



## **Media statement**

**Issued on 28 February 2014**

### **FUEL PRICE CHANGES TO BE EFFECTED ON 05 MARCH 2014**

The retail prices of all grades of petrol, the single maximum retail price (SMNRP) for paraffin, and the maximum retail prices of LPGas will increase with effect from **Wednesday, 05 March 2014**. The increase is due to movements in the crude oil prices, international petroleum products prices, Rand/US dollar exchange rate during the current fuel price review (31 January 2014 to 27 February 2014) and the self-adjusting Slate levy which are briefly explained below:

#### **1. Crude oil prices:**

The Brent crude oil prices increased slightly on average from 107.0 to 108.85 USD/barrel, during the current fuel price review period. The increase in the oil prices can be attributed to the bitterly cold weather in the United States during January and February which lead to the increase in demand for space heating fuels, disrupted crude oil and natural gas production as well as refinery, rail, and pipeline operations.

#### **2. International petroleum products prices**

The international petroleum products prices increased on average compared to the previous pricing review period. The increase in the product prices was mainly due to strong demand for petrol, particularly in US spot markets, which has opened the possibility for European supplies

to supply the US, and thereby increase the prices due to additional demand from the US.

### **3. Rand/US Dollar exchange rate**

The average Rand/US Dollar exchange rate depreciated from R10.67/USD to R11.02/USD during the current fuel price review period and contributed to the fuel price increase by about 17 cents a litre. One of the reasons for the depreciation of the Rand against the Dollar was the disappointing Chinese manufacturing data which reinforced concerns of a slowdown in the world's second biggest economy which is one of South Africa's biggest trading partners.

### **4. Self-adjusting Slate Levy Mechanism Rules**

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate Levy on petrol and diesel will increase by 2.2 c/l from 13.16 c/l to 15.36 c/l effective from 05 March 2014.

### **5. Fuel Price Changes**

The fuel price increases to be effected on 05 March 2014 are as follows:

Petrol (all grades): 36.0 c/l **increase**

Diesel (0.05% Sulphur): 27.2 c/l **increase**

Diesel (0.005% Sulphur): 28.2 c/l **increase**

IP wholesale: 16.0 c/l **increase**

SMNRP for IP: 22.0 c/l **increase**

Maximum LPGas Retail Price: 58.0 c/kg **increase**

***This statement is issued by communications directorate on behalf of the Department of Energy.***

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