



MEDIA STATEMENT

MINISTER OF MINERAL RESOURCES AND ENERGY, MR GWEDE MANTASHE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 2ND OF SEPTEMBER 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 2nd of September 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 weakened, on average, against the US Dollar (from 16.82 to 17.28 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 14.99 c/l, 15.12 c/l and 13.42 c/l respectively.

(2) The increase in the prices crude oil

During the current fuel price review, the average Brent Crude oil price increased slightly from 43.49 USD/barrel to 44.78 USD/barrel. This was mainly due to

concerns that the hurricanes may lead to closure of some of the production facilities in the South Coast of the United States of America.

(3) The Petroleum Products Prices

On the finished products, the movement in international prices of all refined petroleum products decreased resulting in average over recoveries of over of 18.38 c/l on petrol and 35.33 c/l on diesel and 39.17 c/l on Illuminating Paraffin.

(4) Annual wages increase for the Forecourt staff

The Minister has approved an increase of 5.3 cents per litre in the retail margin of all grades of petrol to accommodate the annual wages increases of the forecourt staff in line with the MIBCO Agreement that was signed on the 13th of December 2019.

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

- ❖ Petrol (both 93 ULP and LRP): one cents per litre (1.00 c/l) **increase**
- ❖ Petrol (both 95 ULP and LRP): one cents per litre (1.00 c/l) **increase**;
- ❖ Diesel (0.05% sulphur): twenty one cents per litre (21.00 c/l) **decrease**;
- ❖ Diesel (0.005% sulphur): twenty one cents per litre (21.00 c/l) **decrease**;
- ❖ Illuminating Paraffin (wholesale): twenty six cents per litre (26.00 c/l) **decrease**;
- ❖ SMNRP for IP: thirty five cents per litre (35.00 c/l) **decrease**;
- ❖ Maximum LPGas Retail Price: thirty six cents per kilogram (36.00 c/kg) **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, the 1st of September 2020.

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