

**NATIONAL ASSEMBLY**  
**QUESTION FOR ORAL REPLY**  
**QUESTION NUMBER: 220 [NO1142E]**  
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**★220. Dr D T George (DA) to ask the Minister of Finance:**

With reference to his announcement during his Budget Speech on 23 February 2022 that he would engage with stakeholders regarding the possible restructuring of the fuel pricing methodology, (a) with which stakeholders has he held engagements to date and (b) what are the details of the elements of the fuel price methodology that are expected to be restructured?

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**REPLY**

- (a) I said the following in the Budget Speech: “Minister Mantashe and I have agreed that a review of all aspects of the fuel price is needed. Our teams have already begun to engage on this critical work”. Accordingly, there have been several follow-up engagements between the two Ministries and Departments on this matter.
- (b) Fuel prices in South Africa are comprised of four main components: the basic fuel price; retail and wholesale margins; taxes and levies; and storage and distribution costs. Nearly 70% of the price is regulated by the Department of Minerals and Energy, and the remainder by National Treasury.

At the time of the Budget, I indicated that in order to provide some relief to households, no increases will be made to the general fuel levy on petrol and diesel for 2022/23. This relief amounted to R3.5 billion for South Africans. I also announced that there would be no increase in the Road Accident Fund levy. National Treasury has undertaken to review this levy.

The DMRE can, in the immediate term, implement changes to the Basic Fuel Price formula informed by the department’s review undertaken in 2018. In addition, the DMRE has agreed to the review of regulated margins determined through the regulatory accounting system (RAS). The regulatory accounting system (RAS) is the collection of systems and procedures used by the DMRE to determine petrol margins for secondary storage/handling, secondary distribution, and wholesale and retail benchmark service station activities.