

## **MEDIA STATEMENT ISSUED BY THE DEPARTMENT OF ENERGY ON THE ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 06 DECEMBER 2017**

**DATE: 04 DECEMBER 2017**

The Department of Energy informs the public of the fuel price adjustments for December 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 depreciated against the US Dollar from R13.62 to R14.10, on average, during the period under review when compared to the previous one.

**(2) The increase in the prices crude oil.**

The average Brent Crude oil price increased from 56.86USD to 62.50USD per barrel during the period under review. The crude oil prices hit two-year highs well above \$60/bbl, partly because of the renewed tensions and uncertainties in the Middle East, with and partly due to buoyant global demand expectations and the strong likelihood that OPEC will extend its output cuts programme well into the coming year.

**(3) The annual margins adjustment**

In line with the application of the Regulatory Accounts System the Minister of Energy has approved a net increase of 3.9 c/l in the annual margin adjustments

on petrol and a net increase of 0.7 cents per litre on secondary storage and secondary distribution margins.

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

- ❖ Petrol (93 Octane, ULP and LRP): 71.00 c/l **increase**;
- ❖ Petrol (95 Octane, ULP and LRP): 71.00 c/l **increase**;
- ❖ Diesel (0.05% sulphur): 60.30 c/l **increase**;
- ❖ Diesel (0.005% sulphur): 57.30 c/l **increase**;
- ❖ Illuminating Paraffin (wholesale): 73.30 c/l **increase**;
- ❖ SMNRP for IP: 98.00 c/l **increase**;
- ❖ Maximum LPGas Retail Price: 204.00 c/kg **increase**; and

The fuel prices schedule for the different zones will be published on Tuesday, 05 December 2017.

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