



The map shows the southern part of the African continent with the following countries labeled: Democratic Republic of Congo, Tanzania, Angola, Zambia, Malawi, Zimbabwe, Mozambique, Namibia, Botswana, Swaziland, Lesotho, and South Africa. Two inset boxes are present: one for the Seychelles islands in the Indian Ocean to the east, and one for Mauritius island further south. Green arrows point from the text 'Seychelles' and 'Mauritius' to their respective inset boxes.

AN OVERVIEW ON ASSESSMENT OF FUEL STOCKPILING IN SOUTHERN AFRICA

Bernhard Morse
November 2004

South Africa

Mauritius

Introduction

- In Southern Africa, only Angola has crude oil, and however almost all is exported.
- The South African Refiners obtain most of their crude oil from the Middle East.
- South African Oil companies market their products all over Southern Africa.
- The South African refineries are vulnerable to the effects of crude oil supply disruptions.
- Emergency fuel stockpiling has been a practice for many years in some Southern African countries. However, there is little openness. Most consider this information confidential.
- Little or no fuel cooperation between Southern African countries during emergencies, it is every man for himself.

Seychelles

Mauritius

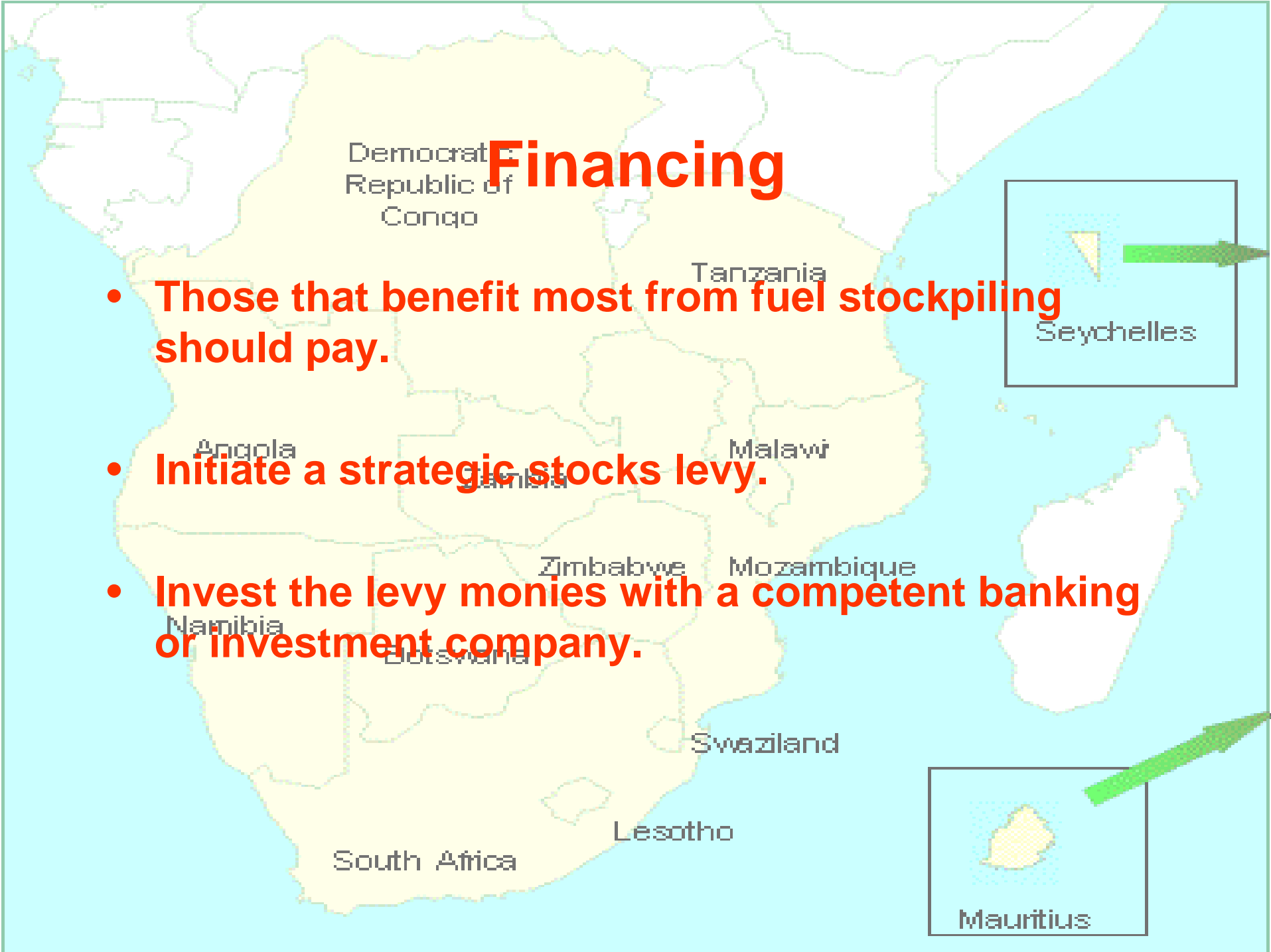
Stockpiling Philosophy

- **Developing countries have higher priorities than funding strategic fuel stockpiles .**
