



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM THE 3RD OF APRIL 2019

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices for April 2019 based on current local and international factors with effect from the 3rd of April 2019.

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.

April is an important month in the fuel price calendar to revise road and pipelines tariffs as well as fuel and Road Accident Fund (RAF) levies, to be implemented into the price structures of petrol, diesel and Illuminating paraffin (IP). Their total contributions to the fuel price increase is about 26.00c/l in Gauteng whilst the international factors amounted to about 106.00c/l on petrol and 56.00c/l on diesel and IP.

In more details, the main reasons for the fuel price adjustments are due to:

A: International Factors:

(1) The contribution of the Rand/US Dollar exchange rate

The Rand depreciated, on average, against the US Dollar (from 13.80 to 14.36 Rand per USD) during the period under review. This increased the contribution on the Basic Fuel Price of petrol, diesel and illuminating paraffin by between 28.00c/l and 30.00c/l.

(2) The increase in the prices crude oil

The average Brent Crude oil price increased from 64.04USD to 66.01USD per barrel during the period under review. The main contributing factors were (a) the tightening of stock levels in the USA and (b) the US sanctions against Venezuela which was compounded by widespread power outages. This led to higher prices of all the petroleum products which increased the contribution on the Basic Fuel Price of petrol, diesel and illuminating paraffin by about 78.00c/l, 26.66c/l and 25.76c/l respectively.

B: Local Factors:

(3) The increase in Fuel and Road Accident Fund Levies

The increase in the Fuel and Road Accident Fund Levies by 15.0cpl and 5.0cpl, respectively, as announced by the Minister of Finance in his Budget Speech on 20 February 2019;

(4) The increase in transport costs

The increases in primary transport cost are attributed to an average annual increase of 10.96 percent in road transport tariffs and an annual increase of 10.95 percent in pipeline transport costs announced by the National Energy Regulator of South Africa (NERSA) on the 16th of March 2019. Increases in primary transport cost will differ in the 54 Fuel Pricing Zones due to the different transport cost increases applied in the 54 pricing zones. For example, the transport costs for petrol and diesel will increase by 5.7 cpl in Gauteng and 0.3 cpl in coastal areas.

(5) Octane differentials between 95 and 93 petrol grades

In line with the Working Rules to determine the Basic Fuels Prices (BFP), the 95 octane (unleaded) grade is the price-marker grade and the BFP-differentials between 95 and 93 Octanes will be adjusted on the first Wednesday of each quarter. The 95/93 octane price differential will be adjusted with effect from the 03 April 2019.

Based on current local and international factors, the fuel prices for April 2019 will be adjusted as follows in **Gauteng (Zone 9C)**:

- ❖ Petrol (93 Octane, ULP and LRP): 134.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 131.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 81.70 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 82.70 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 63.00 c/l **increase**;
- ❖ SMNRP for IP: 65.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 171.00 c/kg **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, 02 April 2019.

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