



MEDIA STATEMENT

**MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE
MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES
EFFECTIVE FROM THE 3RD OF MAY 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 3rd of May 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 increased from 79.24 US Dollars (USD) to 82.20 USD during the period under review. The main contributing factors are;

- (a) The Chinese GDP growth data, which is driven mainly by household consumption, mainly services; and
- (b) OPEC+ announcement of a further oil production cut of around 3.66 million barrels per day on 02 April 2023. The impact of this will be experienced in the coming months when the production cuts are implemented.

2. International petroleum product prices

The average international product prices of petrol increased while diesel and Illuminating Paraffin decreased during the period under review due to the following factors:

- (a) Petrol prices were boosted by the beginning of the driving season in the US and economic growth in China.
- (b) Middle distillate prices on the other hand decreased due oversupply in the markets.

These factors led to higher contributions to the Basic Fuel Prices of petrol by 68.03 c/l, and lower contributions to diesel and illuminating paraffin by 45.99 c/l and 21.00 c/l respectively. The LPGas prices are decreasing due to the lower prices of Propane and Butane during the period under review.

3. Rand/US Dollar exchange rate

The Rand appreciated, although slightly on average, against the US Dollar (from 18.30 to 18.12 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 12.25 c/l, 11.98 c/l and 11.62 c/l, respectively.

4. Implementation of the Slate Levy

The cumulative slate balance on petrol and Diesel as at the end of March 2023 was positive. Therefore, there is no slate levy applicable in the petrol and diesel price structure for May 2023. This implies that the slate levy will decrease by 17.54 c/l.

5. Implementation of the Carbon Levy

The Minister of Finance, in his 2023 Budget, announced that an increase of 1.0 c/l will be made to the General Fuel Levy (Carbon Levy) in the price structures of both petrol and diesel. Furthermore, an increase of 1.0 c/l will be added to the petrol and diesel price structures to allow the industry to recoup the levy payment for April 2023. This additional 1.0 c/l will be removed with effect from 07 June 2023. The Fuel Levy will increase in the price structure of both petrol and diesel to 396.0 c/l and 382.0 c/l, respectively, with effect from 03 May 2023.

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

- ❖ Petrol (both 93 and 95 ULP & LRP): Thirty-seven cents per litre (37.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): Seventy three point five four cents per litre (73.54 c/l) **decrease.**
- ❖ Diesel (0.005% sulphur): Forty seven point five four cents per litre (47.54 c/l) **decrease.**
- ❖ Illuminating Paraffin (wholesale): Thirty-three cents per litre (33.00 c/l) **decrease.**
- ❖ SMNRP for IP: Forty-four cents per litre (44.00 c/l) **decrease.**
- ❖ Maximum LPGas Retail Price: Four hundred and forty-four cents per kilogram (444.00 c/kg) **decrease;**

The fuel prices schedule for the different zones will be published on Tuesday, the 2nd of May 2023.

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