



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 JANUARY 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 January 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 reason for the fuel price changes is that the average Brent Crude oil price increased from 63.00USD to 66.71USD per barrel during the period under review. The Crude oil prices increased following signals of the extension of OPEC production cut into mid-2020, and signs of a new round of trade talks between China and the United State of America.

On the finished products, the international prices of 95 octane petrol decreased by about 4.00 c/l because the demand decreased as motorists in Europe spent more time indoors due to the cold winter season. On the other hand, the prices of diesel and illuminating increased by about 16.00 c/l, due to higher demand for middle distillates, in particular gas, for space heating in Europe. The diesel prices usually increases during the winter season in Europe seasonally due to higher demand of gas for space heating.

The Rand appreciated, on average, against the US Dollar (from 14.80 to 14.47 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 15.70 c/l, 16.78 c/l and 16.64 c/l respectively.

In line with the Motor Industry Bargaining Council (MIBCO) agreement of 13 December 2019, the Minister of Energy, Mr Gwede Mantashe, has approved an increase in the retail margin of petrol of 5.60cpl to cater for the salary increase of for pump attendants, cashiers and other administration staff. This money will be ring-fenced for the wages of the forecourt staff, cashiers and administration personnel at all the service stations in the country.

Furthermore, The 95/93 octane price differential will be adjusted in line with the Basic Fuel Price (BFP) Working Rules with effect from 01 January 2020.

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

- ❖ Petrol (both 93 ULP and LRP): four cents per litre (4.00 c/l) **decrease**
- ❖ Petrol (both 95 ULP and LRP): fourteen cents per litre (14.00 c/l) **decrease;**
- ❖ Diesel (0.05% sulphur): nine cents per litre (9.00 c/l) **increase;**
- ❖ Diesel (0.005% sulphur): nine cents per litre (9.00 c/l) **increase;**
- ❖ Illuminating Paraffin (wholesale): five cents per litre (5.00 c/l) **increase;**
- ❖ SMNRP for IP: seven cents per litre (7.00 c/l) **increase;**
- ❖ Maximum LPGas Retail Price: twenty four cents per kilogram (24.00 c/kg) **decrease;** and

The fuel prices schedule for the different zones will be published on Tuesday, the 31st of December 2019.

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