



**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 4TH OF MAY 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 4th of May 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 decreased from 109.37 US Dollars (USD) to 104.78 USD during the period under review. The main contributing factors are:

- (a) Covid-19 restrictions in China, which is a huge importer of crude oil, have led to reduced demand for crude oil. Furthermore, the US announced the release of crude oil strategic stocks to curb crude oil price increases. The impact of these two factors was not that significant as the average price of crude oil only decreased slightly during the period under review and is still high.

(b) The main contributing factor to high crude oil prices is the concern caused by continued Russia/Ukraine conflict as Russia is one of the biggest global exporters of oil.

2. International petroleum product prices

The average international product prices of petrol decreased while diesel and Illuminating Paraffin increased during the period under review. This is because there is still a shortage of diesel supply which is due to lower exports from Russia as a major exporter of distillate fuel, low inventories globally as well as higher demand for distillates. The movement in product prices has led to a lower contribution to the Basic Fuel Price of petrol 95 and 93 by 4.78 cents per litre (c/l) and higher contributions to the Basic Fuel Price of diesel 500ppm and 50ppm by 106.45 c/l and 100.93 c/l respectively and illuminating paraffin by 93.85 c/l.

3. Rand/US Dollar exchange rate

The Rand appreciated, on average, against the US Dollar (from 15.02 to 14.90 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 10.18 c/l, 11.96 c/l and 11.57 cents per litre, respectively.

4. Short-term Relief Measure to Address Fuel Price Increases

Due to the ongoing Russia - Ukraine conflict which has affected fuel prices globally, the temporary reduction in the general fuel levy of R1.50 announced by the Minister of Finance in consultation with the Minister of Mineral Resources will continue during the month of May, until Tuesday the 31st of May 2022. The total fuel levy will remain 244.00 c/l for petrol and 230.00 c/l for diesel during this period.

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 4th of May 2022. The annual adjustments to road transport tariffs applicable in petrol, diesel and IP price structures will range from a decrease of 33.4 c/l in Gordonia South Magisterial District Pricing Zone to an increase of 3.0 c/l (Zone 9C-Gauteng). The primary transport tariffs applicable to

the transport of petrol and diesel mainly by means of the pipeline network will increase. Because of the different transport tariff adjustments to be effective on the 4th of May 2022, price changes to similar products will differ in the 54 Magisterial District Pricing Zones.

6. Implementation of the Slate Levy

As at the end of March 2022, the cumulative slate amounted to a negative balance for petrol and diesel of R11,50 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, there is no change to the Slate Levy which will be implemented into the price structures of petrol and diesel with effect from the 4th of May 2022. The slate levy applicable remains 52,62 c/l.

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

- ❖ Petrol (both 93 ULP and LRP): twelve cents per litre (12.00 c/l) **decrease**;
- ❖ Petrol (both 95 ULP and LRP): twelve cents per litre (12.00 c/l) **decrease**;
- ❖ Diesel (0.05% sulphur): ninety eight cents per litre (98.00 c/l) **increase**;
- ❖ Diesel (0.005% sulphur): ninety two cents per litre (92.00 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): seventy nine point six zero cents per litre (79.60 c/l) **increase**;
- ❖ SMNRP for IP: one hundred and forty nine cents per litre (149.00 c/l) **increase**;
- ❖ Maximum LPGas Retail Price: sixty nine cents per kilogram (69.00 c/kg) **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, the 3rd of May 2022.

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