



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 JANUARY 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 4th of January 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:

1. Crude oil prices

The average Brent Crude oil price decreased from 88.77 US Dollars (USD) per barrel to 85.08 USD per barrel during the period under review. The oil prices continued to drop due to fears of economic recession globally.

2. International petroleum product prices

The movement in international refined petroleum product prices, diesel, petrol and illuminating paraffin in particular followed the decreasing trend in crude oil prices, while the prices of LPGas increased due to higher propane and butane prices during the period under review.

These factors led to lower contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 169.69 c/l, 240.20 c/l and 174.73 c/l, respectively. The LPGas prices are increasing due to the increase in the prices of Propane and Butane.

3. Rand/US Dollar exchange rate

The Rand appreciated slightly, on average, against the US Dollar (USD) (from 17.53 to 17.28 Rand per USD) during the period under review when compared to the previous one. The stronger Rand led to lower contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 15.27 c/l, 18.81 c/l and 19.20 c/l respectively.

4. Implementation of the Slate Levy

The negative slate balance on petrol and diesel amounted to R7.046 billion at the end of November 2022. A slate levy decrease of 21.90 c/l (from 83.28 c/l to 61.38 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 4th of January 2023.

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 not changed and therefore there were no different price adjustments between the two grades.

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

- ❖ Petrol (both 93 and 95 ULP & LRP): Two hundred and six cents per litre (206.00 c/l) **decrease**;
- ❖ Diesel (0.05% sulphur): Two hundred and sixty eight point one nine cents per litre (268.90 c/l) **decrease**;
- ❖ Diesel (0.005% sulphur): Two hundred and eight point one nine cents per litre (280.90 c/l) **decrease**;

- ❖ Illuminating Paraffin (wholesale): One hundred and ninety-three cents per litre (193.00 c/l) **decrease**;
- ❖ SMNRP for IP: Two hundred and fifty-eight cents per litre (258.00 c/l) **decrease**;
- ❖ Maximum LPGas Retail Price: Eighty-two cents per kilogram (82.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 3rd of January 2023.

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