

Petrol and diesel prices decrease on Wednesday

Cash-strapped motorists will breathe a sigh of relief at the pumps on Wednesday as the price of petrol is set to come down by R1.78 a litre. According to the Minister of Mineral Resources and Energy Gwede Mantashe, both grades of petrol (93 and 95 ULP and LRP) will decrease by R1.78 cents per litre, while the price of Diesel (0.05% sulphur) will come down by 85.08 cents a litre.



Source: Sergio Sousa/Pexels

This means that a litre of 95 which currently costs R25.68 in Gauteng will come down to R23.90.

The price of Diesel (0.005% sulphur) will come down by 82.08c/l. The price of Illuminating Paraffin (wholesale) will decrease by 97c/l and the Single Maximum National Retail Price (SMNRP) for illuminating paraffin will come down by 1.30c

Meanwhile, the maximum retail price for LP Gas will see a 1.49c/kg increase.



South African investors eye petrol-station real estate amid fuel-consumption surge

23 Oct 2023



The fuel price adjustments were due to crude oil prices, Rand/US Dollar exchange rate and the implementation of the Slate Levy.

“The average international product prices of petrol, diesel, illuminating paraffin followed the decreasing trend of crude oil while LPG increased due to higher prices of propane and butane during the period under review. These led to lower contributions to the basic fuel prices of petrol, diesel and illuminating paraffin by 207.06c/l, 115.15c/l and 105.18c/l, respectively,” said the minister on Monday.

The adjustment of fuel prices will be effective from 1 November.

Brent crude prices down

On crude oil prices, the department said the average Brent crude oil price decreased during the period under review.

This was mainly due to the rise in global crude oil inventories because of increased production from non-OPEC + producers, the lifting of sanctions on Venezuela by the US, creating a positive outlook on supply as well as the low impact of Israel-Hamas conflict as it has not yet affected flow of crude oil even though it is happening in the oil rich region of the Middle East.

On the Rand/US Dollar exchange rate, the department said the Rand depreciated slightly on average, against the US Dollar 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 6.34c/l, 7.57c/l and 7.61c/l, respectively,” the minister said.

On the implementation of the slate levy, the cumulative slate balance on petrol and diesel at the end of September 2023 had a negative balance of R6.2bn.

“Therefore, the slate levy will increase by 21.92c/l to 52.62c/l. This will be implemented in the price structure of petrol and diesel with effect from 1 November 2023.”

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