

Joint press statement

9 May 2022

Members of the various institutions represented today met at O.R. Tambo today to develop a plan to mitigate the perceived jet fuel crisis.

- ***Transnet (Freight rail and pipelines)***
- ***BARSA - CEO***
- ***CEF COO***
- ***SAPIA***
- ***Department of Mineral and Energy.***

ACSA and its strategic Fuel Forum partners confirm that jet fuel supply is stable! The issue at play is the mismatch between supply and demand. This is what the forum has agreed to remedy the situation through setting up an operations room that will meet weekly until the railway line between KZN and O.R. Tambo International Airport is fixed.

ACSA CEO, addressing Jet Fuel partners at a fuel status update meeting in Johannesburg this morning, announced that several interventions have been put in place to immediately stop the cancellation of flights, tankering (fuel stops) and eliminate Technical Stops which are costly, and ensure more than adequate fuel availability to all airlines at all times.

ACSA has for some time now issued assurances to airlines that the supply of jet fuel at OR Tambo is stable and sufficient to meet the demand, despite disruptions to the transportation of jet fuel as a result of the recent KwaZulu-Natal floods, exacerbated by the railway infrastructure damage resulting in *force majeure* being declared by multiple fuel suppliers.

Speaking at the Fuel Forum today, ACSA CEO notes that while overall stock levels are stable, certain suppliers impacted by the declared force majeure are still unable to acquire the quantities of jet fuel they require. Airlines do not use the same fuel supplier, as a result not all are equally impacted.

It is regrettable that some airlines took a decision to cancel flights, make technical or tankering stops in Durban and even Windhoek, while at least two international airlines took drastic measures of cancelling flights due to this **perceived** situation.

The responsibility lies within the Department of Minerals and Energy and the Central Energy Fund (CEF) to invoke available legislative instruments to ensure there is energy security and confirm that they are working on providing approximately 1,5 million litres of jet fuel in the event that the mismatch between supply and demand is not mitigated. As a Plan B the CEF confirms it will issue directives to airlines for a Jet Fuel swap. The approved plan brokered with the CEF comprises two elements:

- Amending the legislative instruments available to match demand and supply;

- Institute emergency supplement of supply.

The plan constitutes an emergency supply and medium-term plan to deal with disasters and security of supply.

While suppliers are required to maintain a certain level of stock with ACSA in terms of the agreement with the consortium, if they fail to meet those obligations, financial penalties are imposed on them. However, force majeure has been activated, preventing ACSA from activating this remedy. Hence the emergency supply will help to mitigate this situation.

Rail repairs and additional fuel for ORTIA

Transnet Freight Rail (TFR) confirmed that the current situation is likely to be 100% resolved by 30th October this year when both rail lines will be up and running from Durban. In the meantime, 50% of the rail line will be restored and repaired by 9 June, meaning that at least 50% of normal rail capacity from the coast will be restored.

In conclusion ACSA CEO announced that a consignment of jet fuel by ship has arrived at the Durban Port and is being pumped into the National Petroleum Refiners South Africa (NATREF) refinery today 09 May 2022.

The partners support ACSA's intervention and have undertaken to communicate the developments to their members.

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