



**MEDIA STATEMENT**

**MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE  
MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES  
EFFECTIVE FROM THE 5<sup>TH</sup> OF JULY 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 5<sup>th</sup> of July 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 slightly from 75.90 to 75.10 USD per barrel during the period under review. The main contributing factors are:

- (a) Recession fears and anticipated global economic slowdown. As a result, the US Federal Reserve left interest rates unchanged earlier this month, however warned of future increases. On the other hand, the European Central Bank and The Bank of England have increased interest rates due to these continued Recession fears. This slower economic growth outlook has contributed to lower crude oil prices.

OPEC and Non-OPEC members' decision not to increase oil production cuts during their last meeting.

## **2. International petroleum product prices**

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

- (a) Petrol prices increased due to the continuing driving season in the Northern Hemisphere.
- (b) Middle distillate prices increased at a higher rate than petrol due to tighter supplies.
- (c) LPG prices decreased due to the decline in the prices of propane and butane.

The movement in product prices has led to higher contributions to the Basic Fuel Price (BFP) of petrol 95ULP by 2.66 c/l, diesel 500ppm and 50ppm by 37.08 c/l and 31.33 c/l respectively, while the contribution to illuminating paraffin was 15.76 c/l. The contribution to BFP of 93 ULP was lower by 4.88 c/l.

## **3. Rand/US Dollar exchange rate**

The Rand appreciated, on average, against the US Dollar (from 18.99 to 18.64) 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 19.77 c/l, 19.21 c/l and 18.91 c/l respectively.

The stronger Rand affected petrol and Illuminating Paraffin prices positively, resulting in an overall decrease.

## **4. Implementation of the Slate Levy**

As at the end of May 2023, the cumulative slate amounted to a positive balance for petrol and diesel of R2,7 million. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, there is no applicable Slate Levy to the price structures of petrol and diesel for July 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 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 5<sup>th</sup> of July 2023.

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

- ❖ Petrol (both 93 ULP and LRP): Twenty-four cents per litre (24.00 c/l) **decrease**,
- ❖ Petrol (both 95 ULP and LRP): Seventeen cents per litre (17.00 c/l) **decrease**,
- ❖ Diesel (0.05% sulphur): Eighteen cents per litre (18.00 c/l) **increase**,
- ❖ Diesel (0.005% sulphur): Twelve cents per litre (12.00 c/l) **increase**,
- ❖ Illuminating Paraffin (wholesale): Four cents per litre (4.00 c/l) **decrease**,
- ❖ SMNRP for IP: Five cents per litre (5.00 c/l) **decrease**,
- ❖ Maximum LPGas Retail Price: two hundred and ninety-six cents per kilogram (296.00 c/kg) **decrease**.

The fuel prices schedule for the different zones will be published on Tuesday, the 4<sup>th</sup> of July 2023.

**Enquiries :** [mediadesk@dmre.gov.za](mailto:mediadesk@dmre.gov.za)

**Mr Natie Shabangu** – [natie.shabangu@dmre.gov.za](mailto:natie.shabangu@dmre.gov.za) / 073 852 1922

**Mr Johannes Mokobane** - [johannes.mokobane@dmre.gov.za](mailto:johannes.mokobane@dmre.gov.za) / 082 766 3674

**Mr Ernest Mulibana** – [ernest.mulibana@dmre.gov.za](mailto:ernest.mulibana@dmre.gov.za) / 082 263 7372