

## **Outline of evidence led to the Parliamentary Portfolio Committee on Mineral and Energy Affairs on 16 April 1997**

### **I Fuel**

#### **Enabling environment**

- Government policy must facilitate entry into the industry
- Employment opportunities must be created
- Legislative, fiscal and regulatory encumbrances must be alleviated or repealed
- SMMEs must be given the opportunity to participate in the industry
- One pump service providers should be allowed to operate in remote areas

#### **Subsidisation**

- Subsidisation of fuel production should be discontinued

#### **Oil importation**

- Procurement of crude oil to be entirely at industry's discretion with refiners retaining freedom to import
- Import of refined petrol to be allowed

#### **Strategic stock management**

- Strategic stocks should be sold off and the holding of stocks should become the responsibility of private companies

#### **Oil and gas exploration**

- Oil and gas exploration should be privatised

#### **Pricing**

- Pricing should be determined, as in other industries, by unhindered interaction between producers and consumers (essentially supply and demand)

#### **The rationalisation plan**

- The ratplan should be abolished as it restricts the number of participants at retail level
- Concern that hypermarkets might crowd out small operators should not lead to the protection of vested interests and should never be an influential factor when considering this vexed issue
- Consumer and SMME interests should be an important consideration

#### **Deregulation /restructuring/ and labour concerns**

- Jobs lost will be counter-balanced by new SMME and employment opportunities
- Increased competition will lead to lower prices for consumers
- Producer savings will be invested in increased production whilst consumer savings will be saved or spent on other goods
- All artificial barriers to entry must be removed

### **II Minerals**

#### **Costs of regulations**

- Demanding health and safety regulations place high costs on mining enterprises
- Consideration should be given to exemptions for small mines from regulations that are designed for large mining companies
- Mining should be accessible to new entrants, especially those from the disadvantaged communities