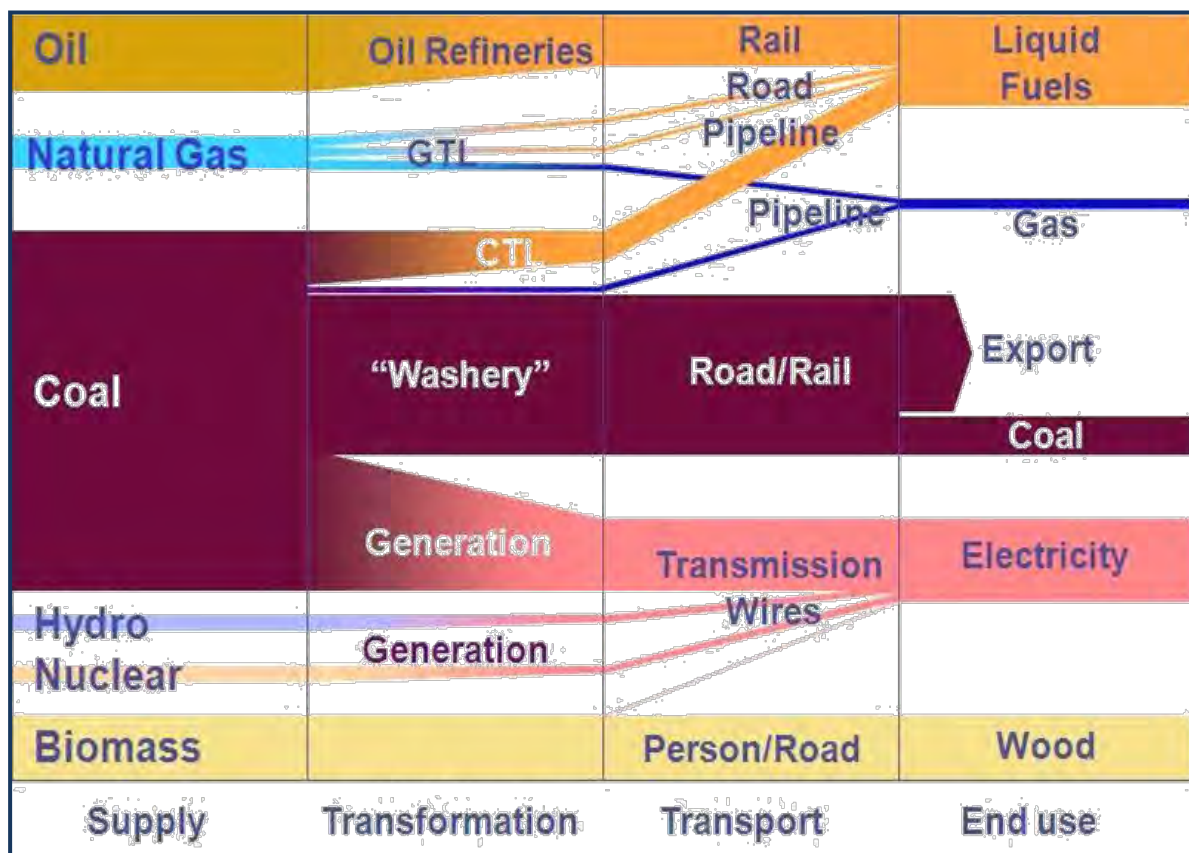


SOUTH AFRICAN ENERGY

Price Report

2012



Directorate: Energy Data Collection,
Management and Analysis



energy

Department
Energy
REPUBLIC OF SOUTH AFRICA

ENERGY PRICE

REPORT

2012

Directorate: Energy Data Collection, Management and Analysis

Compiled by:

Ms Lehlogonolo Matseba
Lehlogonolo.Matseba@energy.gov.za

Mr Ramaano Nembahe
Ramaano.Nembahe@energy.gov.za

Published by:

Department of Energy

Private Bag X96

Pretoria

0001

Tel: (012) 406-7540

192 Visagie Street, C/o Paul Kruger & Visagie Street, Pretoria, 0001

Website: <http://www.energy.gov.za>

DEPARTMENT OF ENERGY

Director-General

Ms. N Magubane

ENERGY POLICY AND PLANNING BRANCH

Deputy Director-General

Mr. O Aphané

ENERGY PLANNING CHIEF DIRECTORATE

Chief Director:

Ms. T Ramuedzisi

ENERGY DATA COLLECTION, MANAGEMENT AND ANALYSIS DIRECTORATE

Acting Director

Mr. B Motsa

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FOREWORD

It gives me great pleasure to introduce the 2012 Edition of the Energy Price Report for South Africa. The Energy Price Report is based on information collated from government departments, oil and gas industries and state-owned-entities. This publication covers a broad overview and analysis of the South African energy industry and aims to keep stakeholders informed about energy prices and key issues affecting the industry.

