



**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 7TH OF FEBRUARY 2024

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 2nd of February 2024.

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 77.35 US Dollars (USD) to 82.03 USD during the period under review. The higher oil prices are attributed to:

- (a) The impact of the geopolitical risk or attacks on oil cargoes, in the middle East, particularly the Red Sea. This has caused an increase in shipping rates as ships are rerouted from the Middle East (Suez Canal) to Europe, using the longer and more expensive route around Africa since they cannot import from Russia; and
- (b) The cold weather that affected production in the USA, which has recently been part of the output used to offset the production cuts by OPEC+. This resulted in more than expected inventory draws.

2. International petroleum product prices

The average international product prices of petrol, diesel and illuminating paraffin increased in line with the higher crude oil prices. LPG prices increased due to higher freight cost.

These factors led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 68.50 c/l, 66.02 c/l and 46.17 c/l, respectively.

3. Rand/US Dollar exchange rate

The Rand depreciated slightly on average, against the US Dollar (from 18.66 to 18.77 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 6.86 c/l, 7.41 c/l and 7.54 c/l, respectively.

4. Implementation of the Slate Levy

The cumulative slate balance on petrol and Diesel at the end of December 2023 had a positive balance of R1,1 million. Therefore, there will be no slate levy implemented in the price structures of petrol and diesel with effect from the 7th of February 2024.

Based on current local and international factors, the fuel prices for February 2024 will be adjusted as follows:

- ❖ Petrol (both 93 and 95 ULP & LRP): Seventy-five cents per litre (75.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): Seventy-three cents per litre (73.00 c/l) **increase.**
- ❖ Diesel (0.005% sulphur): Seventy cents per litre (70.00 c/l) **increase.**
- ❖ Illuminating Paraffin (wholesale): Fifty-three cents per litre (53.00 c/l) **increase.**
- ❖ SMNRP for IP: Seventy-one cents per litre (71.00 c/l) **increase.**
- ❖ Maximum LPGas Retail Price: Thirty-seven cents per kilogram (37.00 c/kg) **increase.**

The fuel prices schedule for the different zones will be published on Tuesday, the 6th of February 2024.

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