



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 05 DECEMBER 2018

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices based on the current international factors with effect from 05 December 2018.

South Africa's fuel prices are adjusted on a monthly basis, informed by international and local factors. International factors include the fact that South Africa imports both crude oil and finished products at a price set at the international level, including importation costs, e.g. shipping costs.

The main reasons for the fuel price adjustments are due to:

(1) The contribution of the Rand/US Dollar exchange rate

The Rand appreciated, on average, against the US Dollar (from 14.79 to 13.67 Rand per USD) during the period under review when compared to the previous one. This led to lower contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 18.50 c/l, 21.53 c/l and 21.66 c/l respectively.

(2) The prices of crude oil

The average Brent Crude oil price decreased from 81.15USD to 65.79USD per barrel during the period under review. The main contributing factors were (a) the start-up of Nghi Son refinery in Vietnam, and a new RFCC at Onsan refinery in South Korea which contributed to increased supply of crude oil and (b) the USA stock levels remain high and weak export economics into the Atlantic Basin persist. The demand is expected to fall throughout the remainder of the year.

(3) Import prices of Petroleum Products

The international prices of all the petroleum products decreased on average during the period under review. This led lower contributions on the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 174.00 c/l, 130.00 c/l and 116.00 c/l respectively.

(4) Annual adjustment of the Industry Margins

In line with the application of the Regulatory Accounts System the Minister of Energy has approved a net increase of 7.70 c/l in the annual margin adjustments on petrol and a net increase of 4.59 cents per litre on diesel and illuminating paraffin wholesale prices, with effect from 05 December 2017

(5) Adjustment to the Maximum Retail Price of LPGas

The Minister of Energy has also approved the adjustment of some of the pricing elements of the Maximum Retail Price structure of LPGas by 65.00 c/kg increase with effect from 05 December 2018

The current fuel price adjustments are due mainly to the international factors, namely, the stronger Rand and lower crude oil prices.

Based on current local and international factors, the fuel prices for November 2018 will be adjusted as follows:

- ❖ Petrol (93 Octane, ULP and LRP): 184.00 c/l **decrease**;
- ❖ Petrol (95 Octane, ULP and LRP): 184.00 c/l **decrease**;
- ❖ Diesel (0.05% sulphur): 145.41 c/l **decrease**;
- ❖ Diesel (0.005% sulphur): 147.41 c/l **decrease**;
- ❖ Illuminating Paraffin (wholesale): 133.41 c/l **decrease**;
- ❖ SMNRP for IP: 178.00 c/l **decrease**;
- ❖ Maximum LPGas Retail Price: 243.00 c/kg **decrease**

The fuel prices schedule for the different zones will be published on Tuesday, 04 December 2018.

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