This edition presents energy price data in a format which provides an overall picture of monthly and annual trends for common energy carriers used in South Africa. In order to clearly present and analyse the energy pricing trends, this report is divided into three main focus areas: Petroleum; Coal; and Electricity. I extend my most sincere thanks and appreciation to the Energy Data Collection, Management and Analysis Directorate for the hard work that went into the compilation of this publication. I would also like to record my appreciation to all the energy data providers who have helped us to accomplish what is set out in this report.

This report only covers energy price data and analysis for the past 10 years as historical information will always be available in our previous editions.

The Department of Energy is working hard to reduce delays in the publishing of Energy Price Report and hopes that the publication will become a standard work of reference among energy analysts in South Africa and abroad. Comments and inputs are welcome and could be addressed to Publications@energy.gov.za.

Ms N Magubane
Director General: Energy
Department of Energy

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ABBREVIATION

BFP	– Basic fuel price
CPI	– Consumer Price index
CIF	– Cost, Insurance and Freight
COC	– Customer Own Collection
DME	– Department of Minerals and Energy
DoE	– Department of Energy
HFO	– Heavy furnace oil
IBLC	– In-Bond-Landed-Cost
LPG	– Liquid petroleum gas
LFIF	– Liquid Fuels Industry Force
NERSA	– National Energy Regulator of South Africa
PPI	– Producer Price Index
RTC	– Rail Tank Car
RAF	– Road Accident Fund
SAPIA	– South African Petroleum Industry Association
StatsSA	– Statistics South Africa
SSLM	– Self-adjusting Slate Levy Mechanism
ULP	– Unleaded Petrol
LRP	– Lead Replacement Petrol

1 INTRODUCTION

Energy provision is crucial to economic and social development as well as improved quality of life. As the demand for energy grows, the energy sector is expected to play a significant role in fuelling the country's economic growth and development. The purpose of the Energy Price Report is to provide an overview of historical energy price trends and analysis for the major energy carriers in South Africa. Energy prices are significant indicators in the cost of providing services such as transport or electricity.

This Report covers monthly and annual prices as well as trend analysis of various energy carriers for the past 10 years. In South Africa, electricity prices are reviewed once a year while petroleum products prices are changed once a month due to fluctuations in international oil prices (quoted in US dollars) and the rand exchange rate.

The report consists of the following sections:

- Section 2 covers prices of crude oil, and all major petroleum products (petrol, diesel, illuminating paraffin, liquid petroleum gas, and heavy furnace oil).
- Section 3 covers Natural Gas prices.
- Section 4 covers the prices of locally consumed and exported coal.
- Section 5 presents the national Eskom electricity prices. This does not include the prices of electricity sold by individual/various municipalities to end customers.

Each section gives a brief introduction followed by a table of information and a figure graphing the prices over time. Where possible a brief analysis of likely explanations for price fluctuations is provided.

The report also includes consumer price index (CPI), production price index (PPI) and foreign exchange rates used in energy analysis for convenience when analysing price information and converting to other currencies.

2 PETROLEUM

This section covers the international crude oil prices as well as a breakdown of prices for petroleum products sold nationally from 2003-2012. The main focus of the analysis in this section will be on the major price fluctuations as well as related global and national events that led to the fluctuations.

2.1 Crude oil

The South African liquid fuels market cannot be fully understood without understanding the international oil market. South Africa imports approximately 95% of its crude oil requirements, which makes it the country's single-largest import item. Crude oil remains the most important energy source in the world. The major international benchmarks are Dubai in the Arab Gulf Region, West Texas Intermediate (WTI) in North America and Brent in Europe.

The majority of SA crude oil requirements are met by imports from the Middle East and Mediterranean countries. The annual nominal and real prices of crude oil between 2003 and 2012 are depicted in Table 2.1. The first column is the nominal price whereas the second column is the real price of crude oil using 2008 as the base year.

World oil sales are denominated in US dollars and this implies that any changes in the value of the US dollar affects crude oil prices. Given the purchase of crude oil in US dollars, the rand-dollar exchange rates add to domestic price movements. The weaker the rand, the more money paid for crude oil imports and the higher the domestic fuel prices.

