



MEDIA STATEMENT

**THE MINISTER OF MINERAL AND PETROLEUM RESOURCES
ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM
THE 4TH OF DECEMBER 2024**

The Minister of Mineral and Petroleum Resources announces the adjustment of fuel prices based on current local and international factors with effect from the 4th of December 2024.

South Africa's fuel prices are adjusted monthly, 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 from 73.28 US Dollars (USD) to 72.70 USD during the period under review. The main contributing factors are the OPEC+ decision not to increase production in December and increased production from non-OPEC countries amid stagnant economic growth globally.

2. International petroleum product prices

The average international product prices of petrol were affected by lower demand, a switch to cheaper winter gasoline as well as higher inventories. On the other hand, diesel and illuminating paraffin increased because of higher seasonal

demand given the upcoming winter season in the Northern Hemisphere. LPG prices increased due to the increase in the prices of propane and butane. These factors led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 19.69 c/l, 23.83 c/l and 16.86 c/l, respectively.

3. Rand/US Dollar exchange rate

The Rand depreciated on average, against the US Dollar (from 17.53 to 17.93 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 22.35 c/l, 23.74 c/l and 23.62 c/l, respectively.

4. Implementation of the Slate Levy

The cumulative slate amounted to a positive balance of R4.84 billion for petrol and diesel of at the end of October 2024. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a slate levy of zero cents per litre remain in the price structures of petrol and diesel with effect from the 4th of December 2024.

5. Adjustment of the Industry Margins

In line with the application of the Regulatory Accounting System (RAS), the Minister of Mineral and Petroleum Resources approved a net increase of **15.4 c/l** in the annual margin adjustments on petrol and a net increase of **8.88 c/l** on diesel and illuminating paraffin wholesale prices, with effect from the 4th of December 2024.

6. Annual Adjustment of the Pricing Elements in the Maximum Retail Price Structure of Liquefied Petroleum Gas (LPGas)

The Minister approved the annual adjustment to the pricing elements of the maximum retail price of LPGas with effect from the 4th of December 2024. The operating expenses and the working capital were adjusted by the average Consumer Price Index (CPI) for 2023 of **6%** whilst the depreciation, primary transport cost and the gross margin were adjusted by the average Producer Price Index (PPI) for 2023 which was **6.7%**. The total increase in the MRP is **95.0 c/kg** at the coast (Zone 1A) and **115.0 c/kg** inland (Gauteng, Zone 9C).

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

- ❖ Petrol 93 (ULP & LRP): Seventeen cents per litre (17.00 c/l) **increase.**
- ❖ Petrol 95 (ULP & LRP): Seventeen cents per litre (17.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): Fifty-four point eight eight cents per litre (54.88 c/l) **increase.**
- ❖ Diesel (0.005% sulphur): Fifty-five point eight eight cents per litre (55.88 c/l) **increase.**
- ❖ Illuminating Paraffin (wholesale): Forty-eight point eight eight cents per litre (48.88 c/l) **increase.**
- ❖ SMNRP for IP: Sixty-six cents per litre (66.00 c/l) **increase.**
- ❖ Maximum LPGas Retail Price: One Hundred and Seventy-two cents per litre (172.00 c/kg) **increase.**

The fuel prices schedule for the different zones will be published on Tuesday, the 3rd of December 2024.

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