



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT
MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE
MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES
EFFECTIVE FROM THE 7th OF AUGUST 2019

The Minister of Mineral Resources and Energy, Mr Gwede Mantashe, announces the adjustment of fuel prices for July 2019 based on current local and international factors with effect from the 7th of August 2019.

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 during the period under review include local and international factors.

On the international front, during the period under review, the Rand appreciated on average against the US Dollar from 14.62 to 14.05 Rand per dollar compared to the previous one. This led to a lower contribution to the Basic Fuel Prices on petrol by twenty eight point two cents per litre (28.20 c/l), diesel and illuminating paraffin by twenty nine point four cents per litre (29.40 c/l).

The average Brent Crude oil price increased from 63.60 US dollars (USD) per barrel to 64.10 USD per barrel during the period under review. The main reasons for the increase in the oil prices were (i) the rising tensions in the Middle East after Iran captured a British oil tanker which sparked worries about supply disruptions through the Strait of Hormuz, through which about a fifth of the world's oil flows; (ii) the

sanctions that the United States of America imposed on Chinese State-Owned energy company, Zhuhai Zhenrong Co Ltd, for allegedly violation of the restrictions that were imposed on Iran's oil sector.

The Slate Levy will be reduced by four point three eight cents per litre (4.38.c/l) to zero cents per litre (0.00 c/l) in line with the **Self-Adjusting Slate Levy Mechanism Rules**. Effective from 7 August 2019, the Slate Levy on Petrol and Diesel will be 0.00 c/l cents per litre. Furthermore, the Minister of Minerals Resources and Energy, with the concurrence of the Minister of Finance, approved an increase from zero point zero one (0.01 c/l) to zero point one cents per litre (0.10 c/l) in the Tracer Dye Levy to be implemented in the diesel price structures with effect from the 7th of August 2019.

Based on current local and international factors, the fuel prices for August 2019 will be adjusted as follows:

- ❖ Petrol (both 93 & 95 ULP and LRP): eleven cents per litre (11.00 c/l) **increase**;
- ❖ Diesel (0.05% sulphur): thirteen point two nine cents per litre (13.29 c/l) **decrease**;
- ❖ Diesel (0.005% sulphur): fourteen point two nine cents per litre (14.29 c/l) **decrease**;
- ❖ Illuminating Paraffin (wholesale): two cents per litre (2.00 c/l) **decrease**;
- ❖ SMNRP for IP: two cents per litre (2.00 c/l) **decrease**;
- ❖ Maximum LPGas Retail Price: thirty one cents per kilogram (31.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, 6 August 2019.

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