



## **MEDIA STATEMENT**

### **MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 4<sup>TH</sup> OF OCTOBER 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 4<sup>th</sup> of October 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 84.78 US Dollars (USD) to 91.86 USD during the period under review mainly due to:

- (a) The continuing tightening of supply that emanated from extended production cuts by Saudi Arabia and Russia and low global oil inventories.

#### **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 because of refinery shutdowns in the United States of America,
- (b) There is a shortage of diesel and other middle distillates globally. Diesel and paraffin prices increased because of autumn refinery maintenance and reduced exports from Russia amid increasing demand for middle distillates ahead of the winter season in the Northern Hemisphere, and
- (c) LPGas increased because of higher prices of Propane and Butane and higher freight costs.

These led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 58.73 c/l, 138.85 c/l and 124.15 c/l, respectively.

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

The Rand depreciated on average, against the US Dollar (from 18.67 to 19.00 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 24.17 c/l, 26.98 c/l and 26.59 c/l, respectively.

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

The cumulative slate balance on petrol and Diesel at the end of August 2023 had a negative balance of R3,5 million. Therefore, therefore a slate levy of 30.70 cents per litre will be implemented in the price structure of petrol and diesel with effect from the 4th of October 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 4th of October 2023.

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

- ❖ Petrol (93 ULP and LRP): One hundred and eight cents per litre (108.00 c/l) increase,
- ❖ Petrol (95 ULP and LRP): One hundred and fourteen cents per litre (114.00c/l) increase,
- ❖ Diesel (0.05% sulphur): One hundred and ninety six point seven cents per litre (196.70 c/l) increase,
- ❖ Diesel (0.005% sulphur): One hundred and ninety three point seven cents per litre (193.70 c/l) increase;
- ❖ Illuminating Paraffin (wholesale): One hundred and fifty-one cents per litre (151.00 c/l) increase,
- ❖ SMNRP for IP: Two hundred and two cents per litre (202.00 c/l) increase,
- ❖ Maximum LPGas Retail Price: Two hundred and fifty cents per kilogram (250.00 c/kg) increase.

The fuel prices schedule for the different zones will be published on Tuesday, the 3<sup>rd</sup> of October 2023.

The Department believes that exploration and development of national oil and gas reserves could help moderate the impact of high prices in the long term.

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