



MEDIA STATEMENT

MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 2ND OF NOVEMBER 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 2nd of November 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:

1. Crude oil prices

The average Brent Crude oil price increased from 89.79 US Dollars (USD) per barrel to 92.41 USD per barrel during the period under review. The main contributing factors are:

- (a) China's announcement to ease covid restrictions which resulted in higher crude oil prices.
- (b) OPEC+ reduction of oil production and a perceived risk of oil shortage also pushed prices higher.
- (c) However, the continued release of crude oil stocks by the US to supplement tight supply, slow economic growth fears due to anticipated future interest rate hikes to curb inflation, offset the increasing trend of crude oil prices.

2. International petroleum product prices

The average international product prices of petrol, illuminating paraffin and diesel increased while LPG prices decreased during the period under review due to the following reasons:

- (a) The high demand and continued low supply of diesel led to higher increase of diesel prices compared to petrol.
- (b) The LPGas price decrease is due to lower prices of propane and butane during the period under review.
- (c) The movement in product prices has led to higher contributions to the Basic Fuel Price of petrol ULP 93 & 95 by 31.24 cents per litre 26.34 (c/l), illuminating paraffin was 28.16 c/l and diesel 500ppm and 50ppm by 103.86 c/l and 104.37 c/l respectively.

3. Rand/US Dollar exchange rate

- 3.1 The Rand depreciated on average against the USD, (from 17.55 to 18.11) Rand per USD, during the period under review when compared to the previous one.
- 3.2 The continued anticipation of higher interest rate hikes has resulted in the Dollar remaining stronger than other currencies.
- 3.3 The weaker Rand led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 37.55 c/l, 52.19 c/l and 48.02 c/l respectively.

4. Implementation of the Slate Levy

- 4.1 The negative slate balance on petrol and diesel amounted to R 8.12 billion at the end of September 2022. A decrease of 13.14 c/l (from 83.28 c/l to 70.14 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 November 2022.

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

- ❖ Petrol (both 93 & 95 ULP and LRP): fifty one cents per litre (51.00 c/l) **increase;**
- ❖ Diesel (0.05% sulphur): one hundred and forty two point eight six cents per litre (142.86 c/l) **increase;**

- ❖ Diesel (0.005% sulphur): one hundred and forty three point eight six cents per litre (143.86 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): seventy seven cents per litre (77.00 c/l) **increase**;
- ❖ SMNRP for IP: one hundred and three cents per litre (103.00 c/l) **Increase**;
- ❖ Maximum LPGas Retail Price: ninety eight cents per kilogram (98.00 c/kg) **decrease**.

The fuel prices schedule for the different zones will be published on Tuesday, the 1st of November 2022.

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