



Energy
Mineral Resources

MEDIA STATEMENT

MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 6TH OF MAY 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 6th of May 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 depreciated, on average, against the US Dollar (from 16.43 to 18.47 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 33.57 c/l, 41.94 c/l and 29.98 c/l respectively.

(2) The decrease in the prices crude oil

The average Brent Crude oil price decreased from 35.25 USD to 20.00 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 and the resultant lockdown of the major economies globally. This is despite the fact that OPEC and Russia agreed to reduce oil production by about 10 million barrels per day during their April meeting.

(3) International petroleum product prices

On the finished products, the international prices of all refined petroleum products also decreased substantially following that of crude oil resulting in average over recoveries of over 200.00 c/l on petrol and diesel and 252.00 c/l on Illuminating Paraffin

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

- ❖ Petrol (both 93 ULP and LRP): one hundred and seventy four cents per litre (174.00 c/l) **decrease**
- ❖ Petrol (both 95 ULP and LRP): one hundred and seventy four cents per litre (174.00 c/l) **decrease;**
- ❖ Diesel (0.05% sulphur): one hundred and sixty one cents per litre (161.00 c/l) **decrease;**
- ❖ Diesel (0.005% sulphur): one hundred and fifty six cents per litre (156.00 c/l) **decrease;**
- ❖ Illuminating Paraffin (wholesale): two hundred and twenty three cents per litre (223.00 c/l) **decrease;**
- ❖ SMNRP for IP: two hundred and ninety seven cents per litre (297.00 c/l) **decrease;**
- ❖ Maximum LPGas Retail Price: two hundred and sixty two cents per kilogram (262.00 c/kg) **decrease;** and

The fuel prices schedule for the different zones will be published on Tuesday, the 5th of May 2020.

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