Table 2.1: Average annual crude oil prices - US\$/bbl

Period	Crude Oil International	
	Nominal	Real (2008=100)
2003/01/01	28.80	26.70
2004/01/01	38.20	33.60
2005/01/01	54.40	49.30
2006/01/01	65.10	61.50
2007/01/01	72.50	68.40
2008/01/01	97.00	93.60
2009/01/01	61.50	61.60
2010/01/01	79.50	78.00
2011/01/01	111.30	106.20
2012/01/01	111.62	109.10

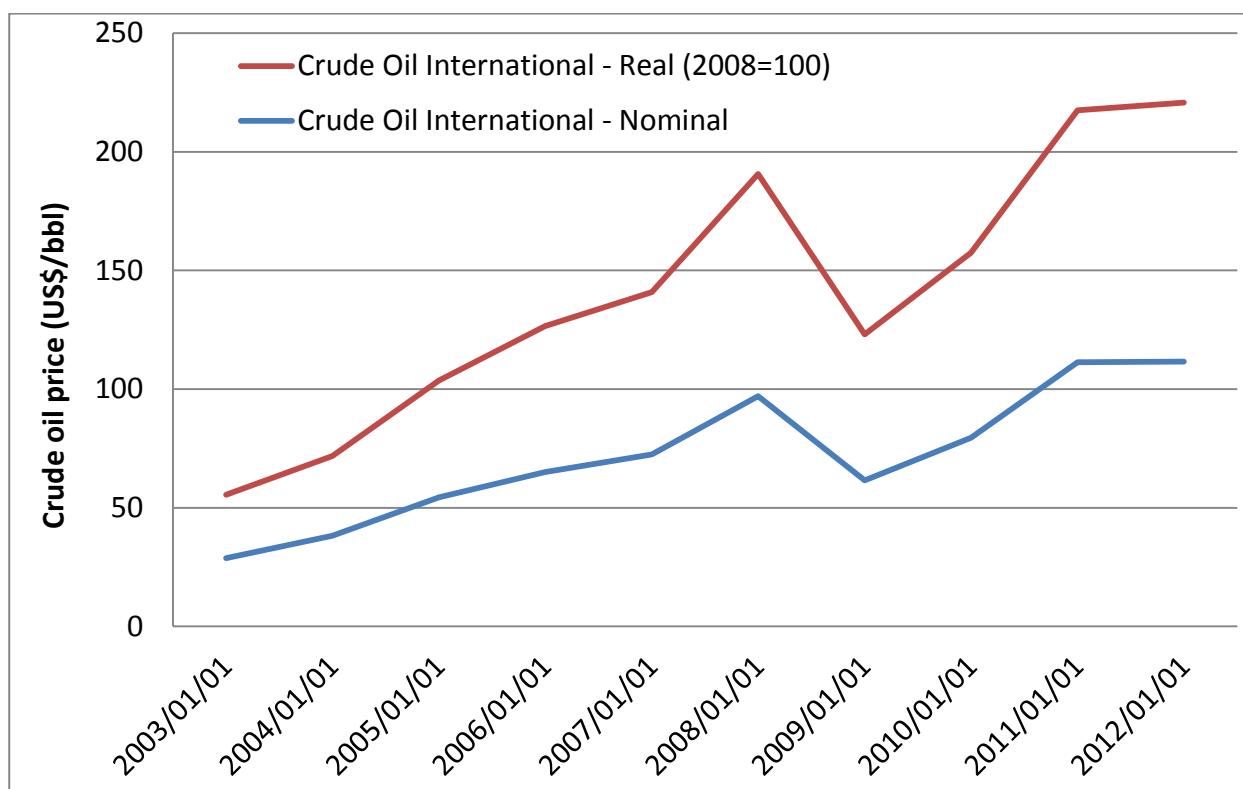
Source: SAPIA

Explanatory Notes:

1. Prices are in US\$.
 2. Data Source: SAPIA. For twelve month average
-

Average crude oil prices in 2012 were at historically high levels for the second year in a row. Brent crude oil averaged \$111.62 per barrel, slightly above the 2011 average of \$111.30. Real crude oil price averaged \$109.10 per barrel in 2012, which was a slight increase from \$106.20 in 2011.

Figure 2.1: Average annual crude oil prices - US\$/bbl



Source: SAPIA

The international annual nominal and real crude oil prices between 2003 and 2012 are illustrated in Figure 2.1. The following are some of the significant events that took place in 2012 that contributed to the average crude oil increase from in 2012:

- The US crude oil production rose by an estimated 780 000 barrels per day (bbl/d) in 2012, the largest yearly increase to date.
- The surge in crude oil production led to crude oil stocks being held in land-locked Cushing, Oklahoma, a major pricing point for crude oil resulted in record-high end-of-month stock levels from April to December.
- The US remained a significant net oil importer when levels of crude oil and petroleum products are added together.
- After Brent fell below \$90/bbl in late June and WTI dropped below \$80/bbl, prices rebounded in July on expectations that policymakers in the US, Europe, and China would take action to stimulate economic growth, which could increase oil demand.
- Disruptions in oil production in South Sudan, Yemen, Syria, and the North Sea reduced available global supplies, putting upward pressure on oil prices.

In 2012, Brent crude oil recorded a steady growth, with less than 1% annual growth rate from last year, slightly higher than 2011. During the year, the crude oil price recorded the highest level in March (R125.33 p/b) 2012. In June (R95.19) prices fell but rebounded in July.

