



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

EMBARGO: NONE

DATE: 31 MAY 2013

FUEL PRICE DECREASES TO BE EFFECTED ON 05 June 2013

The next fuel price adjustments will be effected on Wednesday, 05 June 2013. The current fuel price review period closed on 30 May 2013. The reasons for the fuel prices adjustments are:

1. Crude oil prices

During May 2013, dated Brent crude oil traded between USD100.0 and USD105.0 per barrel. During the current fuel price review period (26 April 2013 to 30 May 2013), the average Brent crude oil price, compared to the previous fuel price review period, increased insignificantly from USD102.16 per barrel to USD102.69 per barrel. The crude oil prices recovered slightly in May 2013 due to the ending of spring refinery maintenance in Europe and Northeast Asia, and the growth in petrol demand in the USA ahead of the summer driving season. Despite refinery restarts in Europe, crude oil demand was lower as refineries lowered their crude runs due to poor refining margins and low demand amid economic stagnation which continues in the region.

2. International product prices

International product prices of petrol and middle distillates increased substantially since the start of May 2013 in line with supply/demand imbalances.

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

The Rand weakened against the USD and contributed to an increase in the Basic Fuel Price (BFP) by just more than 5.0 cents per litre. The weaker than expected economic growth figures released during the course of the month and the on-going labour dispute in the mining industry also contributed to the weaker Rand. The Department would like to take this opportunity to caution that the impact of the weaker currency will be felt in the July adjustment.

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

In line with the provisions of the Self-Adjusting Slate Levy Mechanism, the Slate Levy on petrol and diesel will decrease by 10.98 c/l (from 15.36 c/l to 4.38 c/l) and will be implemented into the price structures of petrol and diesel with effect from 05 June 2013.

5. **Fuel price adjustments**

Based on above-mentioned factors, the fuel prices will be adjusted as follows:

- Petrol (all grades): 8.0 c/l, **decrease**;
- Diesel (0.05% Sulphur): 3.98.0 c/l, **decrease**;
- Diesel (0.005% Sulphur): 3.98 c/l, **decrease**;
- IP wholesale: 1.0 c/l, **increase**;
- SMNRP for IP: 1.0 c/l, **increase**; and
- Maximum Retail Price for LPGas: 5.0 c/kg **increase**.

6 **Outlook for July 2013**

It is expected that fuel prices will increase in July 2013 based on the current unit under-recoveries on all the products.

This statement is issued by the Department of Energy

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