



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

**For Immediate Release**

### **FUEL PRICE DECREASES TO BE EFFECTED ON 05 DECEMBER 2012**

The next fuel price adjustments will be effected on Wednesday, 05 December 2012. The current fuel price review period closed on 29 November 2012. The factors that influenced the fuel price adjustments are outlined below:

#### **1. Crude oil prices**

During the current fuel price review period (02 November 2012 to 29 November 2012), the average Brent crude oil price, compared to the previous fuel price review period, remained the same.

#### **2. Lower international product prices**

During the current fuel price review period, the international product prices of petrol, diesel and IP, on average, decreased by 38.6 c/l, 37.2 c/l and 29.0 c/l respectively. These decreases mainly emanate from a decrease in the price differentials (also referred to as the gross refining margin) between crude oil and refined petroleum products. The refining margins on petrol and diesel decreased due to major refining maintenance programs currently underway in Europe.

#### **3. The Rand / Dollar exchange rate**

The average Rand/ dollar exchange rate deteriorated by almost 14.0 South African cents during the current fuel price review. The deterioration of the Rand against the US Dollar can mainly be attributed to the strengthening of the US Dollar against all major currencies like the Pound and the Yen.

#### 4. **Adjustment to the Slate Levy on petrol and diesel**

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate Levy on petrol and diesel will remain unchanged at 15.36 c/l.

#### 5. **Fuel margins adjustments**

In line with the Regulatory Accounting System (RAS) Margin Model calculations, the following margin **increases** will also be implemented into the price structures of petrol, diesel and IP with effect from 05 December 2012, namely:

- (a) Retail margin on petrol only: 3.9 c/l;
- (b) Wholesale margin on petrol, diesel and IP: 5.5 c/l;
- (c) Secondary storage: 2.4 c/l; and
- (d) Secondary distribution: 2.1 c/l

In total the fuel margins increased by **13.9** cents per litre.

*Please note that Secondary storage and Secondary distribution are reflected as one line item in the price structures of petrol, diesel and IP and referred to as the "Service Differential"*

#### 6. **Fuel price decreases**

Based on the average unit over recovery and implementation of the Regulatory Accounting System (RAS) margins, the following fuel price **decreases** will be implemented on 05 December 2012, namely:

- Petrol (all grades): 9.0 c/l, **decrease**;
- Diesel (0.05% Sulphur): 5.0 c/l, **decrease**;
- Diesel (0.005% Sulphur): 6.0 c/l, **decrease**;
- IP wholesale: 4.0 c/l, **decrease**;
- SMNRP for IP: 5.0 c/l, **decrease**; and
- Maximum Retail Price for LPGas: 35.0 c/kg, **decrease**

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