The average monthly prices of Brent and Dubai crude oils from 2002 to 2012 are shown in Table 2.2. The crude oil prices are presented in US\$/bbl (i.e. US dollar per barrel). Brent crude is a major trading classification of sweet light crude oil sourced from the North Sea and Dubai crude is a light sour crude oil extracted from Dubai. Dubai crude is used as a price benchmark or oil marker because it is one of only a few Persian Gulf crude oils available immediately.

Table 2.2: Average monthly crude oil US\$/bbl

Period	Brent	Dubai
2002/01/01	19.50	18.50
2002/02/01	20.20	19.00
2002/03/01	23.70	23.00
2002/04/01	25.70	24.50
2002/05/01	25.30	24.70
2002/06/01	24.10	23.90
2002/07/01	25.80	24.70
2002/08/01	25.80	24.70
2002/09/01	25.80	24.70
2002/10/01	27.60	26.30
2002/11/01	24.10	23.30
2002/12/01	28.70	25.70
2003/01/01	31.30	28.00
2003/02/01	32.60	30.00
2003/03/01	30.50	27.40
2003/04/01	24.90	23.50
2003/05/01	25.70	24.40
2003/06/01	27.50	25.50
2003/07/01	28.30	26.70
2003/08/01	29.80	27.70
2003/09/01	27.10	25.40
2003/10/01	29.70	27.30
2003/11/01	28.70	27.70
2003/12/01	29.80	28.10
2004/01/01	31.20	28.90
2004/02/01	30.80	28.60
2004/03/01	33.80	30.80
2004/04/01	33.20	31.70
2004/05/01	37.80	34.70
2004/06/01	35.00	33.40
2004/07/01	38.30	34.70
2004/08/01	43.00	38.50
2004/09/01	43.30	35.60

Period	Brent	Dubai
2004/10/01	49.60	37.50
2004/11/01	42.80	34.80
2004/12/01	39.50	34.10
2005/01/01	44.20	37.90
2005/02/01	45.50	39.90
2005/03/01	52.90	45.80
2005/04/01	51.80	47.20
2005/05/01	48.60	45.40
2005/06/01	54.50	51.20
2005/07/01	57.60	52.80
2005/08/01	64.10	56.60
2005/09/01	62.90	56.50
2005/10/01	58.60	54.00
2005/11/01	55.20	51.40
2005/12/01	56.90	53.20
2006/01/01	63.00	58.40
2006/02/01	60.10	57.60
2006/03/01	62.10	57.80
2006/04/01	70.30	64.10
2006/05/01	69.90	65.00
2006/06/01	68.70	65.20
2006/07/01	73.70	69.20
2006/08/01	73.10	68.80
2006/09/01	61.70	59.80
2006/10/01	57.80	56.40
2006/11/01	58.90	56.70
2006/12/01	62.30	58.70
2007/01/01	53.68	51.70
2007/02/01	57.43	55.80
2007/03/01	62.15	58.80
2007/04/01	67.51	64.00
2007/05/01	67.23	64.60
2007/06/01	71.41	65.74

Period	Brent	Dubai
2007/07/01	77.01	69.49
2007/08/01	70.73	67.38
2007/09/01	76.87	73.36
2007/10/01	82.50	77.12
2007/11/01	92.61	86.87
2007/12/01	90.97	85.58
2008/01/01	92.00	87.37
2008/02/01	95.04	90.02
2008/03/01	103.66	96.76
2008/04/01	108.97	103.41
2008/05/01	122.73	119.50
2008/06/01	132.44	127.82
2008/07/01	133.18	131.27
2008/08/01	113.03	112.86
2008/09/01	98.13	95.90
2008/10/01	71.87	67.42
2008/11/01	52.51	49.84
2008/12/01	40.35	40.53
2009/01/01	43.27	43.59
2009/02/01	43.07	43.09
2009/03/01	46.54	45.59
2009/04/01	50.53	50.19
2009/05/01	57.27	57.48
2009/06/01	68.55	69.41
2009/07/01	64.61	64.82
2009/08/01	72.84	71.36
2009/09/01	67.39	67.74
2009/10/01	72.75	73.15
2009/11/01	76.66	77.70
2009/12/01	74.28	75.41
2010/01/01	76.19	76.69
2010/02/01	73.63	73.48
2010/03/01	78.89	77.31
2010/04/01	84.89	83.59
2010/05/01	75.16	76.78

