

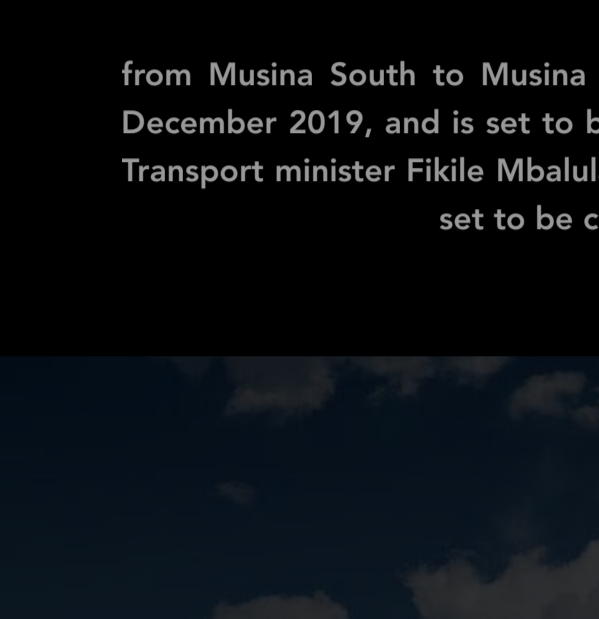


IT IS THE END OF THE ROAD FOR 2021

DEAR PROSPECTIVE PARTNERS

It's almost the end of another incredible year. Well done, Mzansi, for showing what you are made of! Together, we are stronger and with each passing year we continue to remain committed to creating a better future for generations to come. As 2021 draws to a close, we would like to wish you and your loved ones a very memorable and merry festive period. We look forward to the opportunities that 2022 will bring.

Read on to see a summary of the latest news and insights as we look to the future of energy and logistics.



THE DEPARTMENT OF TRANSPORT

says it is making steady progress on the construction of a new R677 million-project in Limpopo, which aims to reduce travel time between the popular Beitbridge border post, and neighbouring Zimbabwe.

THE NEW RING ROAD

from Musina South to Musina North commenced in December 2019, and is set to be completed in 2022. Transport minister Fikile Mbalula said that the road is set to be completed in Q2 2022.



MORE THAN

1 000 trucks, buses and other heavy vehicles use the N1 passing through Musina city centre daily. Intersections and lower speed restrictions create congestion and damage to infrastructure in the town's central business district. The road promises to ease traffic congestion between Musina and Beit Bridge border post, a gateway to many other Southern African Development Community countries that trade with South Africa, such as Zambia and the Democratic Republic of Congo. The total construction will consist of 8 km of greenfield single carriageway freeway, three major bridges and two interchanges.



ZIMBABWE IS ALSO UPGRADING

the Beitbridge Border Post, which is expected to improve the free flow of goods and strengthen security measures. The project has created economic opportunities – including jobs for the youth in the area and it allocated 10% of the project to women-owned companies, local community members and about 14 small, medium-sized and micro-enterprises were subcontracted.



ON THE ESKOM FRONT,

Eskom chief executive Andre de Ruyter says that South Africa has been home to almost 100 years of coal-based power generation and that it risks creating 'ghost towns' if the country suddenly shifts to renewable energy sources.

To remedy this, de Ruyter said that Eskom was lobbying for new industrial policies, including declaring renewable energy manufacturing areas as special economic zones.

