



REPUBLIC OF MOZAMBIQUE  
MINISTRY OF MINERAL RESOURCES AND ENERGY

## REPORT OF THE MOZAMBIQUE WORKSHOP ON THE PROMOTING LOW SULPHUR FUELS IN MOZAMBIQUE AND THE NEIGHBOURING COUNTRIES



7th and 8th NOVEMBER 2016, MAPUTO



Partnership for  
Clean Fuels and Vehicles



CLIMATE &  
CLEAN AIR  
COALITION  
TO REDUCE SHORT-LIVED  
CLIMATE POLLUTANTS

# Report of the Workshop on the Promotion of Low Sulphur in Fuels in Mozambique and Neighboring Countries

## 1. Introduction

The Government of Mozambique, through the Ministry of Mineral Resources and Energy (MIREME), in partnership with the United Nations Environment Organization (UNEP), organized a workshop on "*Promotion of low Sulphur fuels in Mozambique and in the neighboring countries*". The event took place at the AFFEC Gloria Hotel in Maputo-Mozambique on 7 and 8 November 2016, attended by 60 participants, including the representative of the United Nations Environment Organization (UNEP), the representative of the South African Association of Automobile Manufacturers Companies (NAAMSA), delegates from countries in the Southern African Region that share ports and storage facilities with Mozambique, namely Malawi, Zambia and Zimbabwe. At the national level, relevant public institutions on the subject were present, representatives of oil companies, companies that sell cars and companies providing services in the field of fuels.

The seminar had the following objectives:

- Promote the reduction of the Sulphur content of diesel to 50ppm.
- Define strategies for harmonization of specifications at the level of the SADC region;
- Define the action plan for the implementation of 50ppm diesel.

This report summarizes the presentations, plenary discussions and group work carried out by the participants during the workshop.

The workshop was opened by Mr. Alfredo Vasco Nogueira Nampete, Permanent Secretary of MIREME, preceded by the welcome notes to those present by Mr. Moisés Paulino João, National Director of Hydrocarbons and Fuels.

The methodology of the work consisted of presentations by the speakers followed by debates in plenary.

## **2. Presentations and Debates in Plenary**

### **2.1. First day of the workshop**

The first presentation was made by the UNEP, which addressed the global initiative for fuel economy, where it highlighted as the main strategy for achieving this purpose, promoting cleaner fuels and more efficient vehicles.

During the presentation, reference was also made to the workshop held in Johannesburg, July 2015 where it was recommended that fuel importing countries should migrate to 50ppm by January 2016 and 10-15ppm by 2020, where countries with refineries should move to 50ppm by 2020. It was also mentioned that the workshop held in Gaborone, August 2016, which recommended that all countries in the region should move to 50ppm by 2020 and 10ppm by 2025.

Reflection on the international trend to reduce CO<sub>2</sub> emissions and improve fuel efficiency was presented by NAAMSA, illustrating the evolution of the car fleet in the RSA and left some recommendations on how the bet on cleaner fuels could make a great contribution to preserve the environment and improve vehicle efficiency.

Zimbabwe has made progress in promoting cleaner fuels in that country and it has been emphasized that 50ppm diesel is now gradually being introduced for a specific segment of the market. It was also referred to the actions that have been developed to promote cleaner fuels such as the addition of ethanol in gasoline, as well as on a small scale, the addition of biofuels to diesel.

Malawi spoke of the experience of using alternative fuels with particular emphasis on cleaner fuels, noting that the country has now received two grades of diesel 50ppm, from Tanzania and 500ppm from Mozambique.

Zambia has shared its experience on the progress it has made in promoting cleaner fuels. However, it has been highlighted that unlike most other countries in the region, this country has an oil refinery that satisfies a large part of the country demand for fuel. At this moment, the diesel produced in the country is 5,000 and 500ppm. Refinery modernization work with a view to migration to 50ppm diesel is needed.

Mozambique, presented the current situation and the plan to improve the quality of fuels. It was stressed that 500ppm diesel is currently commercialized, and that it already meets conditions aimed at the migration to diesel of 50ppm. It was also stressed that at this time, the diesel price of 50ppm is slightly higher than the 500ppm price. Nevertheless, it stressed that price is no barrier to migration to 50ppm diesel, as some agencies specializing in forecasting oil prices on the international market report that many oil refineries are gradually ceasing to produce 500ppm, which can lead to its scarcity in the coming years, and consequently the price increase.

