



**energy**

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## **PRESS RELEASE**

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### **FUEL PRICE INCREASES TO BE EFFECTED ON 07 NOVEMBER 2012**

The next fuel price adjustments will be effected on Wednesday, 07 November 2012. The current fuel price review period closes on 01 November 2012. The reasons for the fuel prices adjustments are:

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

1.1 During the current fuel price review period (28 September 2012 to 01 November 2012), the average Brent crude oil price, compared to the previous fuel price review period, decreased slightly from USD 112.96 per barrel to USD 111.80 per barrel.

#### **2. International product prices**

The fuel prices increased substantially during the first half of the review period because of increased refinery margins, which were supported by increased demand for petroleum products. However, the prices decreased drastically due to a sharp decrease in demand for petroleum products, especially petrol as the USA and Europe entered their winter season. The latter led to an average decrease in the international product prices.

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

The deterioration of the Rand against the US Dollar offset the aforesaid price decreases by contributing to an increase in the Basic Fuel Price (BFP) of between 27.0 and 29.0 cents per litre. The weaker Rand is mainly attributed to (a) ongoing debt crisis concerns in the Euro Zone; (b) concerns about a wider

domestic budget deficit; (c) lower South African growth forecast; and (d) the degrading of South Africa's credit ratings.

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

In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 2.2 cents per litre (bringing the total slate levy to 15.36 c/l) will be implemented into the price structures of petrol and diesel with effect from 07 November 2012.

#### 5. **Anticipated fuel price adjustments**

Based on the average unit over- and under- recovery and the implementation of a Slate Levy of 2.2 c/l on petrol and diesel, the following fuel price changes will be implemented on 07 November 2012, namely:

- Petrol (all grades): 10.0 c/l, **decrease**;
- Diesel (0.05% Sulphur): 10.2 c/l, **increase**;
- Diesel (0.005% Sulphur): 9.2 c/l, **increase**;
- IP wholesale: 3.0 c/l, **increase**;
- SMNRP for IP: 4.0 c/l, **increase**; and
- Maximum Retail Price for LPGas: 1.0 c/kg, **increase**

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