

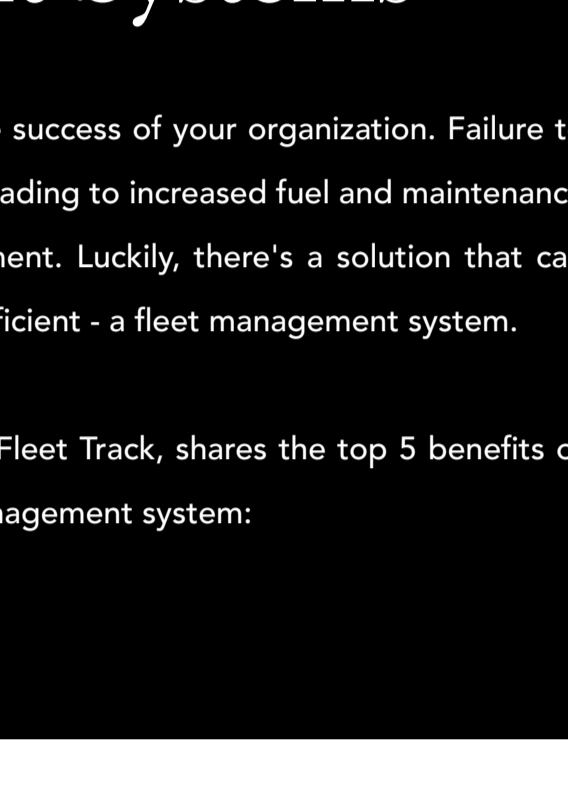
UNDERSTANDING THE FACTORS

influencing fuel prices in South Africa

FUELLING SUCCESS

dear VALUED CLIENTS,

Fuel is our forte at Diesel Bro's, and we take great pride in staying at the forefront of current fuel news and trends. As we navigate the ever-changing landscape of the fuel industry, we want to ensure that you are well-informed and equipped to tackle any challenges that come your way.



In recent announcements, there have been indications of potential petrol hikes and diesel price relief in South Africa. While these fluctuations can be unpredictable, rest assured that we are here to keep your wheels turning and your business thriving. Our unwavering commitment to providing reliable fuel solutions remains steadfast, regardless of the market conditions we face.

As one of South Africa's most experienced and trusted wholesale diesel distributors, we are honoured that you continue to place your trust in us for your fuel needs. We understand the importance of keeping your operations running smoothly and efficiently. With our expertise and dedication, we strive to be your fuel partner of choice, empowering your success in the face of fluctuating fuel prices.

At Diesel Bro's, we go beyond simply supplying fuel. We are innovators in the industry, constantly staying informed about the factors that impact your business. Whether it's fleet fuel management systems, hidden costs in fuel pricing, nationwide delivery with real-time updates, or new client pump installations, we are here to provide you with the knowledge and solutions you need.

Thank you for your ongoing support and trust in our services. Together, let's embrace the challenges, seize the opportunities, and fuel a future of success.

From your fuel partner,
Chief Operations Officer

RYAN LOUW

RECENT FUEL NEWS



Benefits of Fleet Management Systems

Managing your fleet effectively is crucial for the success of your organization. Failure to do so can negatively impact your bottom line, leading to increased fuel and maintenance costs, as well as the potential for mismanagement. Luckily, there's a solution that can make fleet maintenance easier and more efficient - a fleet management system.

Thobeka Ntshangase, CEO and Founder of MyFleet Track, shares the top 5 benefits of implementing a fleet management system:



