



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

### **MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 06 JUNE 2018**

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices for June 2018 based on current local and international factors with effect from 06 June 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 11.99 to 12.51 Rand per USD) during the period under review. The Rand's movements were mainly influenced by global factors. The Rand traded on the back foot, given recent geopolitical developments which saw the US dollar soaring, and resulted in negative emerging market sentiment. The Rand and other emerging market currencies lost gains due to a rise in US Treasury bond yields to 3.11%.

**(2) The increase in the prices crude oil**

The average Brent Crude oil price increased from 70.88USD to 77.00USD per barrel during the period under review. The main reason for the higher crude oil prices is the sustained production cuts by the Organization of the Petroleum

Exporting Countries (OPEC). The ongoing crisis in Venezuela also led to falling oil production and exports from there. However, there are indications that OPEC and its allies may relax outputs constraints at its June meeting.

### **(3) Import prices of Petroleum Products**

The international prices of petroleum products increased on average during the period under review. This was in line with the higher crude oil prices.

The Department of Energy urge motorists to use fuel efficiently by applying fuel saving tips such as using lift clubs and public transport whenever it's possible to do so; and also by planning all the trips beforehand, amongst others.

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

- ❖ Petrol (93 Octane, ULP and LRP): 82.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 82.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 85.00 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 87.00 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 82.00 c/l **increase**;
- ❖ SMNRP for IP: 109.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 138.00 c/kg **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, 05 June 2018.

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