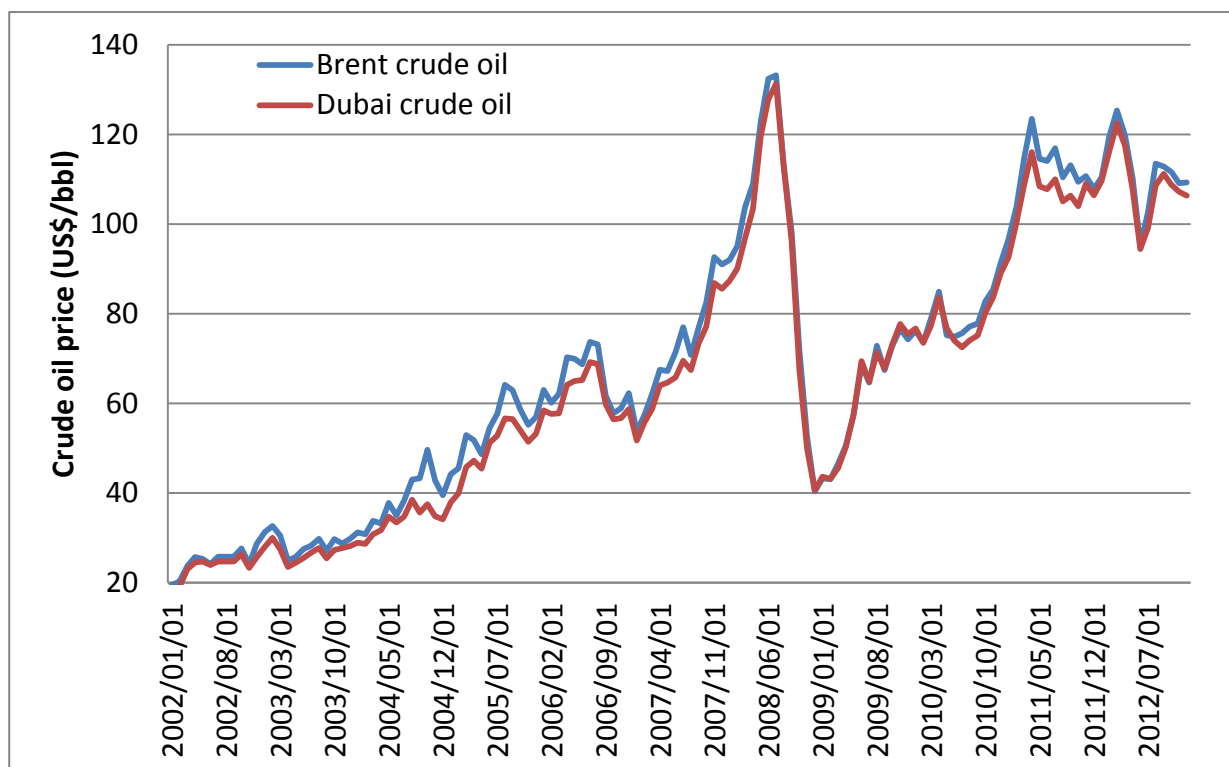
Source: SAPIA

Period	Brent	Dubai
2010/06/01	74.85	73.99
2010/07/01	75.64	72.49
2010/08/01	77.15	74.09
2010/09/01	77.79	75.12
2010/10/01	82.74	80.22
2010/11/01	85.33	83.65
2010/12/01	91.36	89.05
2011/01/01	96.55	92.53
2011/02/01	103.77	100.25
2011/03/01	114.61	108.72
2011/04/01	123.49	116.02
2011/05/01	114.56	108.39
2011/06/01	114.05	107.78
2011/07/01	116.89	110.00
2011/08/01	110.38	105.03
2011/09/01	113.13	106.32
2011/10/01	109.44	103.96
2011/11/01	110.67	109.01
2011/12/01	107.84	106.44
2012/01/31	110.39	109.66
2012/02/29	119.55	116.16
2012/03/30	125.33	122.47
2012/04/30	119.86	117.47
2012/05/31	110.27	107.71
2012/06/30	95.19	94.44
2012/07/31	102.59	99.15
2012/08/31	113.48	108.62
2012/09/30	112.86	111.22
2012/10/31	111.60	108.80
2012/11/30	109.11	107.22
2012/12/31	109.23	106.32

Explanatory Notes:

1. Source: SAPIA
 2. Unit of measure: US\$/bbl.
-

Figure 2.2: Average monthly Brent crude oil and Dubai crude oil price – US\$/bbl



Source: SAPIA

As shown in Figure 2.2, there is a marginal difference between the price of Brent and Dubai crude oils. Among other things, the oil price is highly affected by the US dollar exchange rate. Since the year 2002, the oil price has risen sharply while the US dollar depreciated. According to the chart above, both crude oils experienced a sharp price increase in mid-2008 when the effective dollar exchange rate weakened to a historical low in March and the average monthly price of Brent oil then reached an all-time high of \$133 a barrel in July of the same year. Subsequent to that, there was a sharp decline at the end of 2008 during the global economic crisis. The price of both commodities picked up and has been responding relative to the local and international economic activity and global oil demands.

