



**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 6TH OF SEPTEMBER 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 6th of September 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 79.75 US Dollars (USD) to 84.78 USD during the period under review, because of tightening supply resulting from production cuts by Saudi Arabia.

2. International petroleum product prices

The average international product prices of petrol, diesel, illuminating paraffin and LPGas increased during the period under review due to the following factors:

- (a) High prices of petrol are as a result of low inventories and refinery outages, which affected the production of blending components used in summer grade petrol making it more expensive to produce.
- (b) Diesel and paraffin prices increased because of lower shipments of Russia's Urals crude oil which is rich in middle distillates, as well as rising demand of middle distillates ahead of the winter season in the Northern Hemisphere.
- (c) LPGas increased because of higher prices of Propane and Butane.

These led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 135.41 c/l, 253.42 c/l and 247.13 c/l, respectively.

3. Rand/US Dollar exchange rate

The Rand depreciated on average, against the US Dollar (from 18.28 to 18.67 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 29.60 c/l, 31.33 c/l and 31.58 c/l, respectively.

4. Implementation of the Slate Levy

The cumulative slate balance on petrol and Diesel at the end of July 2023 had a positive balance of is R1,3 million. Therefore, there is no slate levy applicable in the petrol and diesel price structure for September 2023.

5. Annual Wages Adjustment for the Forecourt Staff

The Minister of Mineral Resources and Energy approved a 5.0 c/l increase in the price structures of petrol to accommodate the wage increase for Forecourt employees in line with the Motor Industry Bargaining Council (MIBCO) Agreement. This increase will be implemented from the 6th of September 2023.

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

- ❖ Petrol (both 93 and 95 Octane): One hundred and seventy-one cents per litre (171.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): Two hundred and eighty-four cents per litre (284.00 c/l) **increase.**

- ❖ Diesel (0.005% sulphur): Two hundred and seventy six-cents per litre (276.00 c/l) **increase.**
- ❖ Illuminating Paraffin (wholesale): Two hundred and seventy-eight cents per litre (278.00 c/l) **increase.**
- ❖ SMNRP for IP: Three hundred and seventy cents per litre (370.00 c/l) **increase.**
- ❖ Maximum Retail Price of LPGas: Two hundred and twenty-six cents per kilogram (226.00 c/kg) **increase.**

The fuel prices schedule for the different zones will be published on Tuesday, the 5th of September 2023.

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