



mineral resources & energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 7TH OF APRIL 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 7th of April 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 increased from 61.10USD to 64.00USD per barrel during the period under review. The dramatic price fluctuations are attributable to a variety of events; including low U.S. crude oil inventory figures, the expected increased economic activity in the U.S. due to the approval of their economic stimulus and a vessel stuck in the Suez Canal causing a delay for all cargo containers including oil tankers.

2. International petroleum product prices

With respect to finished products, the movement in international prices of petrol, diesel and illuminating paraffin increased by about 61.72 c/l, 27.22 c/l and 25.26 c/l respectively, during the period under review.

3. Rand/US Dollar exchange rate

The Rand depreciated, on average, against the US Dollar (from 14.76 to 14.95 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 about 10.00 c/l.

4. Fuel Levy and Road Accident Fund (RAF)

The Minister of Finance, in his Budget Speech on the 25th of February 2021, announced that the Fuel and Road Accident Fund (RAF) Levies on both petrol and diesel will increase by 16.00c/l and 11.00c/l, respectively, with effect from the 7th of April 2021.

5. Adjustment to revised road and pipeline transport tariffs

The Minister of Mineral Resources and Energy has approved the implementation of revised zone differentials into the price structures of petrol, diesel and illuminating paraffin (IP) with effect from the 7th of April 2021. The annual adjustments to road transport tariffs applicable in petrol, diesel and IP price structures will range from 0.0 c/l (at the coast) to a decrease of 2.8 c/l in Gordonia South Magisterial District Pricing Zone. The primary transport tariffs applicable to the transport of petrol and diesel mainly by means of the pipeline network will increase. The highest increase will amount to 1.2 c/l (Zone 9C-Gauteng). Because of the different transport tariff adjustments to be effective on the 7th of April 2021, price changes to similar products will differ in the 54 Magisterial District Pricing Zones.

6. Octane differentials between 95 and 93 petrol grades

In line with the Working Rules to determine the Basic Fuels Prices (BFP), the 95 octane (unleaded) grade is the price-marker grade and the BFP-differential

between 95 and 93 octanes is adjusted on the first Wednesday of each quarter. The BFP Octane differential has changed during the previous quarter and therefore the retail prices of 95 and 93 petrol octanes will be different in each fuel-pricing zone with effect from 7th of April 2021.

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

- ❖ Petrol (both 93 ULP and LRP): ninety five cents per litre (95.00 c/l) **increase**
- ❖ Petrol (both 95 ULP and LRP): one hundred cents per litre (100.00 c/l) **increase;**
- ❖ Diesel (0.05% sulphur): sixty five point two zero cents per litre (65.20 c/l) **increase;**
- ❖ Diesel (0.005% sulphur): sixty three point two zero cents per litre (63.20 c/l) **increase;**
- ❖ Illuminating Paraffin (wholesale): thirty four point eight zero cents per litre (34.80 c/l) **increase;**
- ❖ SMNRP for IP: thirty five cents per litre (35.00 c/l) **increase;**
- ❖ Maximum LPGas Retail Price: forty eight cents per kilogram 48.00 c/kg) **increase; and**

The fuel prices schedule for the different zones will be published on Tuesday, the 6th of April 2021.

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