Having traded sideways at around US\$125 per barrel since mid-February 2012, Brent crude oil prices declined sharply in the second quarter of 2012 due to a weaker global economic outlook, more specifically in the euro area, and easing supply conditions. Part of the additional supply of crude oil was diverted into strategic storage as evidenced by the rise in US crude oil stocks at the end of April 2012. Geopolitical factors, however, continued to pose an upside risk to oil prices (Annual Economic Report, SARB, 2012).

2.2 Petroleum products

This section focuses on the South African liquid fuels market. The Department of Energy regulates the prices of petrol, diesel, paraffin and LPG and is responsible for reviewing these fuel prices every month. Fuel prices adjustments are announced on the last Friday of the month and are changed on the first Wednesday of the following month. The mechanism that is used to determine the fuel prices in South Africa is the Basic Fuel Price (BFP) principle. The BFP constitutes approximately 51.7% of the final pump price; domestic costs and government taxes and levies account for approximately 19.3% and 29%, respectively.

The final pump price of regulated petroleum products is composed of a number of price elements and these can be divided into international and domestic elements. The international element, or Basic Fuel price (BFP), is based on an import parity principal. In simple terms, the BFP is what it would cost a South African importer of a refined petroleum product to buy the product from an international refinery, transport the product from that refinery, insure the product against losses at sea and land the product on South African shores.

As the BFP is used by the government as the transfer price between refining and marketing in the price build-up for fuel retail price control. South African refineries are price-takers. Neither the local refineries nor the government has any control over changes in this element, as it is based on international product prices. It also means that South African refineries have to compete with other international refineries, based in Singapore, the Mediterranean and the Arabian Gulf.

Margins and transport elements changes are based on actual costs incurred by the South African industry and are calculated according to specific formula, which seeks to ensure efficiency in operations. These changes have to be approved by the Minister of Energy before they are factored into the final fuel price.

2.2.1 Calculation of the basic fuel price

The Basic Fuel Price (BPF) is conceptually an import parity pricing formula and it is intended to establish a realistic estimate of what it would cost to import substantial volumes of refined fuel. The BFP formula replaced the In-Bond-Landed-Cost (IBLC) with effect from 2nd April 2003.

The IBLC was first introduced in the 1950's with the establishment of the first refinery in South Africa and was revised in 1995 when a market spot price component was introduced. An investigation by the DME and the oil industry decided that the old formula was no longer relevant because of changes in global markets, and that it was more appropriate to use "spot" prices rather than refinery "posted" prices.

The most important difference between IBLC and BFP is that the latter is based on the spot prices quoted daily in international markets whereas the former was based mainly on certain refinery gate postings which to a large extent have fallen into disuse and are no longer reflective of actual market prices (SAPIA, 2011).

The implementation of Working Rules to administer the price of regulated fuel, originated from recommendations of the Liquid Fuels Industry Task Force (LFITF) and Cabinet approval thereof on 28th September 1994, and are updated to accommodate the termination of the provisions for the addition/subtraction of 1.0 c/l due to the implementation of a Self-adjusting Slate Levy Mechanism (SSLM) and to accommodate the discontinuation of 0.2% sulphur diesel grade currently published by Platts, a division of the McGraw-Hill Companies (NYSE-MHP), with effect from 1st January 2009 (DME, 2008).

Petrol 95 Octane Unleaded Petrol 93 Unleaded, Diesel 0.05% Sulphur, Diesel 0.005% Sulphur and Illuminating Paraffin are the products covered by the calculation of the basic fuel price.

The following are the international elements that are included in the final fuel price:

- **International market spot prices:** The largest component of the basic fuels price is the price that one would be paying in international markets when physically importing the product to South Africa. The FOB (free on ship's board) product prices from different locations in the world, based on international product availability and product quality, are used. The petrol FOB price is

calculated as 50% of the Mediterranean spot price for premium unleaded petrol and 50% of the Singapore spot price for 95 Octane unleaded petrol. For the FOB price of diesel, the new BFP formula uses spot prices calculated as 50% of the Mediterranean price for gas oil and 50% of the Arab Gulf price for gas oil, plus the quoted spot price market premiums applicable

