



FUELS INDUSTRY
Association of South Africa



MEDIA
ROUNDTABLE

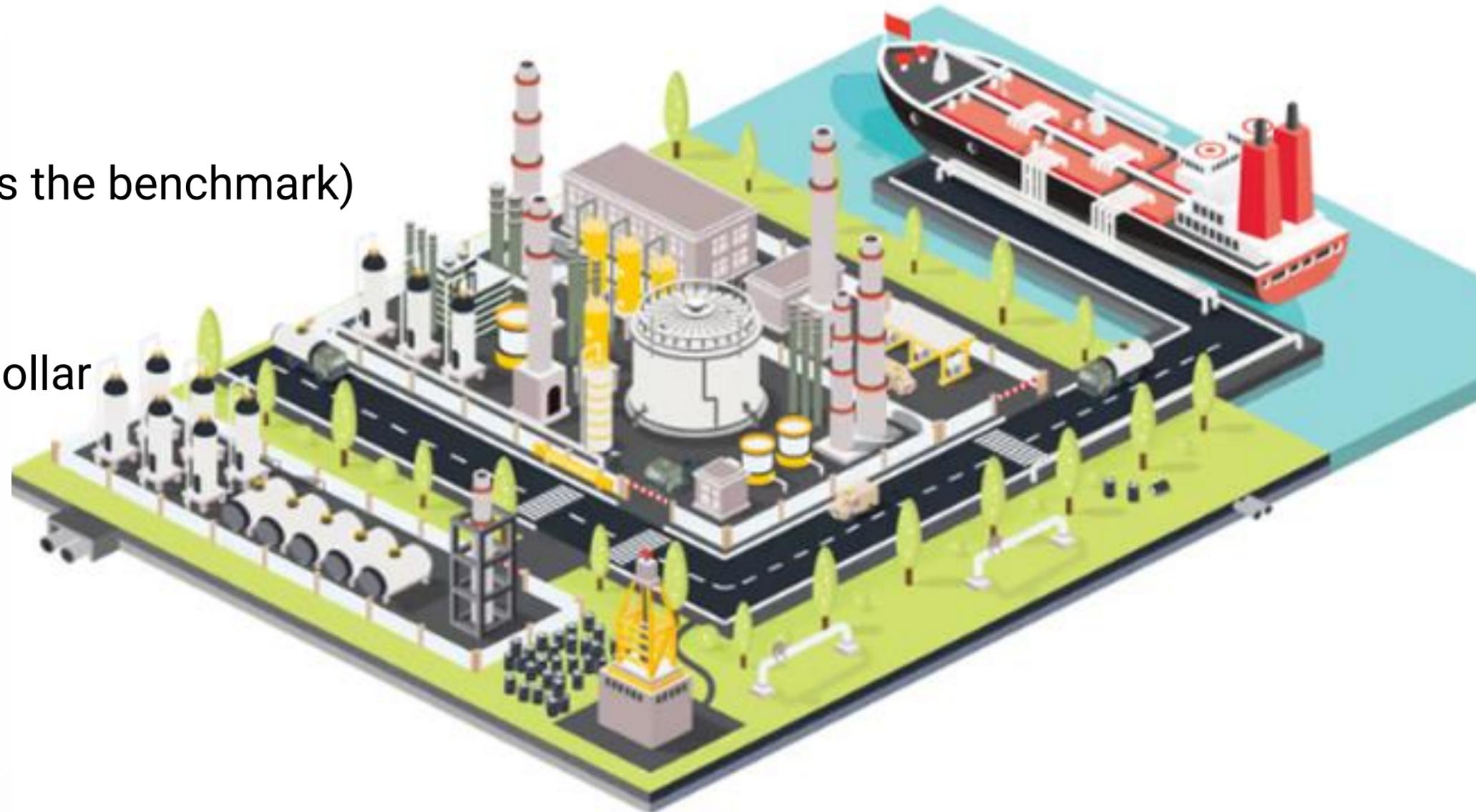
March 2026

BASIC FUEL PRICE (BFP)

The Basic Fuel Price (BFP) is the starting point for the price you pay at the pump.
The BFP reflects the cost of buying crude oil, refining it, and transporting it to South African depots.

