



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 06 MARCH 2019

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices based on the current international factors with effect from the 6th of March 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 are due to:

(1) The contribution of the Rand/US Dollar exchange rate

The Rand appreciated, on average, against the US Dollar (from 13.94 to 13.80 Rand per USD) during the period under review when compared to the previous one. This lowered the contribution to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 7.50 c/l, 8.84 c/l and 8.78 c/l respectively.

(2) The prices of crude oil

The average Brent Crude oil price increased from 60.00 USD to 64.00 USD per barrel during the period under review. The Organisation of Petroleum Exporting Countries (OPEC), other non-OPEC producers and Russia, agreed to reduce oil supply to the global markets by 1.2 million barrels per day. This reduction has led to an increase in the crude oil price. Other major factors that contributed to the higher oil prices were, (a) the ongoing US sanctions against Iran and the recently announced US sanctions on Venezuela and (b) supply

disruptions from Safaniyah offshore oil field in Saudi Arabia after a power cable was cut.

(3) Import prices of Petroleum Products

The international prices of all the petroleum products increased on average during the period under review. This increased the contribution on the Basic Fuel Prices of petrol, diesel and illuminating paraffin by more than 81.00 c/l, 100.00 c/l and 84.00 c/l respectively.

The current fuel price adjustments are due mainly to the international factors, namely, the increase in crude oil prices. As had been predicted last year, OPEC is determined to support higher crude oil prices by reducing production. They are achieving their objective due to the support by other non-OPEC producers.

The actions of the oil producers and US sanctions have reversed the benefit that motorists had begun to enjoy following the decreases of approximately R3 in fuel prices during the months of December 2018 and January 2019.

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

- ❖ Petrol (93 Octane, ULP and LRP): 74.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 74.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 91.00 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 93.00 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 76.00 c/l **increase**;
- ❖ SMNRP for IP: 102.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 101.00 c/kg **increase**

The fuel prices schedule for the different zones will be published on Tuesday, 5th of March 2019.

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