



**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 6<sup>TH</sup> OF MARCH 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 6<sup>th</sup> of March 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 increased from 82.03 US Dollars (USD) to 82.50 USD during the period under review. The higher oil price is attributed to:

- (a) The continued OPEC+ oil production cuts and the extremely cold weather which affected production from North America; and
- (b) The continued tension in the Red Sea, which added to the geopolitical risk premium on the shipping costs.

## **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 and weaker Rand. These factors led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 102.82 c/l, 102.76 c/l and 47.42 c/l, respectively.

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

The Rand depreciated slightly on average, against the US Dollar (from 18.77 to 19.20 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 17.71 c/l, 18.74 c/l and 18.53 c/l, respectively.

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

The cumulative slate balance on petrol and Diesel at the end of January 2024 had a positive balance of R239 million. Therefore, a slate levy of zero c/l will be implemented in the price structure of petrol and diesel with effect from the 6<sup>th</sup> of March 2024.

## **5. Adjustments to the Road and Pipeline Transport Tariffs (4 Zones Differential)**

Transnet Pipelines (TPL) has decommissioned the Kroonstad pipeline on the 31<sup>st</sup> of December 2023. This has affected the 4 Magisterial District Zones (MDZ) which are 8C, 9C, 10C and 11C. In line with the Ministerial approval, the transport tariffs adjustments that are applicable to petrol and diesel price structures will range from a decrease of 5.7 c/l (8C) to an increase of 0.9 c/l (10C). As a result, the different transport tariff adjustments for the 4 MDZ will be implemented with effect from the 6<sup>th</sup> of March 2024.

## **6. Illuminating Paraffin Tracer Dye Levy Increase**

The Minister of Mineral Resources and Energy with the concurrence Minister of Finance, approved an increase from 0.1 c/l to 1.0 c/l in the IP Tracer Dye Levy that is applicable to Diesel with effect from the 6<sup>th</sup> of March 2024. This increase is temporary until the 5<sup>th</sup> of March 2025. The IP Tracer Dye levy will decrease to 0.5 c/l thereafter.

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

- ❖ Petrol (93 ULP & LRP): One hundred and twenty-one cents per litre (121.00 c/l) **increase.**
- ❖ Petrol (95 ULP & LRP): One hundred and twenty-one cents per litre (121.00 c/l) **increase.**
- ❖ Diesel (0.05% sulphur): One hundred and five point seven cents per litre (105.70 c/l) **increase.**
- ❖ Diesel (0.005% sulphur): One hundred and eighteen point seven cents per litre (118.70 c/l) **increase.**
- ❖ Illuminating Paraffin (wholesale): Sixty-four cents per litre (64.00 c/l) **increase.**
- ❖ SMNRP for IP: Eighty-five cents per litre (85.00 c/l) **increase.**
- ❖ Maximum LPGas Retail Price: Forty-one cents per kilogram (41.00 c/kg) **increase**

The fuel prices schedule for the different zones will be published on Tuesday, the 5<sup>th</sup> of March 2024.

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