



## **MEDIA STATEMENT**

### **MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 2<sup>ND</sup> OF MARCH 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 March 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 93.00USD 96.47USD during the period under review. The main contributing factors are:

- (a) The escalating crisis between Russia and Ukraine which led to a surge in crude oil prices amid supply fears.
- (b) Subsequent sanctions on Russia by the USA and UK which have contributed to the increase in crude oil prices.
- (c) The Organisation of Petroleum Exporting Countries (OPEC) and Non-OPEC members are still not meeting production targets agreed leading to lower supplies of crude oil and an increase in 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 95 and 93 by (149.66 and 148.11) c/l respectively, diesel 50ppm and 500ppm by (148.65 and 151.90) c/l respectively and illuminating paraffin by 140.26 cents per litre.

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

The Rand appreciated slightly, on average, against the US Dollar (from 15.51 to 15.23) 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 19.59 c/l, 19.66 c/l and 19.44 cents per litre, respectively.

### (4) Implementation of the Slate Levy

An increase of 15.36c/l (i.e., from 30.70 c/l to 46.06c/l) will be implemented into the price structures of petrol and diesel in line with the Self-Adjusting Slate Mechanism rules effective from the 2<sup>nd</sup> of March 2022. The combined cumulative Slate balances of petrol and diesel amounted to a negative R5.102 billion at the end of January 2022.

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

- ❖ Petrol (both 93 and 95 ULP & LRP): one hundred and forty-six cents per litre (146.00c/l) **increase**;
- ❖ Diesel (0.05% sulphur): one hundred and forty four point three six cents per litre (144.36 c/l) **increase**;
- ❖ Diesel (0.005% sulphur): one hundred and forty-eight point three six cents per litre (148.36 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): one hundred and twenty-one cents per litre (121.00 c/l) **increase**.
  - ❖ SMNRP for IP: one hundred and sixty-one cents per litre (161.00 c/l) **increase**;
  - ❖ Maximum LPGas Retail Price: seventy cents per kilogram (70.00 c/kg) **increase**; and

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

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