

Agbiz presents its concerns at Petroleum Products Draft Bill public hearings

Background

In the December newsletter, we shared some of Agbiz's concerns regarding the Petroleum Products Draft Bill. The Department of Mineral Resources and Energy conducted online public hearings into the bill on 17 January. A number of organisations, including Agbiz, participated in the public hearings.

Agbiz input at the hearings

In its presentation, Agbiz highlighted the critical role of agribusiness in managing the supply chain from farms to consumers. Agribusiness plays a vital role in stimulating economic growth, managing resources, optimising the supply chain, advancing technology, and diversifying operations.

Agbiz also pointed out the importance of petroleum products in the agricultural context. The food system depends heavily on oil and gas to feed billions of people across the planet. The agricultural sector uses petroleum products as raw materials and as energy in all stages of agricultural production, from planting, irrigation, feeding, and harvesting to processing, distribution, and packaging. Farm machinery, processing facilities, storage, and transport all rely on fuel.

Agbiz cautioned that some of the provisions in the bill will add to the administrative burden and the cost of doing business for producers as well as agribusinesses and may translate into a higher cost burden for the agricultural sector, leading to higher food prices. The reach of the bill is very broad—seemingly covering everyone from manufacturers and wholesalers to end users such as farmers. Some of these regulations hold negative implications for agribusinesses.

Agbiz pleaded for a better balance between the objectives of the bill and other important considerations such as food security and affordable food needs to be achieved.

Agbiz summarised its main objections to the bill, which include:

- Efficiency considerations and the free market.
- Some of the powers of the Controller.
- The non-transferability of licences;
- Powers and functions of inspectors.
- Enforcement inspections.

- The practical implications of the new requirement for end user certificates.
- Prohibited activities / restrictions on volumes.
- Overlap with other legislation regarding transformation and environmental protection.
- The limited time period for the application of new licences and the ability of the Regulator to deal with all applications in time.

Way forward

The Department of Mineral Resources and Energy indicated that they intended to host a further meeting to provide feedback on the inputs received. Further engagements with specific sectors and stakeholders are not excluded. The bill will also go to NEDLAC, whereafter the parliamentary process will follow.

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