

Petrol price to fall by 89 cents

The price of petrol is to decrease by 89 cents per litre, the Department of Energy announced Friday, 29 June 2012.



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From Wednesday, 4 July, the price of 93 ULP and LRP petrol will decrease by 89 cents per litre, the price of 95 ULP and LRP petrol will decrease by 85 cents per litre. Diesel 0.05% Sulphur is to decrease by 62 cents per litre, while Diesel 0.005% Sulphur will decrease by 61 cents per litre.

Illuminating paraffin wholesale will decrease by 58 cents and Illuminating Paraffin (SMNRP) is to decrease by 77 cents.

The increase follows decreases in Brent crude oil prices and refined petroleum product prices and the deterioration of the Rand-value against the US Dollar.

"During the current fuel price review period, Brent crude oil prices decreased from US\$110 per barrel to US\$90 per barrel. This decrease in Brent crude oil prices mainly culminated from lower economic growth and subsequent lower crude oil demand in the USA, Europe and China. International refined petroleum product prices followed the decrease in crude oil prices," said the department.

It said the Rand/US Dollar exchange rate weakened and had off-set the product prices decreases by some 22 cents per litre.

"The deterioration of the Rand against the US Dollar is mainly attributable to concerns that the Euro debt crisis is threatening the global economy, damping demand for riskier assets; the probability that European Union leaders may fail to tame the current financial turmoil in the Eurozone at the EU's summit; and concerns that the fiscal crisis in Italy and Spain is infecting the bigger economies in the Euro zone and elsewhere," it added.

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