



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 07 NOVEMBER 2018

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices based on the current international factors with effect from 07 November 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 appreciated, on average, against the US Dollar (from 14.49 to 14.79 Rand per USD) during the period under review when compared to the previous one. This led to lower contribution to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 16.94c/l, 18.73c/l and 18.66c/l respectively.

(2) The prices of crude oil

The average Brent Crude oil price increased from 78.89USD to 81.03USD per barrel during the period under review. The main contributing factors were the (a) uncertainty ahead of the US sanction on Iran and (b) ongoing trade tension between the USA and China which has sparked concerns about the short to medium term oil demand.

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

The international prices of petrol decreased slightly and diesel increased on average during the period under review. The price differential between petrol and diesel widened during the current fuel pricing review period due to (a) concerns of regional supply in the US South-East which boosted North-Western European and US East coast diesel prices and (b) the Northern Hemisphere approaching winter season.

(4) **Self-adjusting Slate Levy Mechanism Rules**

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate Levy on petrol and diesel will be 21.92 c/l effective from the 7th November 2018. The current combined Slate Account balance for petrol and diesel amounted to minus R2.2.00 billion which is below the threshold of minus R250 million

The current fuel price adjustments are due mainly to the international factors, namely, the stronger Rand and higher crude oil prices. Geopolitical tensions are having a very negative impact on crude oil prices and consequently refined product prices globally.

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

- ❖ Petrol (93 Octane, ULP and LRP): **unchanged**;
- ❖ Petrol (95 Octane, ULP and LRP): **.unchanged**;
- ❖ Diesel (0.05% sulphur): 47.92 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 50.92 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 28.00 c/l **increase**;
- ❖ SMNRP for IP: 37.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 61.00 c/kg **decrease**

The fuel prices schedule for the different zones will be published on Tuesday, 06 November 2018.

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