- **Freight cost to bring product to South African ports:** The freight component of the BFP reflects the cost of voyages from Augusta (in the Mediterranean), Singapore and Mina-al-Ahmadi (in the Arab Gulf), in 50:50 combinations as appropriate to the international markets used in the FOB calculations of the products concerned. Tariffs as published by the World Scale Association for transporting refined products via medium range vessels to a weighted average for South African coastal ports, plus demurrage for an average 35 000-ton vessel for 3 days, adjusted with the Average Freight Rate Assessment (AFRA) of the London Tanker Brokers Panel, plus a 15% premium for transporting fuels to South Africa.
- **Insurance costs:** Calculated as 0.15% of the product FOB and freight costs, to cover insurance cost, as well as other costs such as letters of credit, surveyors' and agents' fees, and laboratory costs.
- **Ocean loss allowance:** In international petroleum products trading, shipping and insurance, a loss of 0.3% for products has been accepted as a normal leakage/clingage and evaporation loss. Simply put, this means that the "normal" loss is not insurable and has to be accepted by the buyer. The buyer therefore has a financial loss of 0.3% of FOB.
- **Wharfage:** The BFP calculates Wharfage charges in terms of the ruling National Ports Authority of South Africa "contract" tariffs for "petroleum products", currently being R18.72 per kilo-litre.
- **Coastal Storage:** This component is to cover the cost of providing storage and handling facilities at coastal terminals. Storage is calculated based on the typical cost of international product storage of \$3 per ton per month for 25 days' worth of stock, currently 2.132 SA c/l per month. This cost factor is escalated annually in accordance with movements in the producer price index as at June of each year.

- **Stock Financing Cost:** The BFP includes a charge for the financing of 25 days' stock at an interest rate of 2 percentage points below the ruling prime rate of the Standard Bank of South Africa. The BFP as determined above is converted to SA cents per litre by applying the applicable SA Rand/US Dollar exchange rate (four banks selling rates at eleven o' clock averaged over the period 26th of the previous month to 25th of the month before the price change), and a constant litre per gallon factor of 3.8038 for petrol.

The following are domestic elements that are included in the final fuel price:

- **Transport costs (zone differential):** Keeping in mind the import parity principle used, this element recovers the cost of transporting petroleum products from the nearest coastal harbour (Durban, Port Elizabeth, East London, Mossel Bay or Cape Town) to the inland depot serving the area or zone. Transport to the different pricing zones are determined by using the most economical mode of transport i.e. pipelines (C zones), road (B zones) or rail (A zones). This is the only element whose values differ per pricing zone, and is the reason why the petrol price is not the same for the whole country.
- **Delivery costs (Service differential):** This element compensates marketers for actual depot related costs (storage and handling) and distribution costs from the depot to the end user at service stations. The value is calculated on actual historical costs of the previous year, averaged over the country and industry.
- **Wholesale (Marketing) margin:** Money paid to the oil companies through whose branded pump the product is sold, to compensate for marketing activities. This margin is controlled by the government, allowing for changes based on the oil companies' return on their marketing assets.
- **Retail margin:** The retail margin is fixed by Department of Energy and is determined on the basis of actual costs incurred by the service station operator in distributing petrol. Account is taken of all proportionate driveway related costs such as rental, interest, labour, overheads and profit. The way in which the margin is determined creates an incentive to dealers to strive towards greater efficiency, to beat the average and to realise a net profit proportionate to their efficiency.

- **Equalisation Fund levy:** The statutory fund levy is a fixed monetary levy, and the fund is regulated by ministerial directives issued by the Minister of Energy (previously Department of Minerals and Energy in concurrence with the Minister of Finance, as laid down by the Central Energy Fund Act, No 38 of 1977 as amended in terms of Ministerial Directives. The Fund is principally utilised to smooth out fluctuations in the price of liquid fuels through slate payments; to afford synfuel producers tariff protection and to finance the crude oil “premium” (price differential applicable to SA oil purchases during the late 1970’s).
- **Fuel tax:** Tax levied by government annually adjusted by the Minister of Finance effective from the price change in April of each year, announced in the Minister of Finance in his annual budget speech.
- **Customs & Excise levy:** A duty collected in terms of the Customs Union agreement.
- **Road Accident Fund (RAF):** The Road Accident Fund receives a fixed value which is used to compensate third party victims in motor accidents. The adjustment in the RAF contribution is announced by the Minister of Finance in the annual budget speech.
- **Slate levy:** A levy paid by the motorists recovering money “owed” to the oil companies, due to the time delay in the adjustment of the fuel pump price.

Although the cost of crude oil has the most impact on average petroleum prices in the long term, local market conditions, which include the forces of supply, demand, competition, and government regulation, can also have a significant impact on petroleum prices.

Other factors affecting pricing include foreign exchange, geographic location and local competition. Generally, price adjustments in the market affect short-term supply-demand imbalances and bring supply and demand back into balance. Whether in a situation of supply tightness or length, price will eventually bring the supply-demand balance into equilibrium by attracting additional supply or influencing demand.

For more information on the basic fuel price determination consult the Department of Energy's Website, under ***energy sources>>petroleum>>petrol price document>>working rules to administer the basic fuel price methodology.***

2.2.2 Petrol

Petrol prices of ULP 93 and ULP 95 in the coastal and inland regions are shown in Table 2.3 below. The prices are from 2006 to 2012.

