



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 6TH OF OCTOBER 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 6th of October 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 72.50USD to 75.50USD per barrel during the period under review. The Energy Information Administration (EIA)'s latest data suggested that the crude oil inventories in the United States of America were 414 million barrels which is about 8% under the five-year average for this time of the year. It is expected that the natural gas crunch in Europe will spill over to other countries and lead to higher oil prices.

2. International petroleum product prices

The movement in international refined petroleum product prices followed the increasing trend in crude oil prices. This led to higher contributions to the Basic Fuel Price of petrol by 12.22 c/l, diesel by 24.48 c/l and illuminating paraffin by 42.78 c/l, respectively.

3. Rand/US Dollar exchange rate

The Rand appreciated, on average, against the US Dollar (from 14.77 to 14.56 Rand per USD) during the period under review when compared to the previous one. This led to lower contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by more than 11.00 cents per litre.

4. Implementation of the Slate Levy

A decrease of 2.20 c/l (i.e. from 15.36 c/l to 13.16 c/l) will be implemented into the prices structures of petrol and diesel in line with the Self-Adjusting Slate Mechanism rules effective from the 6th of October 2021. The combined cumulative Slate balances of petrol and diesel amounted to a negative R1.379 billion at the end of August 2021.

5. Quarterly Octane Differential Adjustment

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 06 October 2021.

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

- ❖ Petrol (both 93 ULP and LRP): four cents per litre (4.00 c/l) **decrease**
- ❖ Petrol (both 95 ULP and LRP): one cents per litre (1.00 c/l) **decrease;**
- ❖ Diesel (0.05% sulphur): twenty two point eight cents per litre (22.80 c/l) **increase;**

- ❖ Diesel (0.005% sulphur): twenty two point eight cents per litre (22.80 c/l) **increase**;
 - ❖ Illuminating Paraffin (wholesale): thirty two cents per litre (32.00 c/l) **increase**;
 - ❖ SMNRP for IP: forty three cents per litre (43.00 c/l) **increase**;
 - ❖ Maximum LPGas Retail Price: seven cents per kilogram (7.00 c/kg) **decrease**;
- and

The fuel prices schedule for the different zones will be published on Tuesday, the 5th of October 2021.

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