



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 02 JANUARY 2019

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices based on the current international factors with effect from 02 January 2019.

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 depreciated, on average, against the US Dollar (from 14.09 to 14.18 Rand per USD) during the period under review when compared to the previous one. This led to a slightly higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 3.42 c/l, 3.98 c/l and 4.06 c/l respectively.

(2) The prices of crude oil

The average Brent Crude oil price decreased from 65.09 USD to 58.28 USD per barrel during the period under review. This was due mainly to concerns about the growth in demand as stock markets weakened because of the confusion stemming from the postponement of a Parliamentary vote on Brexit deal.

(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 100.90 c/l, 133.00 c/l and 123.47 c/l respectively.

(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 be zero effective from the 2nd January 2019. The current combined Slate Account balance for petrol and diesel amounted to R690.00 million which is above the threshold of minus R250 million.

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

Based on current local and international factors, the fuel prices for January 2019 will be adjusted as follows:

- ❖ Petrol (93 Octane, ULP and LRP): 122.00 c/l **decrease**;
- ❖ Petrol (95 Octane, ULP and LRP): 123.00 c/l **decrease**;
- ❖ Diesel (0.05% sulphur): 153.92 c/l **decrease**;
- ❖ Diesel (0.005% sulphur): 155.92 c/l **decrease**;
- ❖ Illuminating Paraffin (wholesale): 123.00 c/l **decrease**;
- ❖ SMNRP for IP: 164.00 c/l **decrease**;
- ❖ Maximum LPGas Retail Price: 132.00 c/kg **decrease**

The fuel prices schedule for the different zones will be published on Monday, 31 December 2018.

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