- **A reasonable size fuel stockpile that affords protection to a country, but does not place excessive demands on a country's financial resources can be justified.**
- **Consider the industrial base and evaluate the effect on the economy, if there were shortages of fuel.**
- **There is need for stockpiling legislation.**



Financing

- **Those that benefit most from fuel stockpiling should pay.**
- **Initiate a strategic stocks levy.**
- **Invest the levy monies with a competent banking or investment company.**



REGION STOCKPILING INFORMATION

Democratic
Republic of
Congo

Tanzania

Angola

Zambia

Mali

Zimbabwe

Mozambique

Namibia

Botswana

Swaziland

South Africa

Lesotho

Seychelles

Mauritius



Republic of South Africa

- **Strategic Fuels Fund (SFF) created to pay for high cost of crude oil during the Oil Embargo.**
- **Stockpiling of crude oil in abandoned coal mines in the Transvaal (not used since 1994).**
- **Stockpiling of crude oil in a very very large in-ground concrete tank at Saldanha Bay (70km north of Capetown)**
- **Stockpiling in a steel tank farm with 39 tanks at Milerton, north of Capetown.**
- **About 100 days of crude oil consumption was stored.**
- **Much of the crude oil has been sold to pay for development projects in the new South Africa.**
- **In 2004, tendered for a study for recommendations on South Africa's strategic stockpiling.**

