



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## MEDIA STATEMENT

### FUEL PRICE ADJUSTMENTS TO BE EFFECTED ON 03 APRIL 2013

The next fuel price adjustments will be effected on Wednesday, 03 April 2013. The current fuel price review period closed on 26 March 2013 due to public holidays. The factors that influenced the fuel price adjustments are outlined below:

#### 1. Crude oil prices

The demand for crude oil has weakened during the current fuel price review period (01 March 2013 to 26 March 2013) and the International Energy Agency (IEA) has lowered its global forecast growth in the world oil demand for the second consecutive month, citing the effects of uncertainty of the US budget talks, sluggish Chinese business activity and unemployment in Europe as reasons for these revisions.

#### 2. International product prices

The international refined petroleum product prices followed a similar trend to the crude oil price movements. Since 01 March 2013, the Basic Fuels Price (BFP) *[excluding the impact of the deterioration of the Rand against the US Dollar]* of petrol, diesel and IP decreased by 40.0, 41.0 and 42.0 South African cents per litre, respectively. These decreases in the international refined petroleum product benchmark prices are mainly attributed to:

- The gradual rise of temperatures in the northern hemisphere as winter comes to an end and the beginning of the spring refinery maintenance season and
- The European and USA refiners running down stocks of winter grade petrol, less petrol being exported from Europe to the USA, reducing the demand for products and that translating into lower prices.

**3. The Rand / Dollar exchange rate**

The Rand/Dollar exchange rate deteriorated and peaked at R9.24 per US Dollar on the 14<sup>th</sup> March 2013. The turmoil in the Eurozone, particularly exacerbated by the fear that bank deposits could be seized in Cyprus which has accelerated the flocking of investors from other currencies to the relative safe haven of the US Dollar, is cited as one of the reasons that contributed to the weaker Rand.

**4. Adjustment to the Slate Levy on petrol and diesel**

In line with the Self-Adjusting Slate Levy Mechanism, the Slate Levy on petrol and diesel will be increased by 10.96 c/l from 10.96 c/l to 21.92 c/l with effect from 03 April 2013.

**5. Fuel Levy and Road Accident Fund increases**

The Minister of Finance announced on 26 February 2013 that the Fuel Levy and the Road Accident Fund on petrol and diesel will increase by 15.0 c/l and 8.0 c/l respectively on 03 April 2013. The Fuel Levy on petrol and diesel will amount to 212.0 c/l and 202.5 c/l respectively. The Road Accident Fund on petrol and diesel will amount to 96.0 c/l with effect from 03 April 2013.

**6. Adjustment to revised road and pipeline transport tariffs**

In line with the Vehicle Cost Schedule of the Road Freight Association (RFA) as of October 2012 and the revised pipeline transport tariffs approved by the National Energy Regulator of South Africa (NERSA) on 13 March 2013, the primary transport tariffs applicable in the price structures of petrol, diesel and illuminating paraffin will be adjusted in the fuels price structures on 03 April 2013.

Based on the approval by the National Energy Regulator of South Africa (NERSA), the pipeline transport tariff increases will, on average, be in the order of eight and a half percent (8.5%). The highest increase, however, amounts to 22.39% in respect of the transportation of fuels from Sasolburg to Tarlton, whilst a decrease of 13.3% in the pipeline transport tariff from Sasolburg to Alrode will be implemented.

Based on the 2012 RFA road transport tariffs, the road transport tariff increases will range from 0.2c/l in coastal areas to 8.5c/l in the Gordonia area, Northern Cape.

#### **7. Octane differentials between 95 and 93 petrol grades**

In line with the Working Rules to administer the Basic Fuels Price (BFP), the octane differentials between 95 and 93 octane grades are adjusted on the first Wednesday of each quarter. It is anticipated that the BFP of 93 petrol octanes will decrease by 2.0 c/ less than that of 95 petrol octane grades. The price changes to be effected on 95 ULP and LRP and 93 ULP and LRP on **03 April 2013** will therefore differ.

#### **8. Anticipated fuel price increases**

Based on the average unit over recoveries and the reduction in the slate levy, the following fuel price **increases** will be implemented on 03 April 2013, namely:

- Petrol (95 grades): 12.0 c/l, **increase**;
- Petrol (93 grades): 10.0 c/l, **increase**;
- Diesel (0.05 sulphur): 9.06 c/l, **increase**;
- Diesel (0.005 sulphur): 10.06 c/l, **increase**;
- **IP wholesale: 25.80 c/l, decrease**;
- **SMNRP for IP: 35.0 c/l, decrease**; and
- **Maximum Retail Price for LPGas: 55.0 c/kg, decrease**

Note that the fuel price templates indicating the revised transport tariffs in each Magisterial District Zone will be available on the DoE website at [www.energy.gov.za](http://www.energy.gov.za) the day before the actual fuel price adjustment is implemented, .i.e. 2 April 2013.

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