



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER OF ENERGY, MR JEFF RADEBE, ANNOUNCES ADJUSTMENT OF FUEL PRICES EFFECTIVE FROM 02 MAY 2018

The Minister of Energy, Mr. Jeff Radebe, announces the adjustment of fuel prices for May 2018 based on current local and international factors with effect from 02 May 2018.

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.

The main reasons for the fuel price adjustments are due to:

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

The Rand depreciated, on average, against the US Dollar (from 11.85 to 11.95 Rand per USD) during the period under review. The Rand's movements were mainly influenced by global factors. The Rand went through a period of volatility in April, mainly due to concerns over the China/USA trade tariff dispute that put pressure on the currencies of emerging markets, including South Africa.

(2) The increase in the prices crude oil

The average Brent Crude oil price increased from 65.71USD to 70.36USD per barrel during the period under review. The USA crude oil inventories dropped by 1.1 million barrels as a result of a decline of 1.3 million barrels per day (bpd)

in net crude imports. The crude oil market also found support in expectation that the Organization of the Petroleum Exporting Countries (OPEC) production cuts will be sustained. OPEC and 10 rival producers have curbed output by a joint 1.8 million bpd since January 2017, and pledged to do so until the end of this year.

(3) Import prices of Petroleum Products

The international prices of petroleum products increased on average during the period under review. This was in line with the higher crude oil prices.

Based on current local and international factors, the fuel prices for May 2018 will be adjusted as follows:

- Petrol (both 95 - ULP and LRP): 49.00c/l **increase**;
- Petrol (both 93 - ULP and LRP): 49.00c/l **increase**;
- Diesel (0.05% Sulphur): 59.00c/l **increase**;
- Diesel (0.005% Sulphur): 58.00c/l **increase**;
- Wholesale price of Illuminating Paraffin: 52.00c/l **increase**;
- SMNRP of Illuminating Paraffin: 69.00c/l **increase**; and
- Maximum Retail Price of LPGas: 70.00c/kg **increase**.

The fuel prices schedule for the different zones will be published on Tuesday, 01 May 2018.

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