

# New deal will boost harbour fuel storage

## Black empowerment agreement signed with Gulfstream Energy



**SMOOTH SAILING:** The world's largest ocean liner, the Queen Mary 2, sails into Cape Town harbour in January. It was announced last month that new fuel storage and distribution facilities are to be developed at the Eastern Mole of Cape Town harbour.

PICTURE: HENK KRUGER

**G**ULFSTREAM Energy, an independent fuel marketer, in partnership with global commodity trader, Tradimex, has signed a three-year agreement to store 120 million litres of fuel a year with Burgan Cape Terminals.

Burgan Cape Terminals announced last month that it planned to develop new fuel storage and distribution facilities at the Eastern Mole of Cape Town harbour.

Burgan Cape Terminals, which was awarded a 20-year tender by Transnet National Ports Authority to develop and manage the fuel storage and distribution facility, is investing R650 million in the first two years of development.

It is estimated to create 110 to 130 contract jobs during the construction phase

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and 21 operational jobs once the facility is in operation.

Burgan Cape Terminals is a partnership between black investment firm Thebe Investment Corporation which acquired 15 percent (of Burgan Cape Terminals), Jicaro, a broad-based black economic empowerment petroleum company, also acquired 15 percent, and global storage terminal operator VITI 70 percent.

Shane Jegels, chief executive of Gulfstream Energy, a 100 percent black women-owned firm, said the introduction of in-

dependent fuel storage and distribution facilities in Cape Town would, for the first time, facilitate scalable and reliable access for emerging black fuel marketers to a market that has historically been closed to new entrants.

"This is immensely significant, not only because access to an independent terminal will open the market for black-owned companies to become sustainable, but also because it will foster competition in the Western Cape and ensure better security of fuel supply," Jegels said.

Gulfstream Energy re-sells more than 20 million litres of fuel a month, around 1 percent of national total consumption.

Jegels said sustainability was a key concern for independent fuel companies that relied solely on reselling and distribu-

tion contracts with big oil majors.

He said the terminal would enable Gulfstream Energy to become more independent, thereby improving the firm's own supply capability for distribution and sale.

"When we created Gulfstream Energy in 2009 we had four employees, today we have a team of 26. Greater independence will allow us to secure existing jobs and to employ for our future growth.

"We estimate that because of our participation in the terminal, we will have to at least double our employee base by 2020," Jegels said.

South Africa consumes about 25 billion litres of fuel a year.

Last year, up to 25 percent of total consumption was imported.