



**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 2<sup>ND</sup> OF FEBRUARY 2022**

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 2<sup>nd</sup> of February 2022.

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 76.00USD to 87.00USD during the period under review. The main contributing factors are:

- (a) Economic recovery even though still slow, is stronger than expected while on the other hand crude oil supply is lagging behind.
- (b) Travelling continued in general globally, amid fears posed by Covid-19 omicron variant, due to higher vaccination rates as compared to the previous variants. As a result, the less strict lockdowns led to continued increase in demand for oil.

(c) Concerns regarding the tension between Russia and Ukraine have also affected crude oil prices negatively as the area is a crucial oil and gas infrastructure hub.

## **(2) International petroleum product prices**

The movement in international refined petroleum product prices followed the increasing trend in crude oil prices. While petrol stocks increased, middle-distillate stock decreased due to unplanned outages resulting in lower levels of diesel and jet fuel stocks hence higher prices of petroleum products.

This led to higher contributions to the Basic Fuel Price of petrol 95 and 93 by (91,24 and 93,50) c/l respectively, diesel 50ppm and 500ppm by (119.10 and 117.85) c/l respectively and illuminating paraffin by 127.23 cents per litre.

## **(3) Rand/US Dollar exchange rate**

The Rand appreciated slightly, on average, against the US Dollar (from 15.92 to 15.51) 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 25.98 c/l, 26.24 c/l and 26.19 cents per litre, respectively.

## **(4) Implementation of the Slate Levy**

A decrease of 13.16 c/l (i.e., from 43.86 c/l to 30.70 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 2nd of February 2022. The combined cumulative Slate balances of petrol and diesel amounted to a negative R3.490 billion at the end of December 2021.

Based on current local and international factors, the fuel prices for February 2022 will be adjusted as follows:

- ❖ Petrol (both 93 and 95 ULP & LRP): Fifty Three cents per litre (53.00 c/l) **increase;**
- ❖ Diesel (0.05% sulphur): seventy nine point eight four cents per litre (79.84 c/l) **increase;**
- ❖ Diesel (0.005% sulphur): seventy eight point eight four cents per litre (78.84 c/l) **increase;**
- ❖ Illuminating Paraffin (wholesale): one hundred and one cents per litre (101.00 c/l) **increase.**
- ❖ SMNRP for IP: one hundred and thirty five cents per litre (135.00 c/l) **increase;**
- ❖ Maximum LPGas Retail Price: one hundred and twenty four cents per kilogram (124.00 c/kg) **decrease;** and

The fuel prices schedule for the different zones will be published on Tuesday, the 1<sup>st</sup> of February 2022.

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