THESE ARE GEOGRAPHICALLY DESIGNATED AREAS

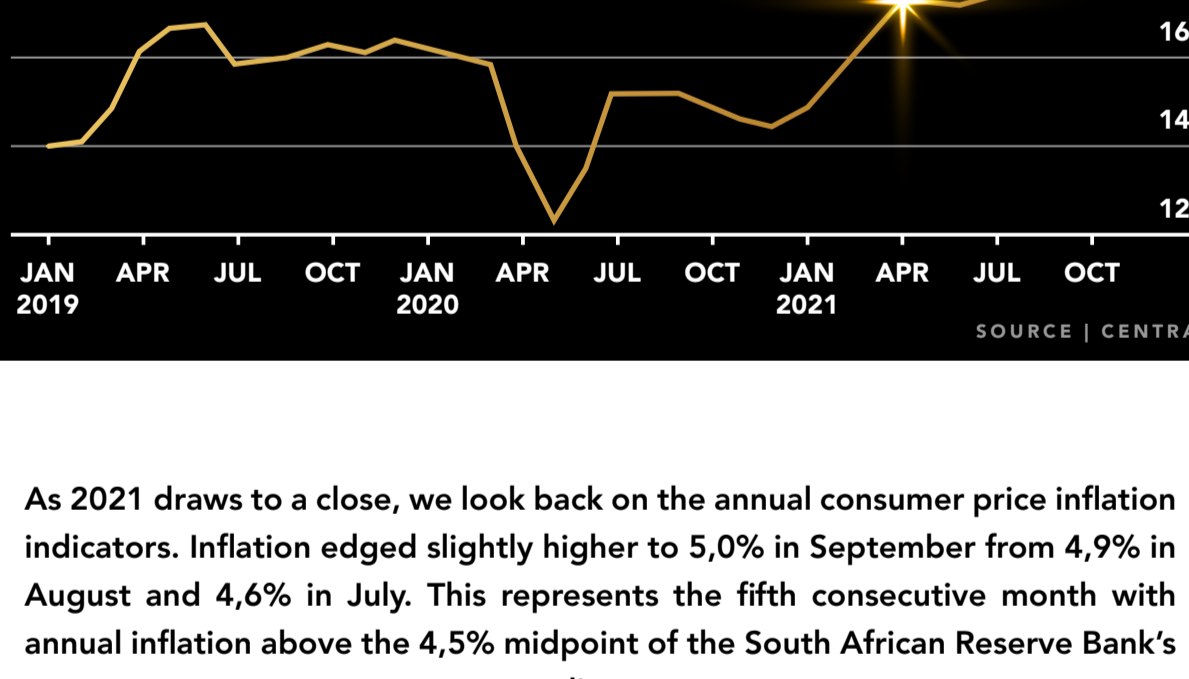
set aside for specifically targeted economic activities to promote national economic growth and exports by using support measures to attract foreign and domestic investments and technology. De Ruyter said this falls under the ambit of the Department of Trade and Industry and provincial governments.



HIGH PETROL PRICES ARE LIKELY TO STAY

according to Kevin Lings, chief economist at Stanlib. Kevin cited that with electricity inflation also at 14%, South Africa's energy cost is now far outpacing incomes. Adding that access to reliable and affordable energy sources is critical for South Africa's economic success. Based on current metrics, Lings said that another increase was likely in December. With the recent November increase, petrol inflation will be 33.9% year on year.

PRICE OF 95-OCTANE GASOLINE



SOURCE | CENTRAL ENERGY FUND

As 2021 draws to a close, we look back on the annual consumer price inflation indicators. Inflation edged slightly higher to 5,0% in September from 4,9% in August and 4,6% in July. This represents the fifth consecutive month with annual inflation above the 4,5% midpoint of the South African Reserve Bank's monetary policy target range.



ACCORDING TO THE REPORT FROM GOVERNMENT,

published in October, transport, food & non-alcoholic beverages, and housing and utilities were the main drivers behind the 5,0% annual rate in September.

FUEL WAS A SIGNIFICANT CONTRIBUTOR

to annual transport inflation. On average, fuel prices have increased by 19,9% over the last year. The price of inland 95-octane petrol reached an all-time high of R18,34 per litre in September 2021, biting into the pockets of motorists who were paying R15,18 per litre in September 2020. The average price for diesel was R17,18 per litre in September 2021, higher than the prices recorded in September 2020 (R14,87).

FUEL INFLATION

has been consistently higher than overall (headline) inflation since April 2021. With November's fuel increase, the inflation will exceed 30% year on year. The transport item that recorded a notable monthly was public transport. Public transport prices increased by 2,1% in September 2021 compared with August 2021. This was mainly underpinned by car rental prices that registered a monthly jump of 16,2%.

FRUIT, VEGETABLE, MEAT AND FISH PRICES

decreased in September 2021 compared with August 2021. Beef steak prices declined by 1,3% and lamb/mutton was on average 0,6% cheaper. Despite the monthly decline in prices, meat is still 10,3% more expensive than a year ago.

THE ANNUAL INFLATION RATE FOR OILS AND FATS

remains above 20%, with the September 2021 reading at 22,4%. The average price for a 700 ml bottle of sunflower oil was R30,98 in September, the highest on record since Stats SA started publishing data with the new inflation basket (January 2017).

THE ANNUAL INFLATION RATE FOR RESTAURANTS

and hotels was 3,2% in September, the highest since November 2019 when the rate was also 3,2%.

HOUSING AND UTILITIES

recorded an annual percentage change of 4,0%. This falls within the South African Reserve Bank's monetary policy target range of 3 – 6%. This is the highest annual increase since June 2020 when it was also 4,0%.

WE'LL BE BACK IN 2022 WITH MORE HOT TOPICS.

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