



**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 5TH OF APRIL 2023

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 5th of April 2023.

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 82.14 US Dollars (USD) to 79.24 USD during the period under review. There was a lot of volatility in the market this period. The main contributing factors are:

- (a) The international Silicon Valley and Credit Suisse Banks failures. This caused uncertainty in the markets and a shift from crude oil to Gold and other precious metals which resulted in a decrease of crude oil prices.
- (b) Interest rate hikes by the US Federal Reserve also contributed to the decrease of crude oil prices on fears of a global economic recession.

2. International petroleum product prices

The average international product prices of petrol decreased following the lower Brent crude oil prices during the period under review. The movement in product prices has led to a lower contribution to the Basic Fuel Price of petrol 93 Octane by 40.68 c/l and 95 Octane by 39.45 cents per litre (c/l), diesel 500 ppm by 116.57 (c/l) and 50ppm by 117.46 (c/l) as well as illuminating paraffin by 177.24 c/l.

3. Rand/US Dollar exchange rate

The Rand depreciated, on average, against the US Dollar (from 17.74 to 18.03 Rand per USD) during the period under review when compared to the previous one. This led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 37.88 c/l, 39.10 c/l and 38.15 c/l, respectively.

4. Fuel Levy and Road Accident Fund (RAF)

The Minister of Finance, in his Budget Speech on the 22nd of February 2023, announced that the Fuel Levy and Road Accident Fund (RAF) Levy on both petrol and diesel will remain the same at 394.00 c/l and 218 c/l respectively, with effect from the 5th of April 2023. This is for the second year in a row, to cushion motorists from high fuel prices.

5. Octane differentials between 95 and 93 petrol grades

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 the 5th of April 2023.

6. 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 5th of April 2023. The annual adjustments to road transport tariffs applicable in petrol, diesel and IP price

structures will range from an increase of 40.8 c/l in Gordonia Central Magisterial District Pricing Zone to an increase of 7.8 c/l for petrol and diesel as well as 14.1 c/l for IP (Zone 9C-Gauteng).

7. Implementation of the Slate Levy

As at the end of February 2023, the cumulative slate amounted to a negative balance for petrol and diesel of R 2.43 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, there is a decrease of 4.38 c/l in the Slate levy which will be implemented into the price structures of petrol and diesel with effect from the 5th of April 2023. The slate levy applicable will be 17.54 c/l.

Based on current local and international factors, the fuel prices in Gauteng (Zone 9C) for April 2023 will be adjusted as follows:

- ❖ Petrol (93 ULP & LRP): One cent per litre (1.00 c/l) **decrease**.
- ❖ Petrol (95 ULP & LRP): Two cents per litre (2.00 c/l) **increase**.
- ❖ Diesel (0.05% sulphur): Seventy three point five eight cents per litre (73.58 c/l) **decrease**.
- ❖ Diesel (0.005% sulphur): Seventy four point five eight cents per litre (74.58 c/l) **decrease**.
- ❖ Illuminating Paraffin (wholesale): One hundred and twenty-four point nine cents per litre (124.90 c/l) **decrease**.
- ❖ SMNRP for IP: Two hundred and one cents per litre (201.00 c/l) **decrease**.
Maximum LPGas Retail Price: Ninety-two cents per kilogram (92.00 c/kg) **decrease**.

The fuel prices schedule for the different zones will be published on Tuesday, the 4th of April 2023.

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