



## mineral resources & energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA

### **MEDIA STATEMENT**

## **MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 2<sup>ND</sup> OF DECEMBER 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 2<sup>nd</sup> of December 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.

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 16.46 to 15.63 Rand per USD) during the period under review when compared to the previous one. This led to lower contributions to the Basic Fuel Prices of petrol, diesel and illuminating paraffin by 25.88 c/l, 26.12 c/l and 25.14 c/l respectively.

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

The average Brent Crude oil price increased from 40.63USD to 42.10USD per barrel during the period under review. Oil prices hit the highest since March,

mostly on the back of more positive news about Covid-19 vaccines. Furthermore, Crude oil prices continued to climb after the Energy Information Administration reported a crude oil inventory draw of 800,000 barrels per week during November 2020.

### **(3) The Petroleum Products Prices**

With respect to finished products, the movement in international prices of petrol decreased, whilst the prices of diesel and illuminating increased during the period under review. The diesel prices increased due to seasonal rise in demand for middle distillates, such as diesel, heavy fuel oil and illuminating paraffin, for space heating during winter season in the Northern Hemisphere and Europe.

### **(4) RAS Industry Margins and LPG MRP Annual Adjustments**

In line with the application of the Regulatory Accounting System (RAS) the Minister of Energy approved a net increase of 14.30 c/l in the annual margin adjustments on petrol and a net increase of 7.86 cents per litre on diesel and illuminating paraffin wholesale prices, with effect from 02 December 2020 (**Annexure E**). The Minister also approved the annual increase of the Maximum Retail Price of LPGas by 62.167 cents per kilogram with effect from 02 December 2020 (**Annexure F**).

Based on current local and international factors, the fuel prices for December 2020 will be adjusted as follows:

- ❖ Petrol (both 93 ULP and LRP): thirteen cents per litre (13.00 c/l) **decrease**
- ❖ Petrol (both 95 ULP and LRP): thirteen cents per litre (13.00 c/l) **decrease**;
- ❖ Diesel (0.05% sulphur): nineteen coma eight six cents per litre (19.86 c/l) **increase**;
- ❖ Diesel (0.005% sulphur): nineteen coma eight six cents per litre (19.86 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): twenty eight coma eight six cents per litre (28.86 c/l) **increase**;
- ❖ SMNRP for IP: thirty eight cents per litre (38.00 c/l) **increase**;
- ❖ Maximum LPGas Retail Price: one hundred and thirty seven cents per kilogram (137.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 1<sup>st</sup> of December 2020.

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