

18 May 2022

For Attention: Minister Enoch Godongwana  
The Minister of Finance

By E-mail: [REDACTED]

Copies to: Mary Marumo [REDACTED]  
Mampho Modise [REDACTED]  
Ulrike Britton [REDACTED]

Dear Minister Godongwana

### **Petrol Levy Reprieve Extension**

Firstly, we must thank you for taking the recent decision to temporarily reduce the fuel levy by R1.50 (39%), against the backdrop of high fuel prices driven by international shortages, a weaker Rand and years of excessive levy increases.

With this temporary fuel levy reduction of R1.50 intended to be reversed on the 31<sup>st</sup> of May, we hereby request that you give serious consideration to the extension of this reprieve, failing which the price of petrol and diesel will increase to over R25 per litre in the coming months.

We understand that by extending this reprieve, Treasury will suffer the loss roughly R2,8 billion per month, however, we are sure the negative impact to the economy and Treasury, will be significantly worse-off with petrol prices above the R25 per litre mark. Furthermore, we believe that situations of this nature provide you with an opportunity to put the people first (as all citizens are impacted by higher fuel prices), but more importantly, it helps you to look all departments throughout all sectors of Government in the eye, as you task the public sector to reduce their spending and demands on the fiscus. In doing so, we have no doubt you could drive a public sector campaign to dig deeper and reduce unnecessary expenditure along with adopting the much spoken about 'zero-based' budgeting approach, with the added benefit of reducing the cost of Government going forward.

There is nothing like a crisis of this nature for the State's head of finance, to stimulate a drive for greater public sector savings and with that, improved efficiency, and prudent spending habits.

We furthermore ask that if this ask is 'a bridge too far', that you consider reducing the pain by phasing in the return of the R1.50 fuel levy increase over a three-month period by R0.50c per month, unless of course the international price of oil recovers significantly before then.

We trust you will approach our request in a positive light and look forward to your response hereto.

Yours sincerely



Wayne Duvenage  
CEO