

FUELLING THE ECONOMY

DIESEL BRO'S IS A TRUSTED

national wholesale Diesel distributor in South Africa. We have worked hard to build up a reputation for premium fuel and outstanding reliable service and regard you, our clients, as family.

DEAR VALUED CLIENTS

With fuel in the spotlight now more than ever, Diesel Bro's has remained steadfast to our commitment to always provide a premium product and reliable service. Despite the dynamics of the external environment, we've managed to expand our client base, grow our sales force and relocate into new offices to continue our evolution.

We remain thankful and we appreciate the support we receive from you. We give you our assurance that with your support, we will continue to go from strength to strength. Our dynamic team of key account managers, who have extensive industry knowledge, will continue to communicate with you effectively to assist your business to prosper even more.

We pride ourselves in service efficiency, as well as providing cost-effective fuel solutions for your business. It's because we understand that companies' fuel and logistics needs are always changing. That is why we strive to provide swift turnaround times, dedicated relationship managers, and sustainable long-term relationships for your benefit and ours.

Thank you for being part of the Diesel Bro's family. Together, we will continue to work efficiently to drive your business forward.



Ryan Louw

CHIEF OPERATIONS OFFICER AND CHAIRMAN

IN THE NEWS

GOVERNMENT TO INTRODUCE NEW RULES FOR ROAD FREIGHT

Transport minister Fikile Mbalula says his department plans to further regulate road freight in South Africa as large trucks are becoming an increasing feature on the country's roads.

Speaking at a media briefing on Sunday, 12 June, Mbalula said road freight transport has seen 48% growth over the last decade, with heavy goods vehicles now making up 34% of all traffic on the country's N3 highway.

Mbalula said that further regulation of this industry is necessary as these trucks are responsible for excessive noise, accidents, pollution and damage to infrastructure. He added that rising fuel costs, labour issues and other pressures mean operators are increasingly cutting corners on vehicle maintenance issues, overextending vehicle life, and overloading.

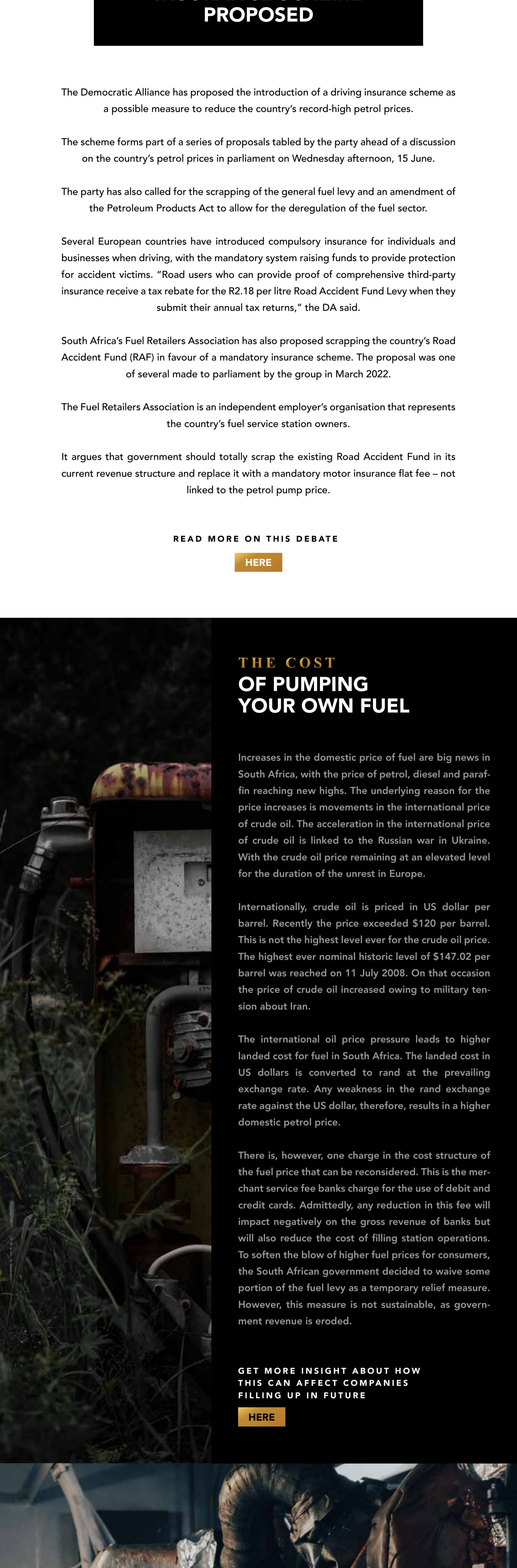
The minister said that his department plans a regulatory overhaul of the current rules around this sector and the establishment of a new road agency specifically aimed at regulating road freight.

