



## 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 1<sup>ST</sup> OF MARCH 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 1<sup>st</sup> of March 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 83.00 US Dollars (USD) per barrel to 82.14 USD per barrel during the period under review. The main contributing factors is the weekly report that showed that crude oil inventories continued to rise for the ninth month in a row.

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

2.1 The movement in international refined petroleum product prices, diesel and illuminating paraffin decreased whilst petrol increased during the period under review due to the following factors:

(a) The LPGas prices increased due to higher freight rate and Propane and Butane prices during the same period.

(b) Petrol prices are increasing at a higher rate than diesel because of lower inventory levels globally and closures of refineries in some countries for seasonal maintenance. The impact of the EU sanctions on diesel imports from Russia was already priced in.

2.2 These factors led to higher contributions to the Basic Fuel Prices of petrol by 73.89 c/l and lower contributions to the BFP of diesel and illuminating paraffin by 26.48 c/l and 40.90 c/l, respectively.

### 3. Rand/US Dollar exchange rate

The Rand depreciated, on average, against the US Dollar (USD) (from 17.05 to 17.74 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 48.26 c/l, 52.53 c/l and 53.56 c/l respectively.

### 4. Implementation of the Slate Levy

The negative slate balance on petrol and diesel amounted to R2,7 billion at the end of January 2023. A slate levy increase of 4,38 c/l (from 17.54 c/l to 21,92c/l) will be implemented into the price structures of petrol and diesel, in line with the Self-Adjusting Slate Levy Mechanism rules effective from the 1<sup>st</sup> of March 2023.

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

- ❖ Petrol (both 93 and 95 ULP & LRP): One hundred and twenty-seven cents per litre (127.00 c/l) **increase**.
- ❖ Diesel (0.05% sulphur): Thirty point three eight cents per litre (30.38 c/l) **increase**.
- ❖ Diesel (0.005% sulphur): Thirty one point three eight cents per litre (31.38 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): Thirteen cents per litre (13.00 c/l) **increase**.
- ❖ SMNRP for IP: Seventeen cents per litre (17.00 c/l) **increase**.
- ❖ Maximum LPGas Retail Price: Five hundred and twenty-two cents per kilogram (522.00 c/kg) **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, the 28<sup>th</sup> of February 2023.

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