It changes every month based on :

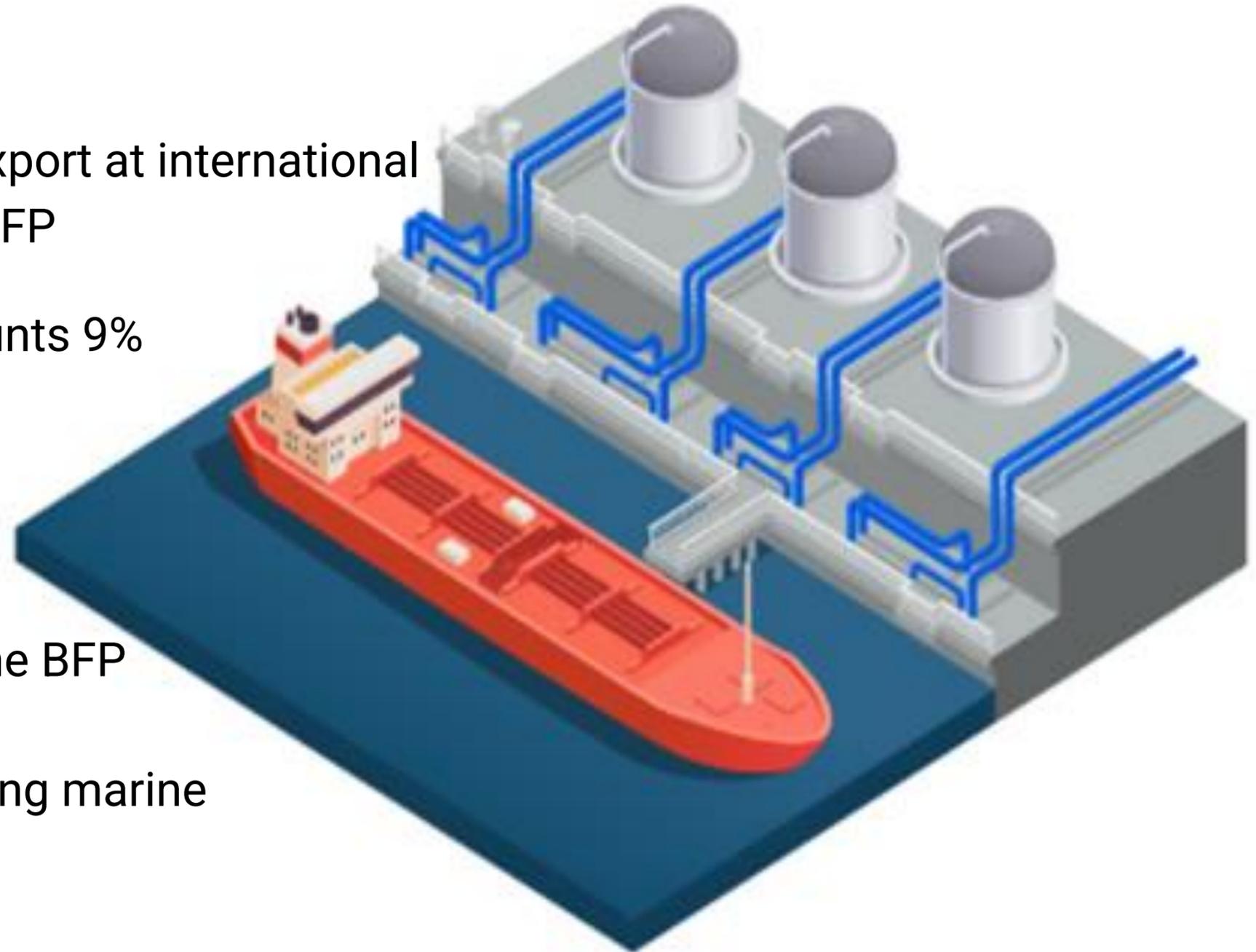
- Global oil prices (Brent crude used as the benchmark)
- The exchange rate between the US dollar and the South African rand
- Shipping Costs from the source to South African ports



