



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 1ST OF APRIL 2020

The Minister of Mineral Resources and Energy, Mr Gwede Mantashe, announces the adjustment of fuel prices based on current local and international factors with effect from the 1st of April 2020.

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.

April is an important month in the fuel price calendar to revise road and pipelines tariffs as well as Fuel and Road Accident Fund (RAF) levies, to be implemented into the price structures of petrol, diesel and Illuminating paraffin (IP).

In more details, the main reasons for the fuel price adjustments are due to:

A: International Factors:

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

The Rand depreciated, on average, against the US Dollar (from 14.97 to 16.43 Rand per USD) during the period under review when compared to the previous one. This led to higher contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 40.00 c/l, 46.62 c/l and 42.26 c/l respectively.

(2) The huge decrease in the prices crude oil

The average Brent Crude oil price decreased from 55.95 USD to 35.25 USD per barrel during the period under review. The main reason for the lower oil prices is due to the continuous spread of the COVID-19 even in countries outside China. This has added to investor and traveller concerns and as a result affected the demand for crude oil. Furthermore, failure by OPEC to agree on production cuts exacerbated the pressure on the price of crude oil.

B: Local Factors:

(3) The increase in Fuel and Road Accident Fund Levies

The increase in the Fuel and Road Accident Fund Levies by 16.0cpl and 9.0cpl, respectively, as announced by the Minister of Finance in his Budget Speech on the 26th of February 2020, will be effected into the prices of this month.

(4) The increase in transport costs

The Minister of Mineral Resources and Energy has approved the implementation of revised zone differentials into the price structures of petrol, diesel and illuminating paraffin (IP) with effect from the 1st of April 2020. These zone differential adjustments are based on the Vehicle Cost Schedule 17 of the Road Freight Association (RFA) published in October 2019 (7.6 percent increase) and the approved petroleum pipeline transport tariffs announced by the National Energy Regulator of South Africa (NERSA) on the 26th of February 2020 (11.6 percent increase). The magnitude of the increases in the revised zone differentials will differ between fuel pricing zones and will be published in the fuel price schedule for April 2020. For example, the transport costs for petrol and diesel will increase by 6.30 c/l in Gauteng and 0.20 c/l in coastal areas.

(5) Octane differentials between 95 and 93 petrol grades

In line with the Working Rules to determine the Basic Fuels Prices (BFP), the 95 octane (unleaded) grade is the price-marker grade and the BFP-differentials between 95 and 93 octanes are adjusted on the first Wednesday of each quarter. The retail prices of 95 and 93 petrol octanes will be different in each fuel pricing zone with effect from the 1st of April 2020.

Based on current local and international factors, the fuel prices for April 2020 will be adjusted as follows in **Gauteng (Zone 9C)**:

- ❖ Petrol (both 93 ULP and LRP): one hundred and seventy six cents per litre (176.00 c/l) **decrease**
- ❖ Petrol (both 95 ULP and LRP): one hundred and eighty eight cents per litre (188.00 c/l) **decrease**;
- ❖ Diesel (0.05% sulphur): one hundred and thirty three comma seven cents per litre (133.70 c/l) **decrease**;
- ❖ Diesel (0.005% sulphur): one hundred and thirty four comma seven cents per litre (134.70 c/l) **decrease**;
- ❖ Illuminating Paraffin (wholesale): one hundred and eighty three comma nine cents per litre (183.90 c/l) **decrease**;
- ❖ SMNRP for IP: two hundred and forty five cents per litre (245.00 c/l) **decrease**;
- ❖ Maximum LPGas Retail Price: three hundred and seventy eight cents per kilogram (378.00 c/kg) **decrease**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 31st of March 2020.

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