



mineral resources & energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 1ST OF SEPTEMBER 2021

31 August 2021

The Minister of Mineral Resources and Energy, Mr Gwede Mantashe, announces the adjustment of fuel prices based on current local and international factors with effect from the 1st of September 2021.

South Africa's fuel prices are adjusted on a monthly basis, informed by international and local factors. International factors include the fact that South Africa imports both crude oil and finished products at a price set at the international level, including importation costs, e.g. shipping costs.

The main reasons for the fuel price adjustments are due to:

1. Crude oil prices

The average Brent Crude oil price decreased slightly from 74.00USD to 72.50USD per barrel during the period under review. Analysts said the fall in crude oil prices was mostly due to trimming (or reduction) of positions by traders amid a weak spot demand which was fuelled by concerns that the coronavirus Delta variant might lead to some travelling restrictions.

2. International petroleum product prices

The movement in international refined petroleum product prices followed the decreasing trend in crude oil prices. This led to lower contributions to the Basic Fuel Price of petrol by 24.18 c/l, diesel by 36.48 c/l and 36.11 c/l and illuminating paraffin by 27.68 c/l.

3. Rand/US Dollar exchange rate

The Rand depreciated, on average, against the US Dollar (from 14.54 to 14.77 Rand per USD) during the period under review when compared to the previous one. This led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 13.23 c/l, 12.16 c/l and 11.96 c/l, respectively.

4. Implementation of the Slate Levy

An increase of 8.78 c/l (i.e. from 6.58 c/l to 15.36 c/l) will be implemented into the price structures of petrol and diesel in line with the Self-Adjusting Slate Mechanism rules effective from the 1st of September 2021.

3. Annual Wages Adjustment for the Forecourt Staff

The Minister of Mineral Resources and Energy approved a 5.7 cents per litre increase in the price structures of petrol to accommodate the wages increase for the Forecourt employees in line with the Motor Industry Bargaining Council (MIBCO) Agreement.

Based on current local and international factors, the fuel prices for September 2021 will be adjusted as follows:

- ❖ Petrol (both 93 ULP and LRP): four cents per litre (4.00 c/l) **increase**
- ❖ Petrol (both 95 ULP and LRP): four cents per litre (4.00 c/l) **increase**;
- ❖ Diesel (0.05% sulphur): fifteen point two two cents per litre (15.22 c/l) **decrease**;
- ❖ Diesel (0.005% sulphur): fourteen point two two cents per litre (14.22 c/l) **decrease**;
- ❖ Illuminating Paraffin (wholesale): fifteen cents per litre (15.00 c/l) **decrease**;
- ❖ SMNRP for IP: twenty cents per litre (20.00 c/l) **decrease**;
- ❖ Maximum LPGas Retail Price: Ninety four cents per kilogram (94.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 31st of August 2021.

Enquiries: mediadesk@dmre.gov.za

Mr Natie Shabangu – natie.shabangu@dmre.gov.za / 073 852 1922

Mr Johannes Mokobane - johannes.mokobane@dmre.gov.za / 082 766 3674

Ms Lerato Ntsoko - lerato.ntsoko@dmre.gov.za / 0824592788