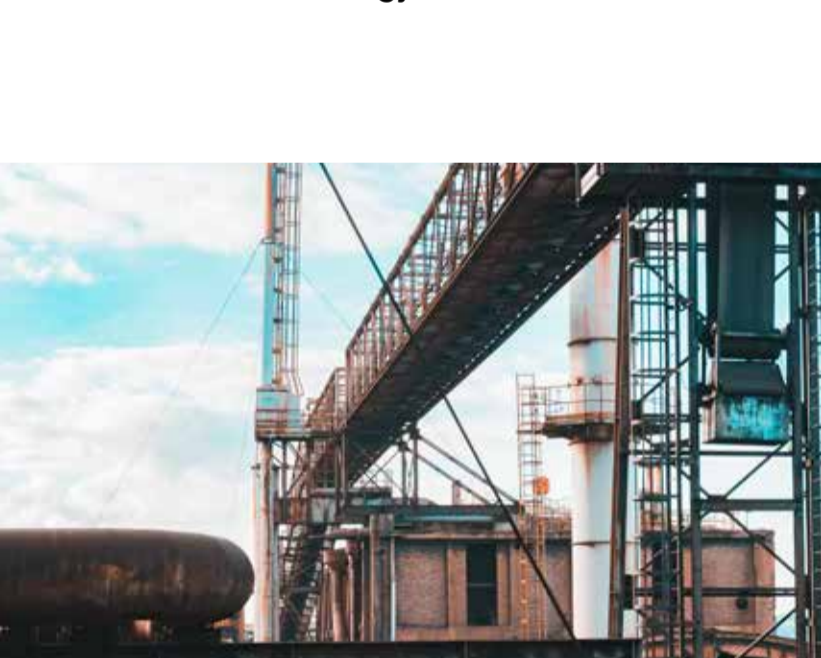
IMPROVED CUSTOMER SERVICE

By ensuring your drivers stick to their schedules and routes, you can guarantee timely appointments and deliveries. Well-maintained vehicles also leave a positive impression, instilling confidence in your customers regarding your service.



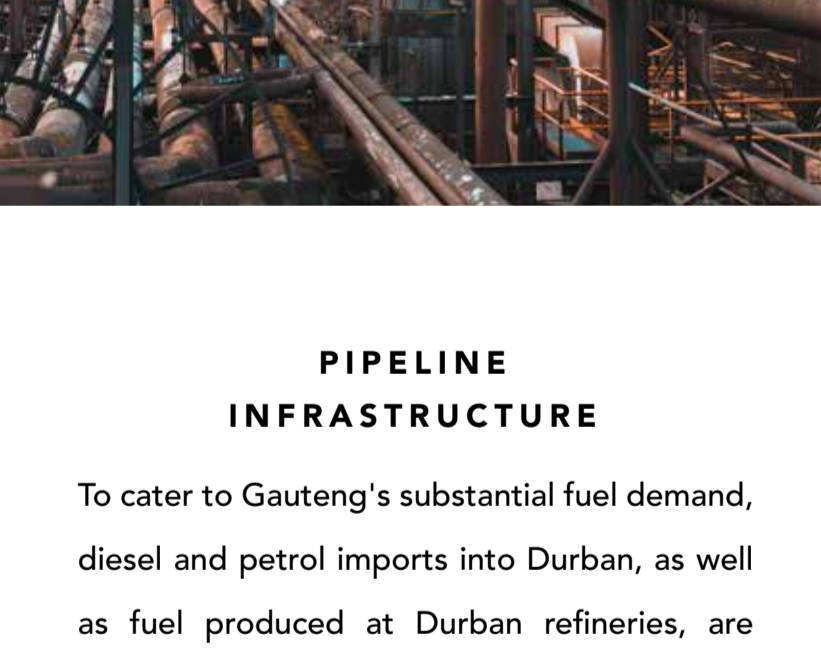
REDUCED FLEET FUEL COSTS

Proper management of fuel is essential to control expenses. Our system provides alerts on vehicle idling and fuel consumption, allowing you to effectively manage and reduce fuel costs by up to 10%.



