



## **MEDIA STATEMENT**

**EMBARGO: NONE**

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### **MANDATORY BLENDING OF BIOFUELS WITH PETROL AND DIESEL TO BE EFFECTIVE FROM THE 01 OCTOBER 2015**

In terms of regulation 6 of the Regulations regarding the Mandatory Blending of Biofuels with Petrol and Diesel (“Mandatory Blending Regulations”), promulgated under Government Notice R.671 of 23 August 2012, Mr Dikobe Ben Martins, in his capacity as Minister of Energy, has determined **1 October 2015** as the date on which the said Regulations will come into operation. The effective date is published in the Government Gazette under Government Notice R.719 of 30 September 2013.

The Biofuels Industrial Strategy of the Republic of South Africa was approved by Cabinet in December 2007. A five-year pilot phase was envisaged. The pilot phase aims at achieving a 2% biofuels penetration into the national liquid fuels pool. Over the years, the incentives such as a 50% rebate on general fuel levy for the biodiesel manufacturers as well as the 3 year accelerated depreciation [50% - 30% - 20%] have proven insufficient to lure investments in the biofuels sector, hence the need for establishing a more enabling and supportive regulatory framework.

Regulation 6 of the promulgated Mandatory Blending Regulations, states that such a regulation will only be effective once the Minister of Energy announces the date on which it comes into operation. Mandatory blending will therefore commence on the 1<sup>st</sup> of October 2015. This effective date has taken into consideration the time required to finalise the Biofuels Pricing Framework, which will be before the end of 2013, as well as the development and installation of the requisite infrastructure for the manufacturing, supply and blending of biofuels.

A Biofuels Implementation Committee (BIC) has been established to ensure that all the practical or operational aspects pertaining to the blending of biofuels with mineral petrol and diesel are resolved well before the Mandatory Blending Regulations come into effect. The BIS, chaired by the Department of Energy, held its inaugural meeting on 30<sup>th</sup> August 2013.

The Cabinet-mandated interdepartmental Biofuels Task Team (BTT) will proceed with its work to create an enabling environment for the implementation of the National Biofuels Strategy and other matters incidental thereto.

It should however be noted that the coming into effect of the Mandatory Blending Regulations does not preclude any voluntary blending of biofuels, as a matter of commercial arrangement between parties, prior to 1<sup>st</sup> October 2015.

**For inquiries**

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