



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT ISSUED BY THE DEPARTMENT OF ENERGY ON THE ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 01 MARCH 2017

DATE: 24 FEBRUARY 2017

The Department of Energy informs the public of the fuel price adjustments for March 2017. 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 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 strengthened against the US Dollar from R13.60 to R13.30, on average, during the period under review when compared to the previous one. This contributed by about 13 cents per litre to the fuel price changes for March 2017.

(2) The increase in the prices crude oil

The prices crude oil increased, on average, during the period under review. Some of the factors that contributed to crude oil increase were; (a) the strained relationship between Tehran and the United States that raised concerns that US sanctions could be tightened further to impact Iranian oil exports, which were only allowed to return to normal last year, and (b) the fact that OPEC members have reportedly achieved a high level of compliance with the production cuts announced in November last year.

(3) The average increase in the international prices of all petroleum products.

The prices of petrol, diesel and illuminating paraffin increased, on average, in the international markets during the period under review. The Basic Fuel Price (BFP) of all the products increased in line with the price of crude oil. Exports from China of petrol and diesel, the region's largest petroleum user, are also down due to good domestic buying before the 7 day Chinese New Year holidays.

Based on current local and international factors, the fuel prices for March 2017 will be adjusted as follows:

1. Petrol (both 93 & 95 - ULP and LRP): 8.00c/l **decrease**;
2. Diesel (0.05% and 0.005% Sulphur): 2.00c/l **decrease**;
3. Wholesale price of Illuminating Paraffin: 8.00c/l **decrease**;
4. SMNRP of Illuminating Paraffin: 10.00c/l **decrease**; and
5. Maximum Retail Price of LPGas: 2.00c/kg **decrease**.

The fuel prices schedule for the different zones will be published on Tuesday, 28 February 2017.

Issued by the Department of Energy Spokesperson

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