

MEDIA STATEMENT - FOR RELEASE ON 31 MARCH 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, 07 APRIL 2010

Product:

Petrol 93 ULP & LRP	49.000	cents per litre increase in retail price
Petrol 95 ULP & LRP	48.000	cents per litre increase in retail price
Diesel 0.05% Sulphur	48.500	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	48.500	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	21.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	28.000	c/l increase in the Single Maximum National Retail price (SMNRP)

2. INCREASE IN FUEL TAX ON PETROL AND DIESEL

The Minister of Finance, in his Budget Speech on 17 February 2010, announced an increase of 17,5 c/l in the Fuel tax (this includes 7,5 c/l to contribute to the funding of the New Multi-Product Pipeline (NMPP) between Durban and Gauteng) on petrol and diesel with effect from 7 April 2010.

3. INCREASE IN THE ROAD ACCIDENT FUND LEVY ON PETROL AND DIESEL

The Minister of Finance, in his Budget Speech on 17 February 2010, announced an increase of 8,0 c/l in the Road Accident Fund levy on petrol and diesel with effect from 7 April 2010.

4. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 26 FEBRUARY 2010 TO 30 MARCH 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 26 February 2010 to 30 March 2010 was 7.4753 compared to 7.6902 during the previous period.

5. 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 7 April 2010 to 4 May 2010 will be 694.0 c/l compared to 666.0 c/l for the period 3 March 2010 to 6 April 2010 that is an increase of 28.00c/l.

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 5 867.21 per metric ton (325.62 c/l) for the period 7 April 2010 to 4 May 2010.

7. 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

8. BREAKDOWN OF PRICE ADJUSTMENT

Petrol ULP	95 Diesel 0.05(%)	Diesel 0.005(%)	Illuminating Paraffin
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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 23 days from 26/02/2010 to 30/03/2010 (cents / litre) as detailed below.

(23.450)	(23.668)	(23.723)	(20.953)
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Cumulative positive/(negative) slate balances end of February 2010 (R-million)

570.575	427.753	427.753	(103.382)
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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>
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	(23.000)	(23.000)	(23.000)	(21.000)
Increase in Fuel Tax	(17.500)	(17.500)	(17.500)	
Increase in Road Accident Fund Levy	(8.000)	(8.000)	(8.000)	
Rounding	0.500			
<u>Total price (increase) / decrease</u>	<u>(48.000)</u>	<u>(48.500)</u>	<u>(48.500)</u>	<u>(21.000)</u>

9. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

10. 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
Movements in external factors				
Movement in International Product Prices	(36.482)	(36.456)	(36.582)	(33.528)
Movement in Exchange Rate	13.032	12.789	12.859	12.575
Over/(under)-recovery for the period 26/02/2010 to 31/03/2010	(23.450)	(23.668)	(23.723)	(20.953)

11. 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 07/04/2010 TO 04/05/2010 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 c/l	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	14.000	14.000	14.000	14.000	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	(0.300)	(0.300)			
Sub-total	404.937	394.718	307.320	307.320	99.072
<u>Contribution to the Basic Fuel Price</u>	<u>453.063</u>	<u>445.282</u>	<u>444.630</u>	<u>447.030</u>	<u>437.128</u>
<u>Retail Price</u>	<u>858.00</u>	<u>840.00</u>			
<u>Wholesale price</u>			<u>751.95</u>	<u>754.35</u>	<u>536.20</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
<u>Effective from:</u>						
	From 4 January 2006 0,05% Sulphur					
3-Jan-07	598.00	574.00	551.10	537.50	447.20	424.20
7-Feb-07	575.00	551.00	542.10	528.50	421.20	398.20
7-Mar-07	599.00	575.00	552.10	538.50	431.20	408.20
4-Apr-07	667.00	643.00	590.10	576.50	462.10	438.20
2-May-07	701.00	677.00	620.30	606.50	480.10	456.20
6-Jun-07	724.00	700.00	625.30	611.50	482.10	458.20
4-Jul-07	716.00	692.00	636.30	622.50	499.10	475.20
1-Aug-07	701.00	677.00	651.30	637.50	506.10	482.20
5-Sep-07	691.00	667.00	656.30	642.50	506.10	482.20
3-Oct-07	701.00	677.00	679.30	665.50	519.10	495.20
7-Nov-07	704.00	680.00	673.30	659.50	529.10	505.20
5-Dec-07	747.00	723.00	724.30	710.50	587.10	563.20
2-Jan-08	747.00	723.00	725.30	711.50	578.10	554.20
6-Feb-08	764.00	740.00	732.30	718.50	580.10	556.20
5-Mar-08	825.00	801.00	810.30	796.50	656.10	632.20
2-Apr-08	891.00	867.00	938.30	924.50	774.10	750.20
7-May-08	946.00	922.00	1 009.30	995.50	829.60	805.70
4-Jun-08	996.00	972.00	1 080.30	1 066.50	900.60	876.70
2-Jul-08	1 070.00	1 040.00	1 143.30	1 129.50	949.60	925.70
6-Aug-08	1 040.00	1 010.00	1 127.30	1 113.50	953.00	929.10
3-Sep-08	966.00	942.00	983.30	969.50	807.00	783.10
1-Oct-08	941.00	917.00	927.30	913.50	742.00	718.10
5-Nov-08	896.00	872.00	903.30	889.50	703.00	679.10
3-Dec-08	735.00	711.00	822.30	808.50	628.00	604.10
7-Jan-09	601.00	576.00	654.35	639.65	496.70	467.60
4-Feb-09	662.00	637.00	649.35	634.65	482.70	453.60
4-Mar-09	707.00	682.00	611.35	596.65	456.70	427.60
1-Apr-09	738.00	713.00	650.85	636.15	451.70	422.60
6-May-09	735.00	710.00	658.85	644.15	464.70	435.60
3-Jun-09	750.00	727.00	645.95	632.65	455.70	426.60
1-Jul-09	790.00	767.00	685.95	672.65	501.70	472.60
5-Aug-09	769.00	746.00	665.95	652.65	487.70	458.60
2-Sep-09	805.00	782.00	700.95	687.65	508.70	479.60
7-Oct-09	765.00	742.00	668.45	655.15	481.20	452.10
4-Nov-09	765.00	742.00	678.45	665.15	495.20	466.10
2-Dec-09	792.00	769.00	703.45	690.15	524.20	495.10
6-Jan-10	786.00	763.00	689.45	676.15	512.20	483.10
3-Feb-10	804.00	781.00	699.45	686.15	517.20	488.10
3-Mar-10	810.00	787.00	703.45	690.15	515.20	486.10
7-Apr-10	858.00	835.00	751.95	738.65	536.20	507.10