



Media Statement

Embargo: None

FUEL PRICE CHANGES TO BE EFFECTED ON 06 NOVEMBER 2013

The retail prices of all grades of petrol, the wholesale prices of both grades of diesel, illuminating paraffin and the maximum retail prices of LPGas will decrease with effect from **Wednesday, 06 November 2013**.

1. Crude oil prices:

The Brent crude oil prices decreased on average, by USD3.0/bbl from USD112.0/bbl to USD109.0/bbl since the start of the current fuel price review period (27 September 2013 to 31 October 2013). The decrease in oil prices is mainly attributable to (a) anticipated positive discussions between Iran and the world powers (U.S, UK, France, Russia and China) on Iran's nuclear program which will hopefully lead to the easing of international sanctions against Iran's oil exports; (b) Saudi Arabia producing crude oil at its fastest pace in three decades and the USA pumping its most crude oil since 1989; and (c), the increase in North Sea crude oil production after the completion of seasonal maintenance on oil fields, despite very low levels of crude oil exports by Libya.

2. International petroleum product prices

The international petroleum product prices decreased on average compared to the previous pricing review period. The Basic Fuel Prices of petrol diesel and illuminating paraffin decreased resulting in daily over recoveries of 44.0 c/l and 29.0 c/l respectively. The decrease in the product prices are mainly due to (a) lower crude oil prices; (b) lower demand for petrol as the driving-season ended and winter is approaching in North America and Europe, (c) the over-supply of diesel

due to new refining capacities in the Middle East and Russia which was exported to Europe; (d) lower international refining margins.

3. Rand/US Dollar exchange rate

The average Rand/US Dollar exchange rate decrease from R10.0027 to R9.93 during the current fuel price review period. The strengthening of the Rand against the US Dollar contributed to a decrease of 4.0 c/l in the Basic Fuel Prices. The main reasons for the strengthening of the Rand against the US Dollar are mainly attributable to (a) the termination of the US Government shutdown as the USA political parties reached agreement to increase the US debt ceiling; (b) the expectation that the USA Federal Reserve Bank will maintain its current level of economic stimulus and; and (c) the improved outlook towards the resolution of the labour related disputes domestically. The Rand was further boosted by positive data from manufacturing and mining output, retail sales, motor sales, quarterly unemployment in the country.

4. Self-adjusting Slate Levy Mechanism Rules

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate Levy on petrol and diesel will decrease by 2.2 c/l from 15.360 c/l to 13.160 c/l effective from 06 November 2013.

5. Anticipated fuel price changes

The fuel price decreases to be effected on 06 November 2013 are as follows:

Petrol (both grades): 28.0 c/l **decrease**

Diesel (0.05% sulphur): 15.2 c/l **decrease**

Diesel (0.005% sulphur); 17.2 c/l **decrease**

IP wholesale: 16.0 c/l **decrease**

SMNRP for IP: 22.0 c/l **decrease**

Maximum LPGas Retail Price: 41.0 c/kg **decrease**

For enquiries, please contact

Name: Johannes Mokobane, johannes.mokobane@energy.gov.za/

Tel: 012 4067481 / 0827663674

mediadesk@energy.gov.za