

## **MEDIA STATEMENT - FOR RELEASE ON 30 APRIL 2010**

RELEASED ON BEHALF OF THE DEPARTMENT OF ENERGY

ENQUIRIES: MR B KHUMALO, DEPARTMENT OF ENERGY

TELEPHONE: (012) 444-4256 OR 082 773 2388

### **1. ADJUSTMENT TO THE FUEL PRICE: WEDNESDAY, 05 MAY 2010**

The price increases below are in respect of Gauteng (Zone 9C) only. Please refer to paragraph 2 below.

Product:

Petrol (ALL GRADES)	14.000	cents per litre increase in retail price
Diesel 0.05% Sulphur	29.500	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	29.500	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	30.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	41.000	c/l increase in the Single Maximum National Retail price (SMNRP)

### **2. ADJUSTMENT TO ROAD AND PIPELINE TRANSPORT TARIFFS IN THE FUEL PRICE STRUCTURES OF PETROL, DIESEL AND ILLUMINATING PARAFFIN**

Revised road and pipeline transport tariffs applicable in petrol, diesel and illuminating paraffin price structures will become effective on 5 May 2010. Due to the different changes to the transport tariff increases, fuel price increases implemented with effect of 5 May 2010 will differ between Magisterial Districts. For example, the petrol price increases of 93 ULP will amount to 13,0 c/l in Zone 1A (coastal area), 12,0 c/l in zone 4A (e.g. Moreesburg, Tulbagh, Eshowe, Alexandra, Knysna), 19,0 c/l in Zone 17A (Gordonia) and 14,0 c/l in Zone 9C (Pretoria / Johannesburg).

### **3. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 31 MARCH 2010 TO 29 APRIL 2010**

During the period under review, the average international product prices of Petrol, Diesel and Illuminating Paraffin increased.

The average Rand/US Dollar exchange rate strengthened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 31 March 2010 to 29 April 2010 was 7.3749 compared to 7.4753 during the previous period.

### **4. SINGLE MAXIMUM NATIONAL RETAIL PRICE FOR ILLUMINATING PARAFFIN (SMNRP)**

The Single Maximum National Retail Price for Illuminating Paraffin changes on a monthly basis on the first Wednesday of each month and is promulgated in the Government Gazette. The Single Maximum National Retail Price for the period 5 May 2010 to 1 June 2010 will be 735.0 c/l compared to 694.0 c/l for the period 7 April 2010 to 4 May 2010, that is an increase of 41.00c/l.

### **5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 5 971.28 per metric ton (331.40 c/l) for the period 5 May 2010 to 1 June 2010.

## 6. PRICE ADJUSTMENT

In terms of the agreed mechanism:

- (a) Price changes are adjusted in such a manner that the over-or under-recovery during the prior month will be corrected in the following month; and
- (b) The unit over- or under-recoveries are rounded up or down to the nearest full cent so that the effect of rounding contributes to the clearing of the cumulative balance of the individual products on the slate.
- (c) In order to manage a negative balance in the Cumulative over/(under) recovery account (the Slate), a Self-Adjusting Slate Levy Mechanism (SLM) was implemented with effect from 7 January 2009 (the SLM is available on the website of the Department of Minerals and Energy). A Slate levy will only be applicable on all petrol and diesel grades if the Slate balance is negative (cumulative under recovery) by more than R250.0 million

## 7. BREAKDOWN OF PRICE ADJUSTMENT

Petrol ULP	95 Diesel 0.05(%)	Diesel 0.005(%)	ILLUMINATING Paraffin
---------------	-------------------------	--------------------	--------------------------

### The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 22 days from 31/03/2010 to 29/04/2010 (cents / litre) as detailed below.

( 12.103)      ( 28.545)      ( 28.859)      ( 29.389)

Cumulative positive/(negative) slate balances end of February 2010 (R-million)

333.829      216.767      216.767      ( 110.797)

### The price adjustments consist of the following elements:

c/l                      c/l                      c/l                      c/l

Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease

( 12.000)      ( 28.000)      ( 28.000)      ( 30.000)

Increase in zone differential (Zone 9C only)

( 1.500)      ( 1.500)      ( 1.500)

Rounding

( 0.500)

### Total price (increase) / decrease

( 14.000)      ( 29.500)      ( 29.500)      ( 30.000)

## 8. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

## 9. ANALYSIS OF THE ELEMENTS THAT RESULTED IN THE OVER/(UNDER)-RECOVERIES

The over/(under)-recoveries for the period under review were affected by the factors set out below, which can be quantified as follows:

	Petrol c/l	** Diesel 0.05% c/l	** Diesel 0.005% c/l	Illuminating Paraffin c/l
<b>Movements in external factors</b>				
Movement in International Product Prices	( 18.492)	( 35.042)	( 35.395)	( 35.801)
Movement in Exchange Rate	6.388	6.498	6.536	6.412
<b>Over/(under)-recovery for the period 31/03/2010 to 29/04/2010</b>	<b>( 12.103)</b>	<b>( 28.545)</b>	<b>( 28.859)</b>	<b>( 29.389)</b>

## 9. ANNEXURE

The annexure attached contains details of the composition of product prices as well as history of the price changes.