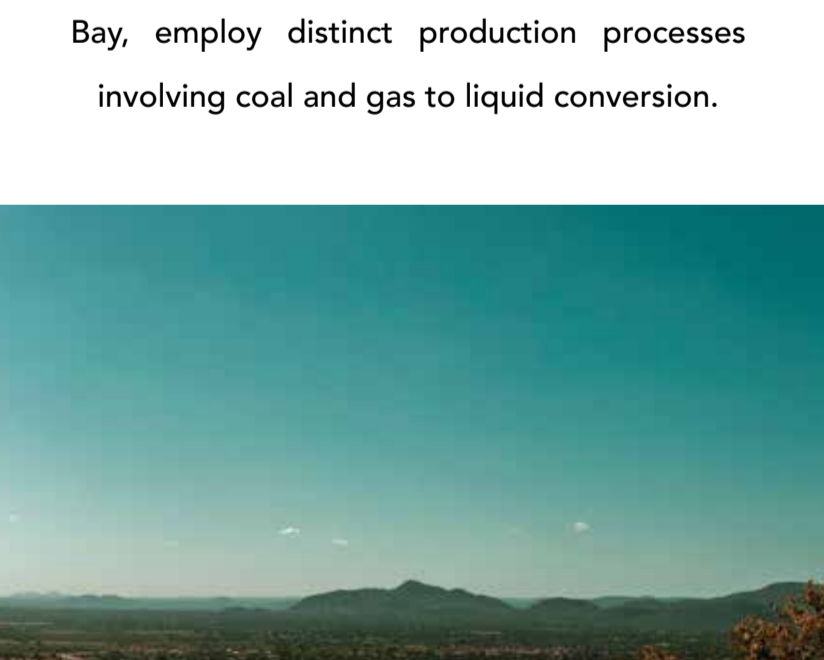
24/7 LIVE TRACKING

Managing a business with multiple vehicles can be challenging. A fleet management system with asset tracking capabilities provides precise information about your assets' location at any given time, making tracking easier and more efficient.



REDUCED FLEET LABOR COSTS

While maintenance and inspection systems are crucial, driver management often goes overlooked. Implementing a driver management system allows you to comprehensively monitor driver productivity and ensure the overall safety of your assets.



REDUCED MAINTENANCE COSTS

Operating a fleet involves ongoing expenses. However, by analysing costs and implementing preventative measures, you can monitor expenditures and reduce overall fleet costs, keeping your budget intact. Automating alerts for vehicle servicing helps avoid breakdowns and enhances asset productivity.



Maintaining a fleet in good condition is your responsibility as a fleet business owner. Ensuring the safety and reliability of your vehicles is essential for the well-being of your drivers, passengers, and cargo. By adopting a fleet management system, you can avoid accidents that could disrupt your business operations.

Choose the smarter way to manage your fleet. Contact Diesel Bro's today to discover how our fleet management solutions can benefit your organisation.

FUEL PRICE UPDATE

July 2023 Projections

As we approach July 2023, we understand the anticipation surrounding petrol and diesel prices. While it is still early to provide definitive figures, recent data from the Central Energy Fund (CEF) suggests a challenging outlook for motorists in South Africa.

According to the latest projections received from the CEF, effective from Friday, 9 June 2023, the following changes are anticipated:

ULP 93

DECREASE OF 7 CENTS A LITRE

ULP 95

INCREASE OF 2 CENTS A LITRE

D500PPM

INCREASE OF 8 CENTS A LITRE

D50PPM

INCREASE OF 3 CENTS A LITRE

Please note that these projections are based on current market conditions and are subject to fluctuations in the rand/dollar exchange rate and oil prices. Therefore, these figures may vary as we progress through the month. It's important to recognize that fuel prices in South Africa are influenced by two key factors:

International petroleum product prices, predominantly driven by oil prices. At the time of publishing, the Brent crude oil price stands at \$73.73 per barrel.

The rand/dollar exchange rate used for purchasing these products. At the time of publishing, the rand/dollar exchange rate is R18.59/\$.

We understand the impact that fuel prices have on your daily lives and businesses. At Diesel Bro's, we remain committed to providing you with the latest updates and insights into the fuel industry.

Key Insights into Diesel and Petrol

SUPPLY IN SOUTH AFRICA

Have you ever wondered about the intricacies of fuel supply in the South African market, especially considering recent fuel constraints? Let's delve into four essential aspects you should know about how diesel and petrol are supplied in South Africa.