BFP - ELEMENTS

The BFP comprises of the following elements:

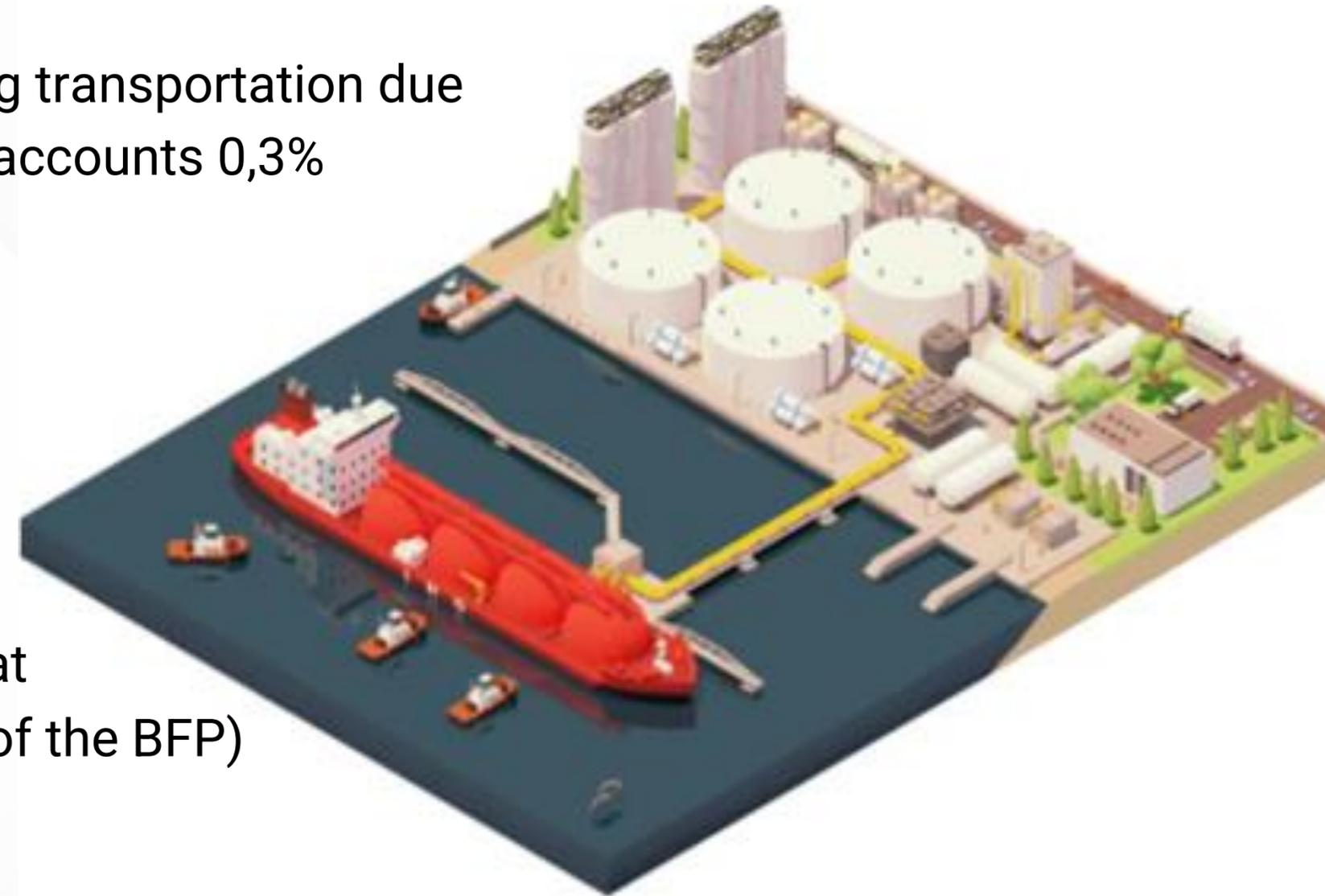
- **FOB** (price of the refined fuel at the point of export at international refinery or trading hub) accounts 89% of the BFP
- **Freight** (transporting fuel by sea) which accounts 9% of the BFP
- **Demurrage** (A charge incurred when a vessel is delayed beyond the agreed loading or offloading time at port) accounts 0,4% of the BFP
- **Insurance** (The cost of insuring the cargo during marine transportation) accounts 0,2% of the BFP



