



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT ISSUED BY THE DEPARTMENT OF ENERGY ON THE ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 05 APRIL 2017**

**DATE: 31 MARCH 2017**

The Department of Energy informs the public of the fuel price adjustments for April 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:

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

During the current fuel price review period, the average Brent Crude oil price decreased from U\$ 55.15 p/bbl to U\$ 51.52 p/bbl.

Crude Oil prices fell as overall US commercial stocks increased by 1.3 million barrels, as another sizable 5.0 million barrel crude stock build more than offset a 3.6 million barrel product inventory draw down putting downward pressure on prices. Libya's oil production reached 700,000 barrels per day (bpd), recovering from a drop earlier this

month caused by fighting at two key oil ports which also help on putting downwards pressure on prices.

The crude oil market has declined despite indications on that OPEC members increasingly favour extended production cuts but want the backing of non-OPEC oil producers. Oil Traders have indicated that OPEC cuts would need to last into the fourth quarter to achieve the group's goal of reducing record oil stockpiles in industrialised nations to their five-year average

## **2. International petroleum product prices**

The average international product prices of Petrol, Diesel and Illuminating Paraffin decreased during the period under review.

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

The rand on average has strengthened against the US dollar from 13.2889 to 12:9068 rand per dollar during the period under review. The emerging markets were supported by strong metal prices.

## **4. Road transport tariffs:**

The road transport tariffs in the applicable road transport pricing zones, as well as for transporting fuels by road from pipeline draw-off points to supply depots have been determined. Compared to the RFA rates of 2015 (implemented in April 2016), the 2016 rates (to be implemented in April 2017) have increased by 6.2 percent. The revised road transport tariff increases to be effected on 05 April 2017 into the price structures of petrol, diesel and IP will range from 0.2 c/l to 8.5 c/l

## **5. Quarterly adjustments**

In terms of the Working Rules to administer the BFP, the differentials between 95 and 93 petrol grades are adjusted at the beginning of each quarter. The BFP differentials between 95 and 93 petrol grades have changed and therefore the different price adjustments between the two grades will be corrected during the current fuel price review period.

## **6. Slate adjustment**

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate Levy on petrol and diesel will remain at 0.00 c/l effective from the 05 April 2017.

## **7. Fuel Levy and Road Accident Fund Levy Adjustments**

As pronounced by the Finance Minister in his budget vote speech of 2017, both the fuel levy and road accident fund levy will increase by 30 cents and 9 cents respectively. These adjustments will also be factored into the prices changes of 05 April 2017.

## **8. The decrease in the prices of petrol, diesel and illuminating paraffin, on average in the international markets during the period under review**

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

- Petrol 95 ULP and LRP 24.0 c/l decrease in the retail price.
- Petrol 93 ULP and LRP: 22.0 c/l decrease in the retail price.
- Diesel 0.05% Sulphur: 10.50 c/l decrease in wholesale price.
- Diesel 0.005% Sulphur: 10.50 c/l decrease in wholesale Price
- Wholesale for Illuminating Paraffin: 48.50 c/l decrease in wholesale price.

- SMNRP for Illuminating Paraffin:65.0 c/l decrease in the Single Maximum National Retail Price (SMNRP)
- Maximum Retail Price for LPGas: 101.0 c/kg decrease in retail price.

The fuel prices schedule for the different zones will be published on Tuesday, 04 April 2017.

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