
- The general concern the closure of South African refineries would have on the existing fuel supply challenges. However, it must also be noted that upgrading the existing refineries to meet the cleaner fuels II standard is often cited as a challenge by the companies in the refining sector – arguing that upgrading would not be economically sustainable. Thus, a debate is often on whether the country should invest in building new refineries at all or continue to import crude oil and refined products.
- The Committee noted that to minimise the impact of load shedding, Eskom uses diesel for its peaker plants. If the conflict continues and the fuel supply threat continues, coupled with high prices associated thereto, the country may find itself in difficult situation. Therefore, it is important that additional generation capacity is brought online through the fast-tracking of the projects currently in the pipeline.
- The Committee further noted that the domestic aspects (taxes and fuel levies) built in the structure of fuel prices was a quickest relief to the current high fuel prices. The NT had indicated that taxes and fuel levies accounted for about 30 percent of the fuel price.
- That the price of LPG and Paraffin form part of the fuel prices. These are energy sources mostly used by poor people, especially paraffin. It was also noted that there is VAT built into the LPG and there is no VAT on paraffin. VAT is in the control of the South African Government; thus relief is possible.
- The Committee conceded that enabling the biofuels industry could assist in minimising the reliance on imports. However, the Government support in this regard is important, as the biofuels industry requires subsidisation. Some progress has been made in this regard, the Biofuels Regulator Framework was approved by the Cabinet on 13 December 2019 and was officially gazetted on 7 February 2020.

5. RECOMMENDATIONS

The Portfolio Committee on Mineral Resources and Energy having engaged with the stakeholders on measures to address the very high petrol prices, recommends as follows:

- The Minister of Mineral Resources and Energy, in collaboration with the Minister of Finance, should develop mechanisms to address the fuel increases, and consider introducing a tax holiday/exemption in all petroleum products.

- The Minister of Mineral Resources and Energy, in conjunction with the Minister of Finance should consider moving the Road Accident Fund levy from the fuel price, and locate it elsewhere.
- Expedite the review of all aspects of the fuel price structure. This should include reviewing the LPG and Illuminating Paraffin prices, and the 15 percent premium on freight The review must undergo a broader public consultation process, as it affects various stakeholders across the oil and gas value chain.
- Investment in the upstream petroleum industry, through the fast-tracking and prioritising the Upstream Petroleum Resources Development Bill (UPRDB). The Department to brief the Committee on the UPRDB in the Second Term of 2022.
- Urgent review of the country's strategic stocks policies, including considerations to factor in provisions to this effect in the Upstream Petroleum Resources Development Bill. The Department to update the Committee on the strategic fuel stocks policy in the Second Term of 2022.
- The enhancement and strengthening of the role of the Petroleum Agency of South Africa (PASA) and the Council for Geoscience (CGS), as the key Government entities involved in the upstream petroleum industry.
- That a business case be developed to explore the various options, including 1. Upgrading existing refineries, 2. Building a mega refinery and/or 3. Importing crude and refined products from other countries. The Department to brief the Committee on this in the Second Term of 2022.
- Coordination, harmonisation and integration of energy resources on the African continent, through the African Union, in order for the African countries to trade more amongst themselves, especially on the issues of oil and gas.
- The Department to fast-track programmes aimed at increasing electricity generation capacity, such as the Risk Mitigation Independent Power Producer Procurement Programme, amongst others.
- Government to support the growth of the biofuels industry.
- Encourage energy saving measures, such as employers allowing workers to work from home, speed limits, etc.

Report to be considered.