BFP - ELEMENTS (2)

The BFP comprises of the following elements:

- **Ocean Loss** (An allowance for volume losses during transportation due to evaporation, temperature changes, or handling) accounts 0,3% of the BFP)
- **Cargo Dues** (Port charges payable when fuel is imported through South African ports) account 0,2% of the BFP)
- **Storage** (The cost of holding fuel in storage tanks at import terminals before distribution) accounts 1% of the BFP)
- **Finance Cost** (The cost of financing the fuel while in transit) accounts 1% of the BFP)



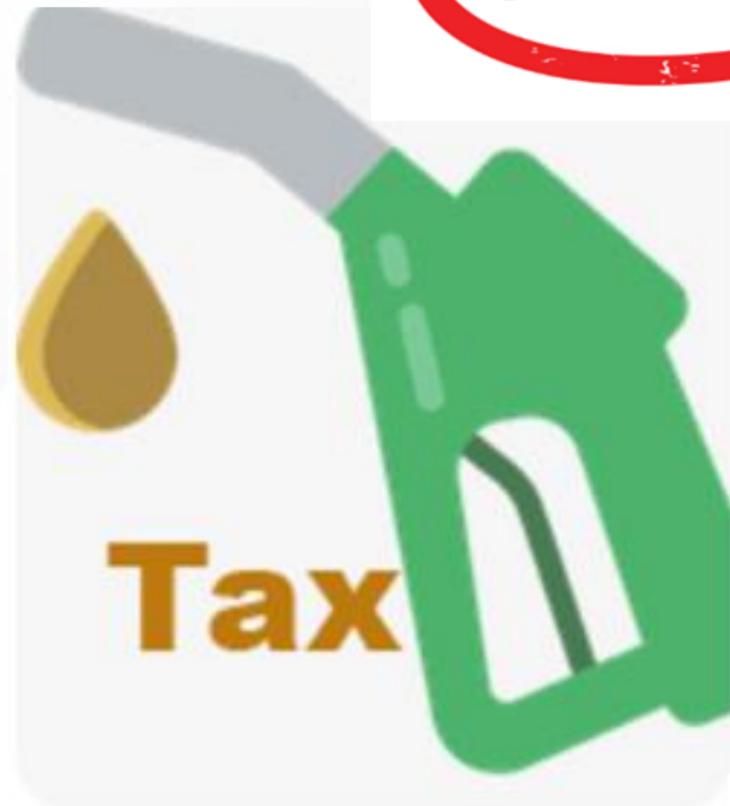
LOCAL ELEMENTS

A large portion of what consumers pay at the pump is made up of taxes and regulated costs.

The biggest government charges included in the fuel price are:



Carbon Tax



General Fuel Levy : adjusted yearly in April

The largest tax component

Paid into the country's general budget (not just roads)



Road Accident Fund (RAF) Levy : adjusted yearly in April

Funds the Road Accident Fund

Used to compensate people injured in road accidents



Carbon Fuel Levy : adjusted yearly in April

Linked to the Carbon Tax Act

Aims to reduce pollution and carbon emissions



Customs & Excise Levy

A smaller tax collected by South African Revenue Service

LOCAL ELEMENTS

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The biggest government charges included in the fuel price are:



Magisterial District Zone :

Primary transport via pipelines (e.g. Transnet) and tanker trucks
It is regulated by Department of Mineral and Petroleum Resources (**DMPR**)



Secondary Storage Margin :