The government also plans to introduce further labour regulations in the sector, requiring that operators register their workers and prioritising South African employees, he said.

"We currently have no system for monitoring the performance of commercial road freight operations in South Africa. The regulation of commercial transport as a separate activity from road traffic management is necessary because transport activities take place in the public space.

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NEW DRIVING INSURANCE SCHEME PROPOSED

The Democratic Alliance has proposed the introduction of a driving insurance scheme as a possible measure to reduce the country's record-high petrol prices.

The scheme forms part of a series of proposals tabled by the party ahead of a discussion on the country's petrol prices in parliament on Wednesday afternoon, 15 June.

The party has also called for the scrapping of the general fuel levy and an amendment of the Petroleum Products Act to allow for the deregulation of the fuel sector.

Several European countries have introduced compulsory insurance for individuals and businesses when driving, with the mandatory system raising funds to provide protection for accident victims. "Road users who can provide proof of comprehensive third-party insurance receive a tax rebate for the R2.18 per litre Road Accident Fund Levy when they submit their annual tax returns," the DA said.

South Africa's Fuel Retailers Association has also proposed scrapping the country's Road Accident Fund (RAF) in favour of a mandatory insurance scheme. The proposal was one of several made to parliament by the group in March 2022.

The Fuel Retailers Association is an independent employer's organisation that represents the country's fuel service station owners.

It argues that government should totally scrap the existing Road Accident Fund in its current revenue structure and replace it with a mandatory motor insurance flat fee – not linked to the petrol pump price.

READ MORE ON THIS DEBATE

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THE COST OF PUMPING YOUR OWN FUEL

Increases in the domestic price of fuel are big news in South Africa, with the price of petrol, diesel and paraffin reaching new highs. The underlying reason for the price increases is movements in the international price of crude oil. The acceleration in the international price of crude oil is linked to the Russian war in Ukraine. With the crude oil price remaining at an elevated level for the duration of the unrest in Europe.

Internationally, crude oil is priced in US dollar per barrel. Recently the price exceeded \$120 per barrel. This is not the highest level ever for the crude oil price. The highest ever nominal historic level of \$147.02 per barrel was reached on 11 July 2008. On that occasion the price of crude oil increased owing to military tension about Iran.

The international oil price pressure leads to higher landed costs for fuel in South Africa. The landed cost in US dollars is converted to rand at the prevailing exchange rate. Any weakness in the rand exchange rate against the US dollar, therefore, results in a higher domestic petrol price.

There is, however, one charge in the cost structure of the fuel price that can be reconsidered. This is the merchant service fee banks charge for the use of debit and credit cards. Admittedly, any reduction in this fee will impact negatively on the gross revenue of banks but will also reduce the cost of filling stations operations. To soften the blow of higher fuel prices for consumers, the South African government decided to waive some portion of the fuel levy as a temporary relief measure. However, this measure is not sustainable, as government revenue is eroded.

GET MORE INSIGHT ABOUT HOW THIS CAN AFFECT COMPANIES FILLING UP IN FUTURE

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Diesel GENERATOR MARKET EXPECTED TO SURGE

At the moment, the world is witnessing a substantial increase in the need for power, especially for us in load shed South Africa. As a result, having a dependable source of power has become critical.

The rising frequency of power outages necessitates the use of standby generator sets. A constant and consistent flow of power is a top need for all sectors. The necessity for continuous power supply in the construction sector is also generating a space for the use of generator sets, which is driving the expansion of this market.

