



## **MEDIA STATEMENT**

### **MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 2<sup>ND</sup> OF AUGUST 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 2<sup>nd</sup> of August 2023.

South Africa's fuel prices are adjusted monthly, 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 75.10 US Dollars (USD) to 79.75 USD during the period under review. The main contributing factors are,

- (a) the increasing demand for crude oil from China and India, and
- (b) Tightening supply due to continued production cuts by Saudi Arabia. Most analysts expect the supply constraints to push the price higher in the next few weeks.

## 2. International petroleum product prices

The average international product prices of petrol, diesel and Illuminating paraffin followed the increasing trend of crude oil prices during the period under review. These led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 63.59 c/l, 99.09. c/l and 98.71c/l, respectively. However, LPGas decreased due to lower prices of Propane and Butane.

## 3. Rand/US Dollar exchange rate

The Rand appreciated on average, against the US Dollar (from 18.68 to 18.26 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 27.64 c/l, 27.36 c/l and 27.10 c/l, respectively.

## 4. Implementation of the Slate Levy

The cumulative slate balance on petrol and Diesel as at the end of June 2023 had a positive balance of is R2,69 million. Therefore, there is no slate levy applicable in the petrol and diesel price structure for August 2023.

Based on current local and international factors, the fuel prices for August 2023 will be adjusted as follows:

- ❖ Petrol (both 93 and 95 Octane): Thirty-seven cents per litre (37.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): Seventy-two cents per litre (72.00 c/l) **increase.**
- ❖ Diesel (0.005% sulphur): Seventy-one cents per litre (71.00 c/l) **increase.**
- ❖ Illuminating Paraffin (wholesale): Seventy-one cents per litre (71.00 c/l) **increase.**
- ❖ SMNRP for IP: Ninety-five cents per litre (95.00 c/l) **increase.**
- ❖ Maximum Retail Price of LPGas: Hundred and sixty-one cents per kilogram (161.00 c/kg) **decrease.**

The fuel prices schedule for the different zones will be published on Tuesday, the 1<sup>st</sup> of August 2023.

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