



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Media Statement

FUEL PRICE ADJUSTMENTS EFFECTIVE ON WEDNESDAY, 05 OCTOBER 2011

Pretoria 30 September 2011 – Based on the fuel price information available to the Department of Energy as at 28 September 2011, the following fuel price adjustments will become effective on Wednesday, 05 October 2011:

- Petrol (95 ULP and LRP) will increase by 36.0 c/l;
- Petrol (93 ULP and LRP) will increase by 37.0 c/l;
- Diesel (0.05% sulphur) will increase by 35.0 c/l;
- Diesel (0.005% sulphur) will increase by 37.0c/l;
- IP (wholesale) will increase by 30.0 c/l;
- Single Maximum National Retail Price (SMNRP) will increase by 40.0 c/l;
and
- Maximum Retail Prices of LP Gas will increase by 62.0c/kg.

Extraneous factors that influence fuel prices include international crude oil prices and the exchange rate. During the current fuel price review period (02 September to 29 September 2011), **Brent crude oil prices** decreased from USD118.0 per barrel to USD108.0 per barrel. The average Brent crude oil price during the current fuel price review period was USD113.0 per barrel. During the period under review, the average international product prices of Petrol, Diesel and Illuminating Paraffin decreased as well.

The average **Rand/US Dollar exchange rate** increased from USD1=R7.059 (the average in the previous fuel price review period) to USD1=R7.55 (the average in the

current fuel price review period). This depreciation in the Rand/USD exchange rate increased the BFP by 37.7 c/l on petrol, 39.0 c/l on diesel and 38.4 c/l on illuminating paraffin.

The average Rand/US Dollar exchange rate weakened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 02 September 2011 to 29 September 2011 was 7.5657 compared to 7.0590 during the previous period. **The deterioration of the Rand against the US Dollar increased the contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 40.36 c/l, 41.94 c/l and 41.25 c/l respectively.** The maximum refinery gate price will be R 7 895.03 per metric ton (438.17 c/l), excluding VAT, for the period 05 October 2011 to 01 November 2011.

The Minister of Energy, on 29 September 2011, **approved that the retail margin on all grades of petrol be increased by 4.0 c/l from 81.2 c/l to 85.2 c/l with effect from 05 October 2011.** This increase was necessary to accommodate wage increases of 9% in 2011 in terms of the three year wage settlement agreement between the Petroleum Retailers Alignment Forum (PRAF) and unions representing service station industry staff that was signed in September 2010.

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Enquiries:

Johannes Mokobane

Email: johannes.mokobane@energy.gov.za

Tel.: 012 444 4612

Ndivhuwo Khangale

Email: ndivhuwo.khangale@energy.gov.za

012 444 4010

Thandiwe Maimane

Email: thandiwe.maimane@energy.gov.za

Tel: 012 444 4335