



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 04 JULY 2018

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices for July 2018 based on current local and international factors with effect from 04 July 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 12.51 to 13.29 Rand per USD) during the period under review. This led to a higher contribution to the Basic Fuel Price (BFP) on petrol, diesel and illuminating paraffin by 43.21 c/l, 44.36 c/l and 44.62 c/l respectively. The Rand's movements were mainly influenced by global factors. The market has started to become worried about the effect that the trade war between the USA and China will have on the global economy.

(2) The decrease in the prices crude oil

The average Brent Crude oil price decreased from 77.00USD to 74.00USD per barrel during the period under review. The main reason for the lower crude oil

prices is that the Organisation of Petroleum Exporting Countries (OPEC) and its allies agreed to increase production in order to retake market share from rivals and to calm prices to avoid blunting demand growth during their meeting on 22nd June 2018. The lower crude oil prices cushioned the consumers from higher fuel price by close to 20 cents per litre.

(3) 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 lower crude oil prices.

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

- ❖ Petrol (93 Octane, ULP and LRP): 26.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 23.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 26.00 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 24.00 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 22.00 c/l **increase**;
- ❖ SMNRP for IP: 30.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 37.00 c/kg **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, 03 July 2018.

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