Storage and handling costs at depots
It is regulated by **DMPR**



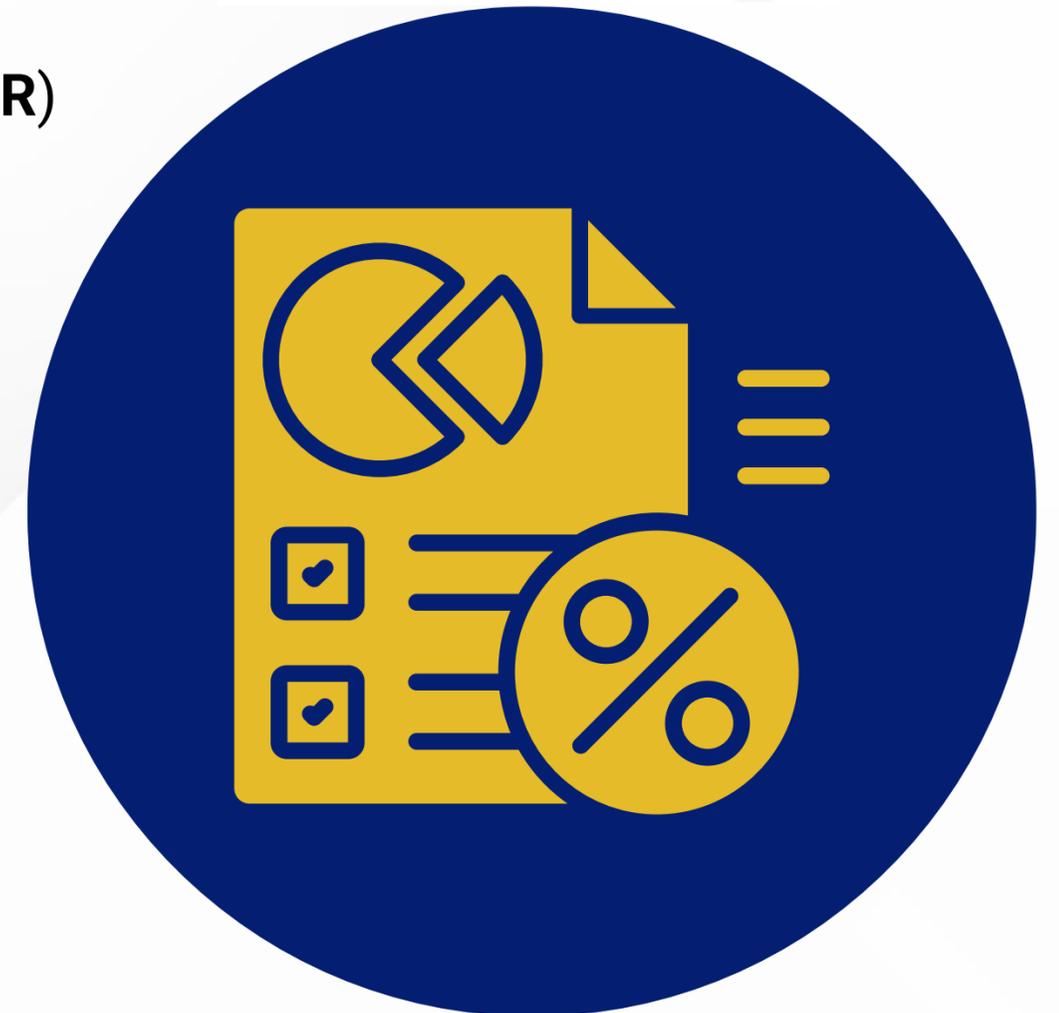
Secondary Distribution:

Delivery by tanker trucks from inland depots to service stations
It is regulated by **DMPR**



Retail Margin

This is the portion that goes to petrol station owners
It covers salaries, rent, electricity, and maintenance
It is regulated by DMPR, not set by stations themselves



SLATE



Adjustment

A temporary *adjustment* in the fuel price and it is managed by the **DMPR**.



