

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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 **Memorandum from the Parliamentary Office**

**National Assembly: 1009**

Please find attached a response to Parliamentary Questionfor ***written reply*** asked **by The Leader of the Opposition (DA) to ask the Minister of Mineral Resources and Energy:**

**Mr T Maqubela**

**DDG: Mineral and Petroleum Regulation**

**………………/………………/2022**

Recommended/ Not Recommended

**Adv. T.S Mokoena**

**Director General: Department of Mineral Resources and Energy**

**………………/………………/2022**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2022**

**1009. The Leader of the Opposition (DA) to ask the Minister of Mineral Resources and Energy:**

(1) What is the (a) volume in barrels, (b) average cost in Dollars per barrel and (c) value of the Republic’s strategic fuel reserve currently;

(2) (a) how often was a rotation of the strategic fuel reserve undertaken (i) in the (aa) 2019-20 and (bb) 2020-21 financial years and (ii) since 1 April 2021 and (b) what was the reason for each rotation that was undertaken in each case;

(3) to what extent will the Republic’s strategic fuel reserve shield South Africans from the predicted fuel crises caused by the Russian Federation’s invasion of Ukraine? NW1257E

**Reply**

(1)(a) Whilst there are 10 million barrels of crude oil in the terminal, only 8.7 million barrels are accounted as inventory and the balance is working stock.

(b) The cost per barrel is as per prevailing market rate. Each grade of Crude oil is priced differently at a premium or discount of Brent Crude Oil as prevailing in the market. As at the 4th of April Brent Crude Oil was trading at $104/bbl.

(c) As at the 28th of March 2022 the cost value of the strategic reserves in tank was R 1 750 764 252. This is what would be reflected on the annual financial statement in terms of the accounting rules.

(2) There has not been any rotation of strategic reserves during the abovementioned periods.

(3) As per the joint statement issued by the National Treasury and the Department of Minerals and Energy, the Strategic stock will be utilised to provide a R 6 Billion cover for revenue lost in the reduction of the general fuel levy for two months. This will effectively “reduce the general fuel levy for Petrol from R3.85 per litre to R2.35 per litre and reduce the general fuel levy for diesel from R3.70 per litre to R2.20 per litre”