



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 01 AUGUST 2018

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices for August 2018 based on current local and international factors with effect from 01 August 2018.

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 13.29 to 13.50 Rand per USD) during the period under review when compared to the previous one. This led to a higher contribution to the Basic Fuel Prices (BFP) on petrol, diesel and illuminating paraffin by just over 10.00c/l. The market continued to be worried about what the growing differences on trade between the USA and China will have on the global economy.

(2) Import prices of Petroleum Products

The international prices of petroleum products decreased on average during the period under review. This was in line with the slightly lower crude oil prices. The prices of petrol increased in the international market due to demand in the Northern Hemisphere as they are in their summer (driving) season.

(3) The slight decrease in the prices crude oil

The average Brent Crude oil price decreased slightly from 74.26USD to 72.15USD per barrel during the period under review. The oil markets started falling since last week as OPEC and Russia increased production. The commitments from Russia and Saudi Arabia to increase production and improved supply from Libya continue to weigh on oil prices. Furthermore, reports that China will increase infrastructure spending helped to lessen fears that the U.S – China tensions will reduce the country's demand for oil.

Based on current local and international factors, the fuel prices for August 2018 will be adjusted as follows:

- ❖ Petrol (93 Octane, ULP and LRP): 1.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 1.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 4.00 c/l **decrease**;
- ❖ Diesel (0.005% sulphur): 4.00 c/l **decrease**;
- ❖ Illuminating Paraffin (wholesale): 4.00 c/l **increase**;
- ❖ SMNRP for IP: 5.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 17.00 c/kg **increase**

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

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