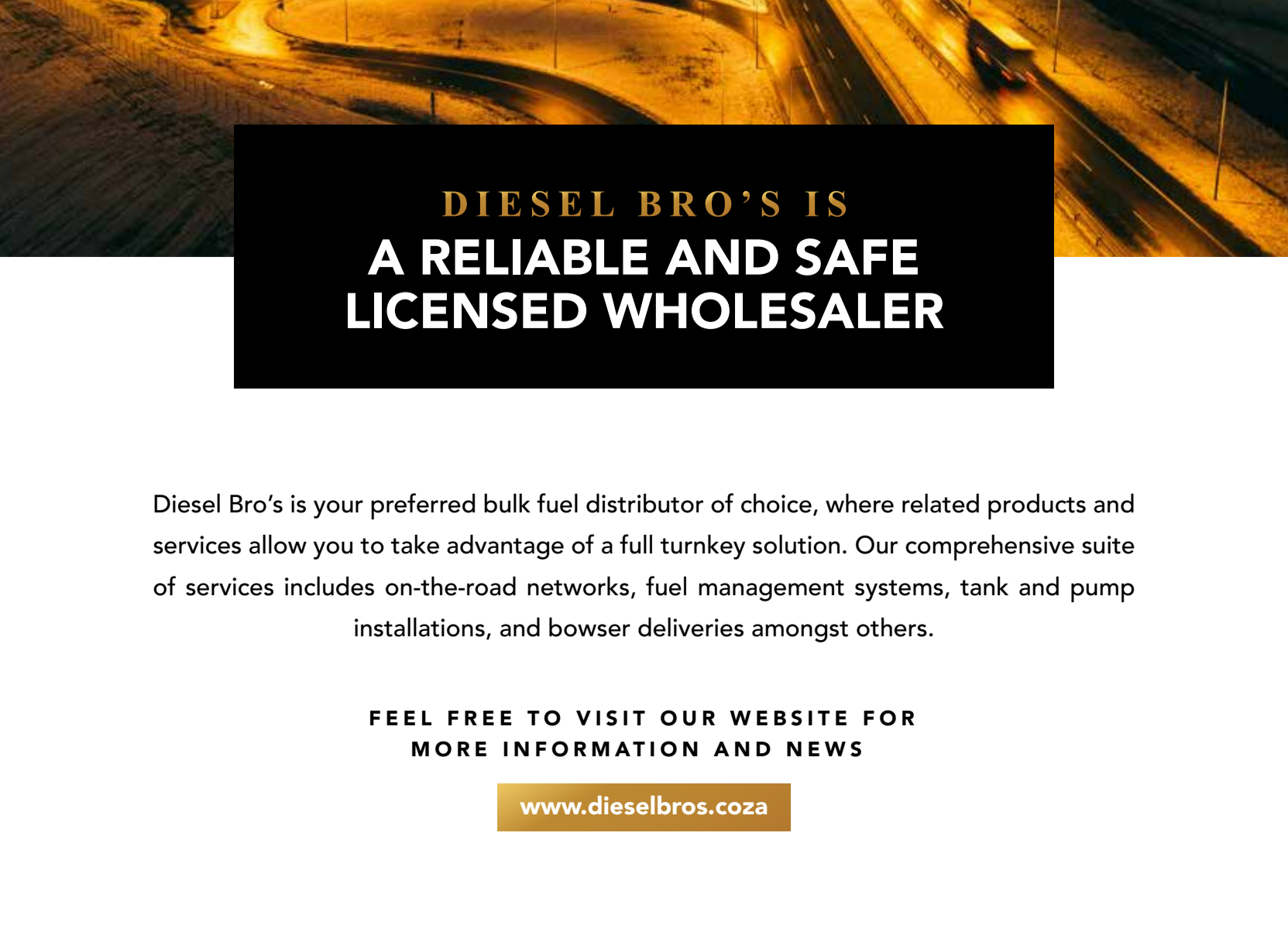
A diesel generator is a device that generates electricity by combining a diesel engine and an electric motor-generator. A diesel compression-ignition engine is primarily designed to run on diesel fuel, but certain types can also run on other liquid fuels or natural gas. It generates power in order to provide a continuous power source during power outages. It is commonly used as a backup device during rolling blackouts or in areas without access to the power grid. The increasing use of diesel generators, which can provide more in-home applications such as water pumps, power, and specific required applications such as air conditioning systems, refrigeration, and hospital instruments, is predicted to provide various opportunities in the near future.

Increasing demand from a variety of industries, including oil and gas, mining, and pharmaceuticals, is expected to drive the growth of the generator production market over the forecast period.

Generators are used as a standby source of electricity in various industrial activities. The need for diesel generators in the industry verticals such as hospitals, hotels, and business areas are being driven by the necessity for a reliable energy backup source. Furthermore, telecom organisations' increasing emphasis on offering high-speed services is fuelling the growth of the diesel generator industry.

MEET THE TEAM

Our dynamic team have extensive industry knowledge, and we each pride ourselves in service efficiency, as well as providing cost effective fuel solutions for your company.



DIESEL BRO'S IS A RELIABLE AND SAFE LICENSED WHOLESALER

Diesel Bro's is your preferred bulk fuel distributor of choice, where related products and services allow you to take advantage of a full turnkey solution. Our comprehensive suite of services includes on-the-road networks, fuel management systems, tank and pump installations, and bowser deliveries amongst others.

FEEL FREE TO VISIT OUR WEBSITE FOR MORE INFORMATION AND NEWS

www.dieselbros.co.za

WATCH YOUR INBOX

FOR NEXT MONTH'S ISSUE OF RELEVANT *news*

For all other queries or orders, contact us at admin@dieselbros.co.za | myorders@dieselbros.co.za