

**MEDIA STATEMENT - FOR RELEASE ON 26 FEBRUARY 2010**

**RELEASED ON BEHALF OF THE DEPARTMENT OF ENERGY**

**ENQUIRIES: MR B KHUMALO, DEPARTMENT OF ENERGY**

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**1. ADJUSTMENT TO THE FUEL PRICE: WEDNESDAY, 03 MARCH 2010**

Product:

Petrol (ALL GRADES)	6.000	cents per litre increase in retail price
Diesel 0.05% Sulphur	4.000	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	4.000	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	2.000	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	2.000	c/l decrease in the Single Maximum National Retail price (SMNRP)

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD**

**29 JANUARY 2010 TO 25 FEBRUARY 2010**

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

The average Rand/US Dollar exchange rate weakened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 29 January 2010 to 25 February 2010 was 7.6902 compared to 7.4735 during the previous period.

**3. 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 3 March 2010 to 6 April 2010 will be 666.0 c/l compared to 668.0 c/l for the period 3 February 2010 to 2 March 2010 that is a decrease of 2.00c/l.

**4. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 5 508.21 per metric ton (305.70 c/l) for the period 3 March 2010 to 6 April 2010.

## 5. 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

## 6. BREAKDOWN OF PRICE ADJUSTMENT

<b>Petrol ULP</b>	<b>95 0.05(%)</b>	<b>Diesel 0.005(%)</b>	<b>Diesel 0.005(%)</b>	<b>Illuminating Paraffin</b>
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### The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 20 days from 29/01/2010 to 25/02/2010 (cents / litre) as detailed below.

( 6.575)	( 4.016)	( 4.508)	2.084
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Cumulative positive/(negative) slate balances end of December 2009 (R-million)

629.758	464.459	464.459	( 103.716)
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### The price adjustments consist of the following elements:

<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>
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Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease

( 6.000)	( 4.000)	( 4.000)	2.000
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### Total price (increase) / decrease

<b>( 6.000)</b>	<b>( 4.000)</b>	<b>( 4.000)</b>	<b>2.000</b>
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## 7. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

## 8. 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:

	<b>Petrol c/l</b>	<b>** Diesel 0.05% c/l</b>	<b>** Diesel 0.005% c/l</b>	<b>illuminating Paraffin c/l</b>
<b><u>Movements in external factors</u></b>				
Movement in International Product Prices	5.499	7.824	7.414	13.788
Movement in Exchange Rate	( 12.074)	( 11.840)	( 11.922)	( 11.704)
<b><u>Over/(under)-recovery for the period 29/01/2010 to 25/02/2010</u></b>	<b>( 6.575)</b>	<b>( 4.016)</b>	<b>( 4.508)</b>	<b>2.084</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 03/03/2010 TO 06/04/2010 WILL BE AS FOLLOWS:

	<b>Petrol 95 ULP c/l</b>	<b>Petrol 93 ULP &amp; LRP c/l</b>	<b>Diesel 0.05% S c/l</b>	<b>Diesel 0.005% S</b>	<b>illuminatin g Paraffin c/l</b>
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	14.000	14.000	14.000	14.000	29.800
IP Tracer levy	0	0	0.010	0.010	0
Fuel levy	150.000	150.000	135.000	135.000	0
Customs & excise duty	4.000	4.000	4.000	4.000	0
RAF levy	64.000	64.000	64.000	64.000	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	( 0.300)	( 0.300)			
Sub-total	379.437	369.218	281.820	281.820	99.072
<u>Contribution to the Basic Fuel Price</u>	<u>430.563</u>	<u>421.782</u>	<u>421.630</u>	<u>424.030</u>	<u>416.128</u>
<u>Retail Price</u>	<u>810.00</u>	<u>791.00</u>			
<u>Wholesale price</u>			<u>703.45</u>	<u>705.85</u>	<u>515.20</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
<b>Effective from:</b>						
	From 4 January 2006 0,05% Sulphur					
3-Jan-07	598.00	574.00	<b>551.10</b>	<b>537.50</b>	447.20	424.20
7-Feb-07	575.00	551.00	<b>542.10</b>	<b>528.50</b>	421.20	398.20
7-Mar-07	599.00	575.00	<b>552.10</b>	<b>538.50</b>	431.20	408.20
4-Apr-07	667.00	643.00	<b>590.10</b>	<b>576.50</b>	462.10	438.20
2-May-07	701.00	677.00	<b>620.30</b>	<b>606.50</b>	480.10	456.20
6-Jun-07	724.00	700.00	<b>625.30</b>	<b>611.50</b>	482.10	458.20
4-Jul-07	716.00	692.00	<b>636.30</b>	<b>622.50</b>	499.10	475.20
1-Aug-07	701.00	677.00	<b>651.30</b>	<b>637.50</b>	506.10	482.20
5-Sep-07	691.00	667.00	<b>656.30</b>	<b>642.50</b>	506.10	482.20
3-Oct-07	701.00	677.00	<b>679.30</b>	<b>665.50</b>	519.10	495.20
7-Nov-07	704.00	680.00	<b>673.30</b>	<b>659.50</b>	529.10	505.20
5-Dec-07	747.00	723.00	<b>724.30</b>	<b>710.50</b>	587.10	563.20
2-Jan-08	747.00	723.00	<b>725.30</b>	<b>711.50</b>	578.10	554.20
6-Feb-08	764.00	740.00	<b>732.30</b>	<b>718.50</b>	580.10	556.20
5-Mar-08	825.00	801.00	<b>810.30</b>	<b>796.50</b>	656.10	632.20
2-Apr-08	891.00	867.00	<b>938.30</b>	<b>924.50</b>	774.10	750.20
7-May-08	946.00	922.00	<b>1 009.30</b>	<b>995.50</b>	829.60	805.70
4-Jun-08	996.00	972.00	<b>1 080.30</b>	<b>1 066.50</b>	900.60	876.70
2-Jul-08	1 070.00	1 040.00	<b>1 143.30</b>	<b>1 129.50</b>	949.60	925.70
6-Aug-08	1 040.00	1 010.00	<b>1 127.30</b>	<b>1 113.50</b>	953.00	929.10
3-Sep-08	966.00	942.00	<b>983.30</b>	<b>969.50</b>	807.00	783.10
1-Oct-08	941.00	917.00	<b>927.30</b>	<b>913.50</b>	742.00	718.10
5-Nov-08	896.00	872.00	<b>903.30</b>	<b>889.50</b>	703.00	679.10
3-Dec-08	735.00	711.00	<b>822.30</b>	<b>808.50</b>	628.00	604.10
7-Jan-09	601.00	576.00	<b>654.35</b>	<b>639.65</b>	496.70	467.60
4-Feb-09	662.00	637.00	<b>649.35</b>	<b>634.65</b>	482.70	453.60
4-Mar-09	707.00	682.00	<b>611.35</b>	<b>596.65</b>	456.70	427.60
1-Apr-09	738.00	713.00	<b>650.85</b>	<b>636.15</b>	451.70	422.60
6-May-09	735.00	710.00	<b>658.85</b>	<b>644.15</b>	464.70	435.60
3-Jun-09	750.00	727.00	<b>645.95</b>	<b>632.65</b>	455.70	426.60
1-Jul-09	790.00	767.00	<b>685.95</b>	<b>672.65</b>	501.70	472.60
5-Aug-09	769.00	746.00	<b>665.95</b>	<b>652.65</b>	487.70	458.60
2-Sep-09	805.00	782.00	<b>700.95</b>	<b>687.65</b>	508.70	479.60
7-Oct-09	765.00	742.00	<b>668.45</b>	<b>655.15</b>	481.20	452.10
4-Nov-09	765.00	742.00	<b>678.45</b>	<b>665.15</b>	495.20	466.10
2-Dec-09	792.00	769.00	<b>703.45</b>	<b>690.15</b>	524.20	495.10
6-Jan-10	786.00	763.00	<b>689.45</b>	<b>676.15</b>	512.20	483.10
3-Feb-10	804.00	781.00	<b>699.45</b>	<b>686.15</b>	517.20	488.10
3-Mar-10	810.00	787.00	<b>703.45</b>	<b>690.15</b>	515.20	486.10