



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT ISSUED BY THE DEPARTMENT OF ENERGY ON THE ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 03 AUGUST 2016**

**DATE: 29 JULY 2016**

The Department of Energy informs the public of the fuel price adjustments for August 2016. 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 shipping costs.

The main reasons for the fuel price adjustments in July 2016 are:

- (1) **The strengthening of the Rand against the US Dollar** during the period under review which cushioned the fuel prices by about 25.00c/l,
- (2) **The decrease on average in the prices of petroleum products** in the international markets, mainly due to oversupply of refined petroleum products in the global markets. Leading the negative view on refined products is petrol, with lower demand growth and record high inventories. The global oil markets are starting to look ahead to September, when seasonal weakness will begin in crude demand, due to planned refinery maintenance, and product demand, due to the end of peak driving season in Europe, and
- (3) **The decrease in the prices crude oil**, on average, during the period under review mainly due oversupply in the market. Some of the factors that contributed to the low crude oil prices were; (a) the increase in US crude oil stockpiles, (b) the decrease in demand for crude oil in the global markets due to planned refinery

maintenance and (c) the gradual return of crude oil supply from Canada and, to a lesser degree, Nigeria. These factors contributed to the oversupply of crude oil in the market which led to lower prices on average in July compared to June.

Based on current local and international factors, the fuel prices for August 2016 will be adjusted as follows:

1. Petrol (93 ULP and LRP): 99.00c/l **decrease**;
2. Petrol (95 ULP and LRP): 99.00c/l **decrease**;
3. Diesel (0.05% Sulphur): 74.00c/l **decrease**;
4. Diesel (0.005% Sulphur): 73.00c/l **decrease**;
5. Wholesale price for Illuminating Paraffin: 66.00c/l **decrease**;
6. SMNRP for Illuminating Paraffin: 88.00c/l **decrease**; and
7. Maximum Retail Price for LPGas: 160.00c/kg **decrease**.

In other fuel pricing zones, the prices will be different due to the adjustment to the transportation costs. The pricing schedule for the different zones will be published on Tuesday, 02 August 2016.

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