



## **EFF CALLS FOR FULL-SCALE NATIONALISATION OF THE PETROLEUM INDUSTRY**

Tuesday, 2 February 2021

The EFF notes with great concern comments by the executive director of the South African Petroleum Industry Association (SAIPA), Avhaphani Tshifularo, in a recent interview, that South Africa is most likely to grow even more dependent on imports for its fuel needs. This he said, after confirming that all six of the country's refineries are under review and would have to make very difficult decisions.

We acknowledge that the Covid-19 pandemic which has had a ripple impact on global economic trends, has greatly affected all local sectors. Nevertheless, the EFF believes that its consequences would not have been so catastrophic had certain steps been taken prior to and during the pandemic.

We further note that the pandemic has hit the petroleum industry in various ways, as very few people drive to and from work, most companies have halted or decreased fuel-dependent production, the effects of the looming Eskom crisis and its inability to provide stable electricity generation and the explosion of a number of refineries within a short space of times which all affected overall profits.

Despite all these obstacles, we maintain that calling for privatisation and encouraging the conversion of local refineries into import-dependent institutions or for their disposal is a display of a lack of leadership and sovereignty.

If the Covid-19 pandemic has taught us something, it is the value of South Africa, and other African countries, investing in state-owned companies and seizing their nauseating reliance on those who continue to exploit resources and human capital for peanuts and self-enrichment. On multiple occasions, the world demonstrated how it will always prioritise its people and neighbouring states and leave Africa out in the cold to fend for itself.

The call for the import route means we will not entirely rely on fuel imports, but also on petroleum products such as paraffin, liquorice, Vaseline, etc. Not only will there be heavy reliance on imports, but numerous refineries and manufacturing facilities will collapse, and no worker deserves the catastrophic retrenchments and job losses that will follow.

Having noted the various attempts made by the local petroleum industry, including the merger last year of three state-owned oil and gas companies into a single national oil company, in order to better align the country's SOEs. We call for a full-scale nationalization of the country's petroleum industry and major industrial development to sustain and generate numerous sustainable jobs.

We firmly believe that, no matter the cost, South Africa should pursue export-led and import-substituting industrialisation, not just in the petroleum sector. It is no secret that South Africa exports natural resources for peanuts and imports nearly all finished goods and services. Not only are we exporting natural resources, but we are giving away jobs to other countries when we should have been processing and manufacturing these goods, thereby creating jobs for everyone but our citizens.

Therefore, in the meantime, the government could negotiate partial ownership of foreign-owned refineries by subsidising them and helping to revitalise the infrastructure in exchange for shares. Via cooperation, the state can then establish a gradual understanding of the sector, put measures in place and step within a specific time frame towards full-scale ownership.

We further recognise that we will need a government that has the political will and determination to do more for our people in order for nationalisation and industrialisation to fully benefit our people. The petroleum industry is highly monopolised as things stand, and its major players and decision-makers have developed structures that perpetuate the exclusion and exploitation of Africans in particular.

Very limited opportunities are afforded to Africans so that they can have more pivotal roles in the running of the industry and very few are in influential managerial positions,

almost 27 years into democracy. The Department of Mineral Resources and Energy must therefore put in place measurable redress, monitoring and evaluation mechanisms and harsh sentences for non-compliance should be enforced.

The EFF further calls for the establishment of various satellite campuses in various parts of the country, whose main purpose would be; 1. the absorption of unemployed graduates into specialised programs to ensure they acquire the requisite skills the government claims are lacking whenever they justify importing engineering, consultation and expert skills from Europe and Asia , and 2. Provision of qualifications to meet the needs of the country in the mining and energy sector for well-trained and educated young people. This will ensure long-overdue economic redress by fully equipping and prioritising those who are previously disadvantaged, especially blacks, young people, women and people with disabilities. Furthermore, we insist that any internship program must end with long-term placement guaranteed, especially in this field.

There can never be a price too high to conserve and protect our resources and leave behind a formidable legacy for generations to come, and the above interventions will not only be instrumental in saving today's local petroleum industry, but will ensure its survival for generations to come.

**ISSUED BY THE ECONOMIC FREEDOM FIGHTERS**

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