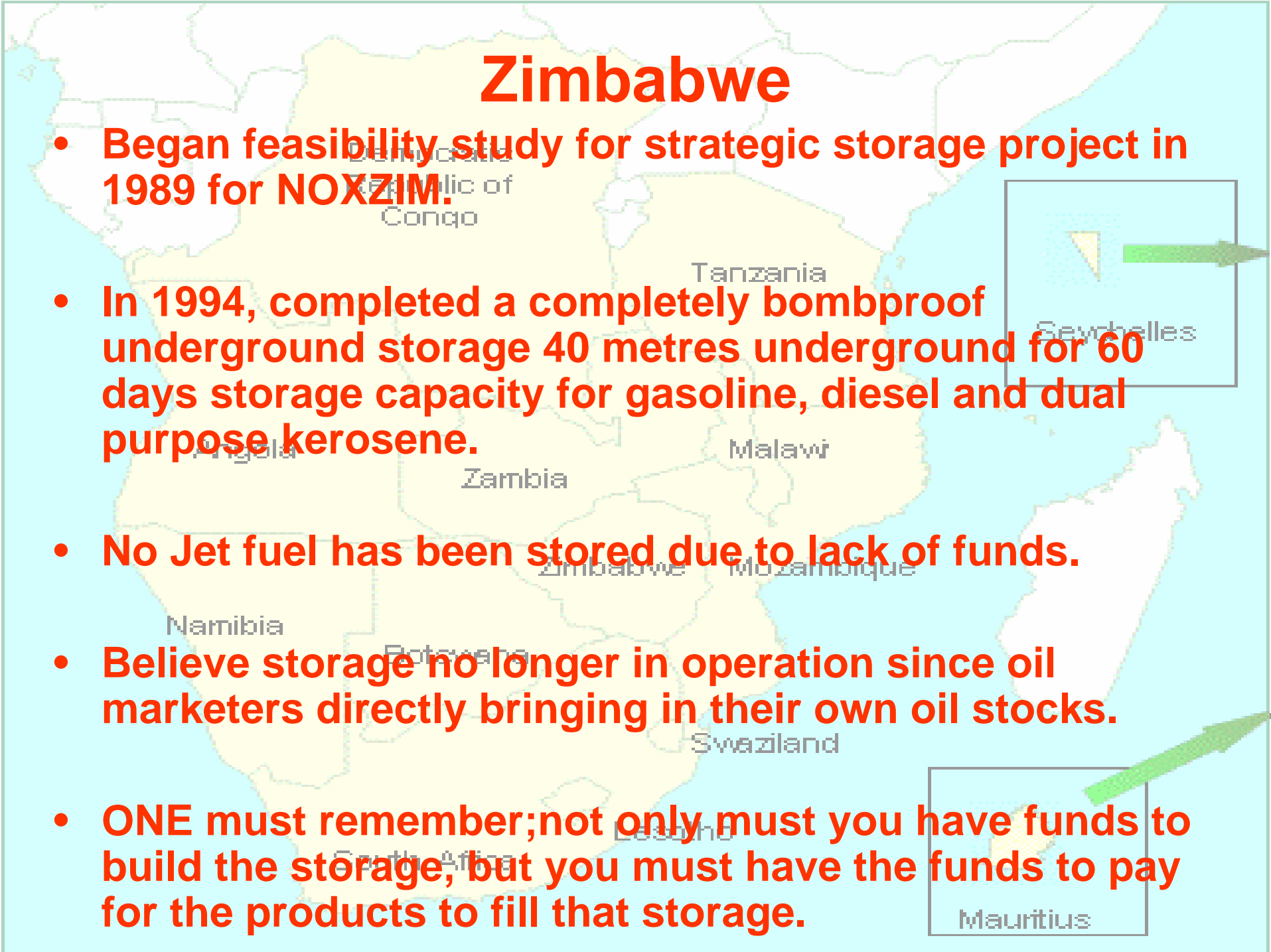
Botswana

- As a land locked country, after October 1973 oil crisis, Botswana looked for an independent source of oil products.
- In 1979, with financial assistance from German government, Botswana built 2 strategic oil depots. Storage for 90 days was the target.
- Additional storage tankage built in 1989 and 1992 to cater for increased consumption.
- A study in 1992 to evaluate most economic type of additional storage concluded that underground storage in rock caverns was cheapest alternative. Study shelved. New study in 2000/2001 again recommended underground storage.
- Presidential Directive in 2002 to proceed with project. 60 days storage was evaluated and agreed.
- Project at bidding stage.



Zimbabwe

- **Began feasibility study for strategic storage project in 1989 for NOXZIM.**
- **In 1994, completed a completely bombproof underground storage 40 metres underground for 60 days storage capacity for gasoline, diesel and dual purpose kerosene.**
- **No Jet fuel has been stored due to lack of funds.**
- **Believe storage no longer in operation since oil marketers directly bringing in their own oil stocks.**
- **ONE must remember; not only must you have funds to build the storage, but you must have the funds to pay for the products to fill that storage.**



Namibia

- In 2003/04 a feasibility study to investigate the where, the how and amount of strategic storage.
- With a seaport at Walvis Bay, 60 days storage agreed adequate, with additional storage tankage to be built at Windhoek.
- Government requested additional study spreading storage over several locations from north to south.
- New oil receiving facilities recommended to be built at Luderitz (in the south). With an offshore SBM.
- New presentation including the Luderitz port to be made to government in January 2005.