Balance

Used to *balance* under- or over-recovery in fuel pricing.



Fuel Update

Fuel prices in South Africa are only *updated* once a month, even though international fuel prices can change daily.



Global Price Increase

When *global prices increase* during the month, fuel companies may have to buy fuel at a higher cost but still sell it locally at the lower, regulated price. This means they temporarily lose money on each litre sold.



"Slate-Account"

These short-term losses are recorded in something called the "slate account."



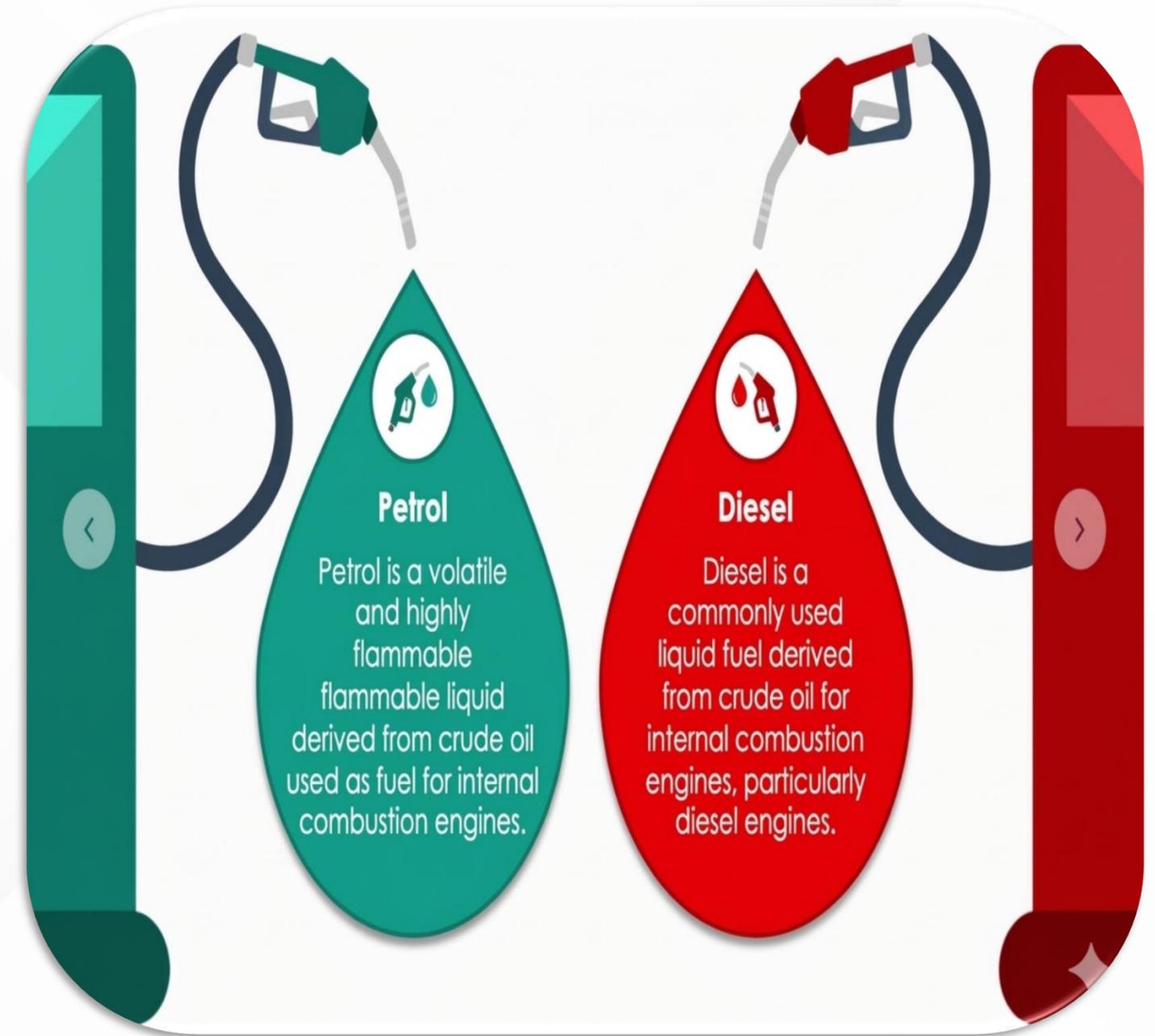
Self Adjusting

To deal with this, government uses the Self-Adjusting Slate Mechanism which keeps track of these gains and losses and recovers or refunds small amounts over time through the fuel price through the Slate Levy in turn helping keep fuel supply stable