### ANNEXURE 1

#### COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG FOR THE PERIOD 05/05/2010 TO 01/06/2010 WILL BE AS FOLLOWS:

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel 0.05% S c/l	Diesel 0.005% S	Illuminating Paraffin c/l
Wholesale margin	51.087	50.868	50.860	50.860	51.072
Service cost recoveries	10.800	10.800	10.800	10.800	18.200
Storage, handling & delivery costs	10.800	10.800	10.800	10.800	10.800
Distribution cost	0	0	0	0	7.400
Dealers margin	72.700	72.700	0	0	0
Zone differential in Gauteng	15.500	15.500	15.500	15.500	29.800
IP Tracer levy	0	0	0.010	0.010	0
Fuel levy	167.500	167.500	152.500	152.500	0
Customs & excise duty	4.000	4.000	4.000	4.000	0
RAF levy	72.000	72.000	72.000	72.000	0
Petroleum Products levy	0.150	0.150	0.150	0.150	0
Slate levy	0.000	0.000	0.000	0.000	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Incremental Inland Transport Recovery levy	3.000	3.000	3.000	3.000	
Pump Rounding	0.200	0.200			
Sub-total	406.937	396.718	308.820	308.820	99.072
<u>Contribution to the Basic Fuel Price</u>	<u>465.063</u>	<u>457.282</u>	<u>472.630</u>	<u>475.030</u>	<u>467.128</u>
<u>Retail Price</u>	<u>872.00</u>	<u>854.00</u>			
<u>Wholesale price</u>			<u>781.45</u>	<u>783.85</u>	<u>566.20</u>

## Annexure A

**STATISTICS OF PRICE CHANGES**

	Petrol 95 ULP		Diesel		Illuminating Paraffin	
	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l
	From 4 January 2006 0,05% Sulphur					
03-Jan-07	598.00	574.00	<b>551.10</b>	<b>537.50</b>	447.20	424.20
07-Feb-07	575.00	551.00	<b>542.10</b>	<b>528.50</b>	421.20	398.20
07-Mar-07	599.00	575.00	<b>552.10</b>	<b>538.50</b>	431.20	408.20
04-Apr-07	667.00	643.00	<b>590.10</b>	<b>576.50</b>	462.10	438.20
02-May-07	701.00	677.00	<b>620.30</b>	<b>606.50</b>	480.10	456.20
06-Jun-07	724.00	700.00	<b>625.30</b>	<b>611.50</b>	482.10	458.20
04-Jul-07	716.00	692.00	<b>636.30</b>	<b>622.50</b>	499.10	475.20
01-Aug-07	701.00	677.00	<b>651.30</b>	<b>637.50</b>	506.10	482.20
05-Sep-07	691.00	667.00	<b>656.30</b>	<b>642.50</b>	506.10	482.20
03-Oct-07	701.00	677.00	<b>679.30</b>	<b>665.50</b>	519.10	495.20
07-Nov-07	704.00	680.00	<b>673.30</b>	<b>659.50</b>	529.10	505.20
05-Dec-07	747.00	723.00	<b>724.30</b>	<b>710.50</b>	587.10	563.20
02-Jan-08	747.00	723.00	<b>725.30</b>	<b>711.50</b>	578.10	554.20
06-Feb-08	764.00	740.00	<b>732.30</b>	<b>718.50</b>	580.10	556.20
05-Mar-08	825.00	801.00	<b>810.30</b>	<b>796.50</b>	656.10	632.20
02-Apr-08	891.00	867.00	<b>938.30</b>	<b>924.50</b>	774.10	750.20
07-May-08	946.00	922.00	<b>1 009.30</b>	<b>995.50</b>	829.60	805.70
04-Jun-08	996.00	972.00	<b>1 080.30</b>	<b>1 066.50</b>	900.60	876.70
02-Jul-08	1 070.00	1 040.00	<b>1 143.30</b>	<b>1 129.50</b>	949.60	925.70
06-Aug-08	1 040.00	1 010.00	<b>1 127.30</b>	<b>1 113.50</b>	953.00	929.10
03-Sep-08	966.00	942.00	<b>983.30</b>	<b>969.50</b>	807.00	783.10
01-Oct-08	941.00	917.00	<b>927.30</b>	<b>913.50</b>	742.00	718.10
05-Nov-08	896.00	872.00	<b>903.30</b>	<b>889.50</b>	703.00	679.10
03-Dec-08	735.00	711.00	<b>822.30</b>	<b>808.50</b>	628.00	604.10
07-Jan-09	601.00	576.00	<b>654.35</b>	<b>639.65</b>	496.70	467.60
04-Feb-09	662.00	637.00	<b>649.35</b>	<b>634.65</b>	482.70	453.60
04-Mar-09	707.00	682.00	<b>611.35</b>	<b>596.65</b>	456.70	427.60
01-Apr-09	738.00	713.00	<b>650.85</b>	<b>636.15</b>	451.70	422.60
06-May-09	735.00	710.00	<b>658.85</b>	<b>644.15</b>	464.70	435.60
03-Jun-09	750.00	727.00	<b>645.95</b>	<b>632.65</b>	455.70	426.60
01-Jul-09	790.00	767.00	<b>685.95</b>	<b>672.65</b>	501.70	472.60
05-Aug-09	769.00	746.00	<b>665.95</b>	<b>652.65</b>	487.70	458.60
02-Sep-09	805.00	782.00	<b>700.95</b>	<b>687.65</b>	508.70	479.60
07-Oct-09	765.00	742.00	<b>668.45</b>	<b>655.15</b>	481.20	452.10
04-Nov-09	765.00	742.00	<b>678.45</b>	<b>665.15</b>	495.20	466.10
02-Dec-09	792.00	769.00	<b>703.45</b>	<b>690.15</b>	524.20	495.10
06-Jan-10	786.00	763.00	<b>689.45</b>	<b>676.15</b>	512.20	483.10
03-Feb-10	804.00	781.00	<b>699.45</b>	<b>686.15</b>	517.20	488.10
03-Mar-10	810.00	787.00	<b>703.45</b>	<b>690.15</b>	515.20	486.10
07-Apr-10	858.00	835.00	<b>751.95</b>	<b>738.65</b>	536.20	507.10
05-May-10	872.00	848.00	<b>781.45</b>	<b>767.65</b>	566.20	538.10