

# Crisis plans in place for fuel shortage: retailers

Although SA's big retailers have yet to be affected by the strike action that has led to fuel shortages around the country, most of them have contingency plans in place as a precautionary.



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"Woolworths (WHL) is engaging with suppliers and other role players to minimise the impact of any fuel supply issues," the upmarket retailer told I-Net Bridge/BusinessLIVE on Wednesday, 13 July 2011.

The supply shortages came as the Chemical, Energy, Paper, Printing, Wood, and Allied Workers Union (Ceppwawu), the General Industries Workers' Union of SA (Giwusa) and South African Chemical Workers Union (Sacwu) entered their third day of industrial action over wage increases and other employee benefits.

The unions are demanding a wage increase of 11%-13% across the board, a minimum wage of R6000 per month and a ban on labour brokers.

Employers have offered between 4% and 7%. No talks have been scheduled yet.

Massmart (MSM) said it had not been directly affected by the strike.

"We are, however, in the process of verifying contingency plans taken by suppliers and logistics service providers," said Brian Leroni, corporate affairs executive.

The group's portfolio includes stores such as Dion Wired, Makro, Game and Builder's Warehouse.

The South African Petroleum Industry Association (Sapia) has admitted that its members have been affected by the unions' strike, but on Wednesday sought to reassure the public not to panic over reported fuel supply constraints.

The strike has caused some difficulties for its members, which comprise South Africa's leading petroleum companies like

BP Southern Africa, Chevron SA, Engen Petroleum Limited, PetroSA, Sasol, Shell SA and Total SA.

"We are doing everything possible to limit the impact of the strike and are in talks with refineries and depots to forecast potential delays with the supply of fuel.

"Although there is no cause for public concern yet, we do feel it's important to point out that the supply of fuel is dependent on whether refineries and depots are able to operate at normal capacity with a limited number of staff," said Avahapfani Tshifularo, Sapia's executive director.

Meanwhile, Shoprite (SHP) said it would endeavour to keep service levels on an even standard for as long as possible, aided by contingencies that would allow for the continued distribution of most stock items to its stores for a period of time in the event of fuel shortages to its distribution centres.

Petroleum group Engen, which has 1200 stations nationally, said that as many as 16 filling stations in Johannesburg were dry as a result of strike action.

"We can confirm that we have been affected by the industrial action. It has caused some difficulties and challenges, especially in the Gauteng area," Tania Landsberg, group communications manager at Engen Petroleum, told I-Net Bridge/BusinessLIVE.

According to a report, BP spokeswoman Glenda Zeenyika said fuel deliveries were increased before the strike to ensure all its petrol stations were topped up.

Pick n Pay (PIK) said there had been no interruptions in its deliveries to stores.

"We have been in touch with our service providers, who have assured us that they have the appropriate contingency measures in place. We do expect to be largely unaffected in our ability to serve our customers," Neal Quirk, Pick n Pay's operations director, told I-Net Bridge/BusinessLIVE.

The Fuel Retailers' Association confirmed on Wednesday that the number of fuel supply disruptions at service stations was rising.

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