It was also highlighted that Mozambique is promoting the use of Compressed Natural Gas (CNG) for vehicles, which is a clean fuel as a way for the country to contribute to the improvement of the environment.

The first day of the session ended with the presentation of the Mozambican Association of Petroleum Companies (AMEPETROL), which highlighted the characteristics of 50ppm diesel and its performance in vehicles.

This was followed by a discussion session focusing on the following points:

- ❖ It was emphasized that Zimbabwe has a mobile laboratory that conducts tests throughout the fuel distribution chain, with penalties or disputes in cases of out-of-specification fuel sales taking between one and two months to resolve.
- ❖ It was also mentioned that Mozambique has no difficulty in migrating to 50ppm but felt that it was important to do so jointly with neighboring countries, in order not to proceed in isolation, taking into account Mozambique's role as a transit country of fuels for the region.
- ❖ The representative of NAAMSA presented as a major challenge to RSA the high investment cost for the modernization of its oil refineries with a view to migrating to 50ppm diesel.
- ❖ Reference was made to the fact that Zambia and Malawi use the mechanism for raising rates on the import of second-hand vehicles as a way to discourage and penalize users of more polluting vehicles.

## **2.2. Second day of the workshop**

On the second and final day of the seminar, UNEP presented the first topic on the benefits of low Sulphur fuels and the progress that has been made in Africa. From the point of view of the benefits of low Sulphur content on fuels, particularly in diesel, was highlighted the reduction of emissions, respiratory and cancerous diseases and the improvement of the performance of vehicle engines. Reference has also been made to the progress that has been made in reducing Sulphur content in diesel, especially in the period 2005 to 2016, where some countries have already migrated completely to 50ppm, where there are already cases where diesel is already under 50ppm.

This was followed by the presentation by the Mozambican Ministry of Transport and Communications, which focused on reducing emissions on transport in Mozambique, with particular emphasis on the car fleet, growth rates and alternative fuels such as Compressed Natural Gas (CNG). It was pointed out that the country currently had a car park of 700,000 vehicles, of which only 2000 use CNG.

It was also stressed the need to raise awareness and increase the use of CNG, especially through tax incentives to reduce conversion costs and build more CNG filling stations.

After the presentations followed the session of the debates, where the following aspects were highlighted:

- The need for Mozambique to direct the subsidies used to compensate the fuel distribution companies for the mass use of CNG;
- The revision of the legislation to limit the age for importing cars in Mozambique is in progress in order to contribute to the reduction of emissions;
- The UNEP's view is that Mozambique should focus on the use of CNG, taking public transport as a priority in order to meet the challenges of making cleaner fuel available;
- The involvement of the private sector, especially the companies that operate in the field of fuels, is fundamental in the implementation of measures to promote cleaner fuels.

Following the plenary discussions, the group work was done, where the proposals on the strategic plan for the implementation of 50ppm diesel came out.

Mr. Moisés Paulino João, National Director of Hydrocarbons and Fuels at MIREME, closed the workshop, where he praised the contribution of all participants to the success of the event and requested greater commitment from all the countries involved, with a view to materializing the 50ppm diesel implementation plans and wished the visitors a good return to their countries.

### **3. Recommendations for migration to 50ppm diesel**

- a) The governments of the countries participating in the workshop should accelerate the process of drafting regulations on fuel specifications;
- b) Governments of participating countries should create tax incentives to encourage the import of cleaner vehicles;
- c) For the period December 2016 to January 2017, the three countries, namely Mozambique, Malawi and Zimbabwe, shall develop and harmonize fuel specifications;
- d) Mozambique, Malawi and Zimbabwe by June 2017 should migrate to 50ppm diesel;
- e) Zambia should migrate to 50ppm diesel by 2018, given the need to modernize its oil refinery;
- f) Awareness of the use of 50ppm diesel to consumers through advertising in the media, television spots, lectures, pamphlets and leaflets;
- g) Management of the variation of the fuel price and guarantee of the monitoring of quality control of the product.