



## 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 3<sup>RD</sup> OF JUNE 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 3<sup>rd</sup> of June 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 slightly, on average, against the US Dollar (from 18.47 to 18.17 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 over 6.00 c/l.

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

The average Brent Crude oil price increased from 20.00 USD/barrel to 27.63 USD/barrel. The main reason for the higher oil prices is that OPEC, Russia and

other oil producing nations agreed to reduce oil production by about 10 million barrels per day during a meeting in April 2020. This effectively removed about 10% of global supply of oil.

### **(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 125.87 c/l on petrol and 28.90 c/l on diesel and 46.41 c/l on Illuminating Paraffin. The demand for refined products also increased as the easing of lockdown started in the US and other countries.

It is important to note that the price of petrol is still on average R2.00 lower than it was at the beginning of the lockdown.

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

- ❖ Petrol (both 93 ULP and LRP): one hundred and eighteen cents per litre (118.00 c/l) **increase**;
- ❖ Petrol (both 95 ULP and LRP): one hundred and eighteen cents per litre (118.00 c/l) **increase**;
- ❖ Diesel (0.05% sulphur): twenty two cents per litre (22.00 c/l) **increase**;
- ❖ Diesel (0.005% sulphur): twenty one cents per litre (21.00 c/l) **increase**;
- ❖ Illuminating Paraffin (wholesale): forty cents per litre (40.00 c/l) **increase**;
- ❖ SMNRP for IP: fifty four cents per litre (54.00 c/l) **increase**;
- ❖ Maximum LPGas Retail Price: one hundred and ninety eight cents per kilogram (198.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 2<sup>nd</sup> of June 2020.

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