FUEL IMPORT DEPENDENCY

South Africa relies on fuel imports to meet domestic demand, making it a net importer of fuel. While local production plays a role, additional finished products (diesel and petrol) need to be imported to satisfy the country's energy needs.

REFINERY LANDSCAPE

The country boasts a total of six refineries supporting the annual energy demand of approximately 25 billion litres. Among these refineries, four produce fuel from imported crude oil. They are in the Free State, Durban (two refineries), and Cape Town. The remaining two refineries, situated in Secunda and Mossel Bay, employ distinct production processes involving coal and gas to liquid conversion.

PIPELINE INFRASTRUCTURE

To cater to Gauteng's substantial fuel demand, diesel and petrol imports into Durban, as well as fuel produced at Durban refineries, are transported via a network of primarily underground pipelines. This efficient system ensures a steady supply, representing 65% of the national demand.

PORT IMPORTS

South Africa receives diesel and petrol imports through various ports, including Cape Town, Richard's Bay, and Mozambique's Matola. These strategic import routes contribute to the country's diverse fuel supply landscape.

While South Africa's market exhibits a mixed bag in terms of fuel supply, the existing diversity offers certain advantages. However, it's important to note that the country heavily relies on older refining infrastructure to fulfill the bulk of its fuel needs.

Considering the importance of fossil fuels in enabling economic activities, it becomes evident that industries such as mining, transportation of goods, and personal mobility heavily rely on diesel and petrol. As such as renewable energy sources are progressing, the role of fossil fuels remains significant for the foreseeable future.

Let us not forget the saying, "Small remains the hole that is dug without diesel." Indeed, fuel is a vital catalyst for economic growth and progress in South Africa and various parts of the world.

unveiling the hidden costs of fuel pricing in south africa

Fuel prices continue to be a concern for South Africans, with fluctuations often resulting in escalating costs. While the global fuel market faces similar challenges, South Africans bear the brunt of additional taxes, significantly impacting the standard fuel price. Let's explore the hidden costs that contribute to what you pay for a litre of fuel in South Africa.

According to the Automobile Association of South Africa (AA), motorists are currently paying approximately R1.50 more per litre for fuel compared to the same period last year. The price of 93ULP inland and 95ULP at the coast has seen a 7% spike in petrol prices over the past 12 months. However, diesel prices have decreased during this period, providing some relief to consumers.

It's important to note that the decrease in diesel prices must be considered in the context of the significant fuel price hikes experienced between June and December 2022. During this time, diesel prices reached a peak of R25.40 per litre inland in July 2022, while petrol prices also remained high, with ULP95 reaching R26.74 per litre inland and R26.09 per litre at the coast in the same month.

So, what exactly are we paying for? The fuel price in South Africa comprises various elements, making it more expensive compared to neighbouring countries to which South Africa exports fuel. To provide consumers with a clearer understanding, the Automobile Association (AA) publishes a fuel price breakdown, highlighting the composition of a litre of petrol inland and at the coast.

The breakdown includes the two main taxes imposed on every litre of fuel: the General Fuel Levy (GFL) and the Road Accident Fund (RAF) levy. These levies are typically announced in February during the finance minister's annual Budget speech and take effect in April. In 2023, no additional levies were implemented, but they continue to significantly contribute to overall fuel prices.

As of May 2023, the total cost of the two primary levies amounts to R6.14 per litre (R3.96 for the GFL and R2.18 for the RAF levy), which is applied to every litre of petrol sold in the country. The GFL is lower for diesel at R3.82, while the RAF levy remains the same.

While fuel prices remain a complex issue, understanding the factors behind the cost can empower consumers to make informed decisions.

Stay informed with Diesel Bro's as we strive to keep you updated on the latest developments and provide valuable insights into the fuel industry.

FIND OUT MORE

by visiting our website today. For all other queries or orders, contact us at admin@dieselbros.co.za or myorders@dieselbros.co.za. Remember to watch your inbox for next month's issue of relevant news.

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