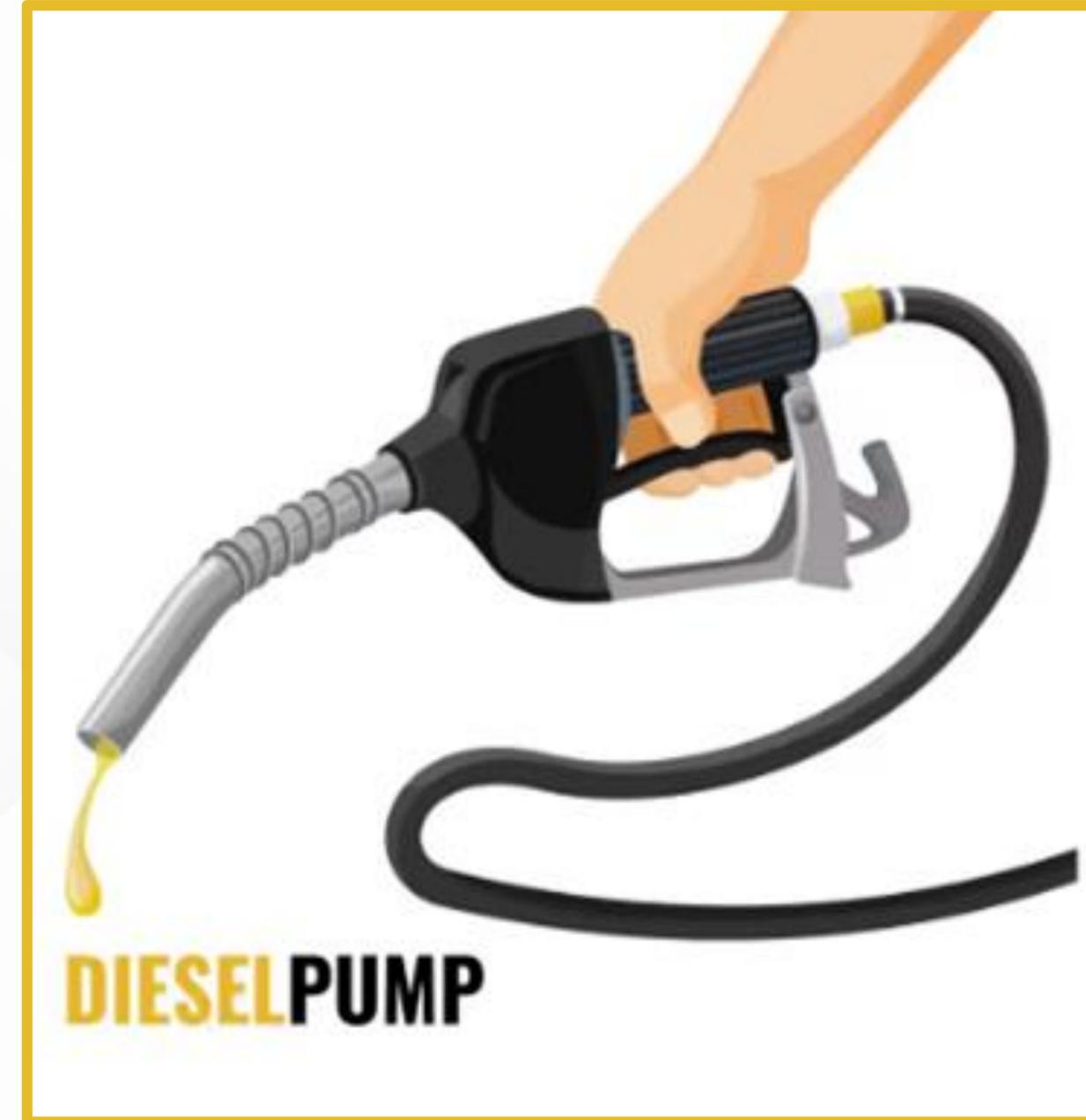
PETROL *VS* DIESEL PRICE

- Although Diesel and Petrol are produced together from the same refineries, they are very different products with different applications in the world economy.
- Typically, Diesel is used in industries such as manufacturing, mining, heavy vehicle transport and as a heating fuel, although the use of Diesel for private motorists is also growing. In contrast, Petrol is used primarily by private motorists.
- Given their different uses, petrol and diesel have different demand patterns and therefore, different prices. In economics, price is set at the point where demand and supply meet and therefore, the higher demand for diesel has pushed up its price across the globe.



DIESEL PUMP PRICE VARIANCES

- Unlike petrol, diesel prices are not regulated.
- The DMPR publishes a monthly reference price for diesel, but this is only a guideline.
- As a result, wholesalers and retailers are free to set their own selling prices, which can lead to differences from one site to another.



GOVERNMENT'S ROLE



Because South Africa imports the majority of its fuel, the price is largely determined by international markets and the exchange rate.

However, potential interventions could include:

01

Reviewing or temporarily adjusting fuel levies and the RAF Levy

02

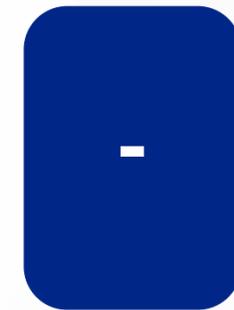
Smoothing price increases by adjusting fuel prices more frequently (e.g., bi-weekly instead of monthly)

02

Providing targeted relief measures for vulnerable sectors



FUEL SUPPLY



