



MEDIA STATEMENT
MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE
MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES
EFFECTIVE FROM THE 1ST OF JULY 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 July 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 strengthened, on average, against the US Dollar (from 18.17 to 17.43 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 of about 34.00 c/l.

(2) The increase in the prices crude oil

During the current fuel price review, the average Brent Crude oil price increased from 27.63 USD/barrel to 40.01 USD/barrel. The main reason for the higher oil

prices is that major economies around the world began to ease the coronavirus lockdown measures amid the production cut by OPEC and Russia.

(3) The Petroleum Products Prices

On the finished products, the international prices of all refined petroleum products also increased following that of crude oil resulting in average under recoveries of over 206.23 c/l on petrol and 202.85 c/l on diesel and 245.05 c/l on Illuminating Paraffin.

(4) Maximum Refinery Gate Price of LPGas

The Minister has approved the utilisation of the Saudi Contract Price (CP) to calculate the import parity price of LPGas through the publication of the regulations in the government gazette. Petrol 93 octane was used as a proxy to calculate the Maximum Refinery Gate Price of LPGas which was not a true reflection of the import parity price. The new MRGP working rules ensures that the actual import parity price of LPGas is calculated and the importers are able to recover their costs.

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

- ❖ Petrol (both 93 ULP and LRP): one hundred and sixty three cents per litre (163.00 c/l) **increase**
- ❖ Petrol (both 95 ULP and LRP): one hundred and seventy two cents per litre (172.00 c/l) **increase;**
- ❖ Diesel (0.05% sulphur): one hundred and seventy three cents per litre (173.00 c/l) **increase;**
- ❖ Diesel (0.005% sulphur): one hundred and sixty nine cents per litre (169.00 c/l) **increase;**
- ❖ Illuminating Paraffin (wholesale): two hundred and fourteen cents per litre (214.00 c/l) **increase;**
- ❖ SMNRP for IP: two hundred and eighty five cents per litre (285.00 c/l) **increase;**
- ❖ Maximum LPGas Retail Price: four hundred and forty eight cents per kilogram (448.00 c/kg); and

The fuel prices schedule for the different zones will be published on Tuesday, the 30th of June 2020.

Enquiries: mediadesk@dmre.gov.za

Ms Lerato Ntsoko - lerato.ntsoko@dmre.gov.za / mediadesk@dmre.gov.za /

012 406 7799 / 082 459 2788