Lesotho and Swaziland

- **A study for strategic storage for both countries was undertaken in 1990 and shelved.**
- **Swaziland proposes a new study on strategic storage.**
- **Award for new Swaziland study should be made before the end of 2004.**



Malawi

Democratic
Republic of
Congo

Tanzania

Seychelles

- **Malawi rents storage tankage at Dar's Salaam in Tanzania for strategic purposes. (no other information available).**

Angola

Zambia

Malawi

Zimbabwe

Mozambique

Namibia

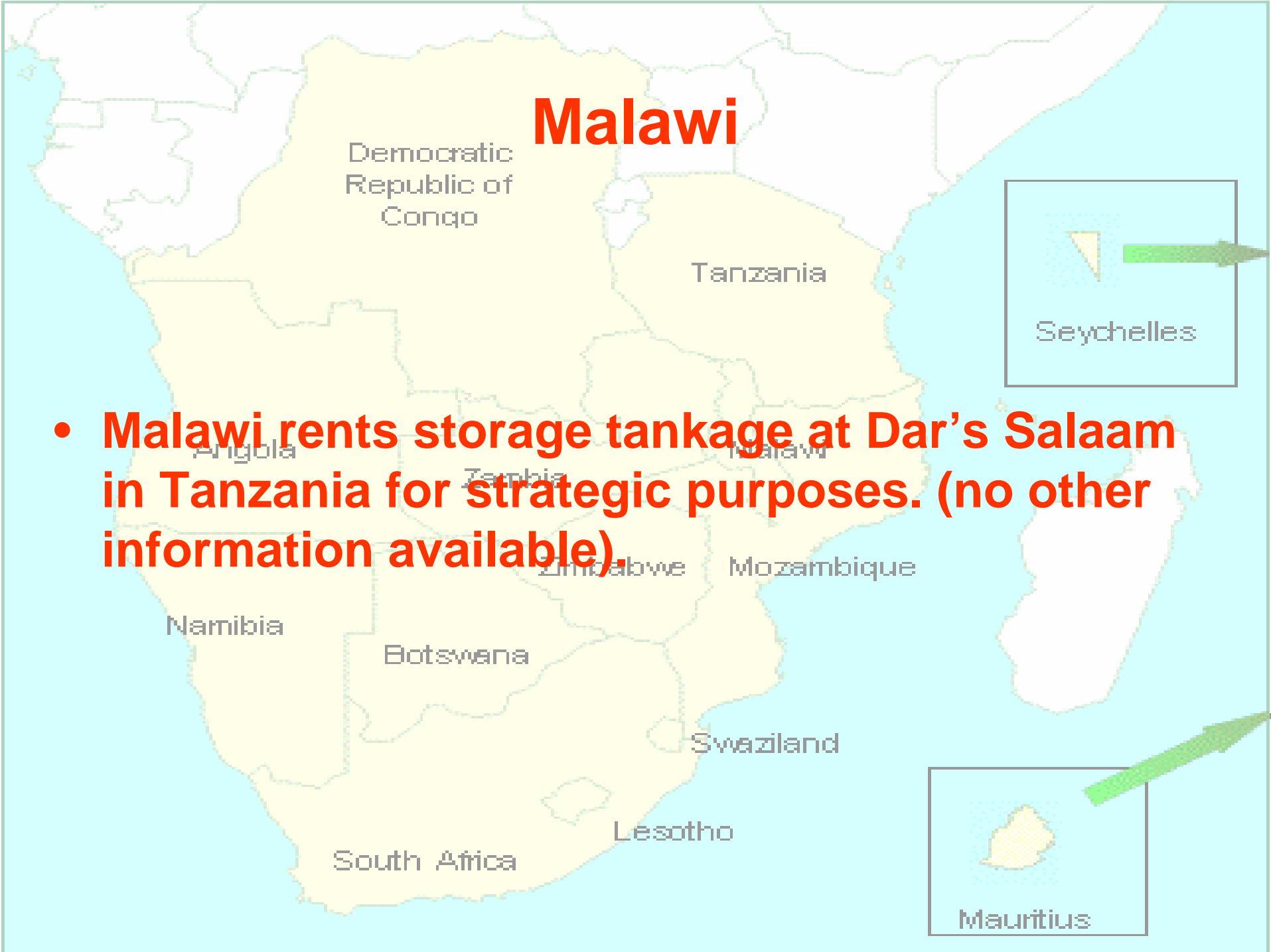
Botswana

Swaziland

South Africa

Lesotho

Mauritius



End of Presentation

Thank you