Industry maintains local stock and imports from various countries.

Global conflicts may create short-term disruptions.



UNDERSTANDING PRICE DIFFERENCES AT PETROL STATIONS



01

Fuel prices include location-based (magisterial) pricing zones.

02

Transport costs to deliver fuel vary depending on the distance to each area, which can result in small price differences between regions.

02

These variations are built into the pricing structure set by the DMPR.



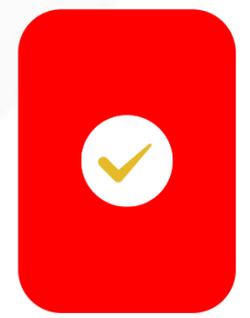
DURATION OF CURRENT FUEL PRICE INCREASES



Fuel prices fluctuate monthly.



If crude oil prices fall or the rand strengthens, prices can decrease.



Should geo-political tensions persist, prices may remain high or even rise further.



PRICE IMPACT



✓ Food, Transport, Electricity

- Higher fuel prices increase transport costs for goods and delivery, which can raise food and product prices.
- Diesel price hikes can also slightly impact electricity costs, as some power generators use diesel as backup fuel.

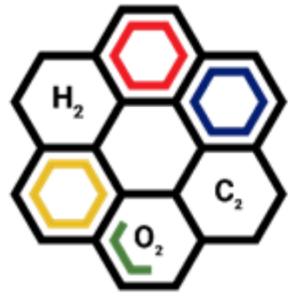
✓ Monthly Budget

- Multiply your average monthly fuel usage by the price increase. For example:
- 1,000 km/month at 8L/100km = 80L
- Price increase R5/L → $80 \times 5 = R400$ extra per month

FUEL SAVINGS TIPS

- ✔ Drive smoothly, avoid rapid acceleration and braking.
- ✔ Keep tires properly inflated.
- ✔ Combine trips to reduce mileage.
- ✔ Use fuel-efficient routes and avoid peak traffic.
- ✔ Carpool or use public transport when possible.





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THANK YOU