Table 2.3: Monthly petrol retail prices - cents per litre (c/l)

Period	Petrol (ULP) 93		Petrol (ULP) 95	
	Coast	Inland	Coast	Gauteng/inland
2006/01/04	550.00	536.00	526.00	549.00
2006/02/01	539.00	550.00	540.00	563.00
2006/03/01	539.00	539.00	529.00	552.00
2006/04/05	610.00	559.00	549.00	573.00
2006/05/03	646.00	598.00	588.00	612.00
2006/06/07	671.00	634.00	624.00	648.00
2006/07/05	702.00	659.00	649.00	673.00
2006/08/02	702.00	690.00	680.00	704.00
2006/09/06	613.00	654.00	644.00	668.00
2006/10/04	592.00	604.00	594.00	618.00
2006/11/01	592.00	583.00	573.00	597.00
2006/12/06	585.00	576.00	566.00	590.00
2007/01/03	584.00	584.00	574.00	598.00
2007/02/07	561.00	561.00	551.00	575.00
2007/03/07	585.00	585.00	575.00	599.00
2007/04/04	654.00	677.00	643.00	643.00
2007/05/02	688.00	687.00	677.00	701.00
2007/06/06	711.00	710.00	700.00	724.00
2007/07/04	703.00	702.00	692.00	716.00
2007/08/01	688.00	687.00	677.00	701.00
2007/09/05	678.00	677.00	667.00	691.00
2007/10/03	687.00	687.00	677.00	701.00
2007/11/07	690.00	690.00	680.00	704.00
2007/12/05	733.00	733.00	723.00	747.00
2008/01/02	733.00	733.00	723.00	747.00
2008/02/06	750.00	750.00	740.00	764.00
2008/03/05	811.00	811.00	801.00	825.00
2008/04/02	878.00	877.00	867.00	891.00
2008/05/07	933.00	932.00	922.00	946.00
2008/06/04	983.00	982.00	972.00	996.00
2008/07/02	1060.00	1050.00	1040.00	1070.00
2008/08/06	1020.00	1030.00	1010.00	1040.00
2008/09/03	931.00	952.00	942.00	966.00
2008/10/01	941.00	927.00	917.00	941.00
2008/11/05	879.00	882.00	872.00	896.00
2008/12/03	718.00	721.00	711.00	735.00

Period	Petrol (ULP) 93		Petrol (ULP) 95	
	Coast	Inland	Coast	Gauteng/inland
2009/01/07	582.00	582.00	576.00	601.00
2009/02/04	643.00	643.00	637.00	662.00
2009/03/04	688.00	688.00	682.00	707.00
2009/04/01	724.00	724.00	713.00	738.00
2009/05/06	721.00	721.00	710.00	735.00
2009/06/03	736.00	736.00	727.00	750.00
2009/07/01	773.00	773.00	767.00	790.00
2009/08/05	752.00	752.00	746.00	769.00
2009/09/02	788.00	788.00	782.00	805.00
2009/10/07	749.00	749.00	742.00	765.00
2009/11/04	749.00	749.00	742.00	765.00
2009/12/02	776.00	776.00	769.00	792.00
2010/01/06	754.00	767.00	763.00	786.00
2010/02/03	772.00	785.00	781.00	804.00
2010/03/03	778.00	791.00	787.00	810.00
2010/04/07	827.00	840.00	835.00	858.00
2010/05/05	840.00	854.00	848.00	872.00
2010/06/02	813.00	827.00	821.00	845.00
2010/07/07	798.00	812.00	803.00	827.00
2010/08/04	788.00	802.00	793.00	817.00
2010/09/01	778.00	792.00	783.00	807.00
2010/10/06	782.00	796.00	788.00	812.00
2010/11/03	802.00	816.00	808.00	832.00
2010/12/01	815.00	829.00	821.00	845.00
2011/01/05	844.00	858.00	849.00	873.00
2011/02/02	870.00	884.00	875.00	899.00
2011/03/02	913.00	927.00	918.00	942.00
2011/04/06	960.00	980.00	966.00	996.00
2011/05/04	989.00	1009.00	995.00	1025.00
2011/06/01	987.00	1007.00	993.00	1023.00
2011/07/06	954.00	974.00	962.00	992.00
2011/08/03	971.00	991.00	979.00	1009.00
2011/09/07	980.00	1000.00	988.00	1018.00
2011/10/05	1017.00	1037.00	1024.00	1054.00
2011/11/02	1040.00	1060.00	1047.00	1077.00
2011/12/07	1029.00	1049.00	1036.00	1066.00
2012/01/04	1023.00	1043.00	1031.00	1061.00
2012/02/01	1057.00	1077.00	1065.00	1095.00
2012/03/07	1085.00	1105.00	1093.00	1123.00
2012/04/04	1152.00	1177.00	1159.00	1194.00
2012/05/02	1180.00	1205.00	1187.00	1222.00
2012/06/06	1125.00	1150.00	1132.00	1167.00

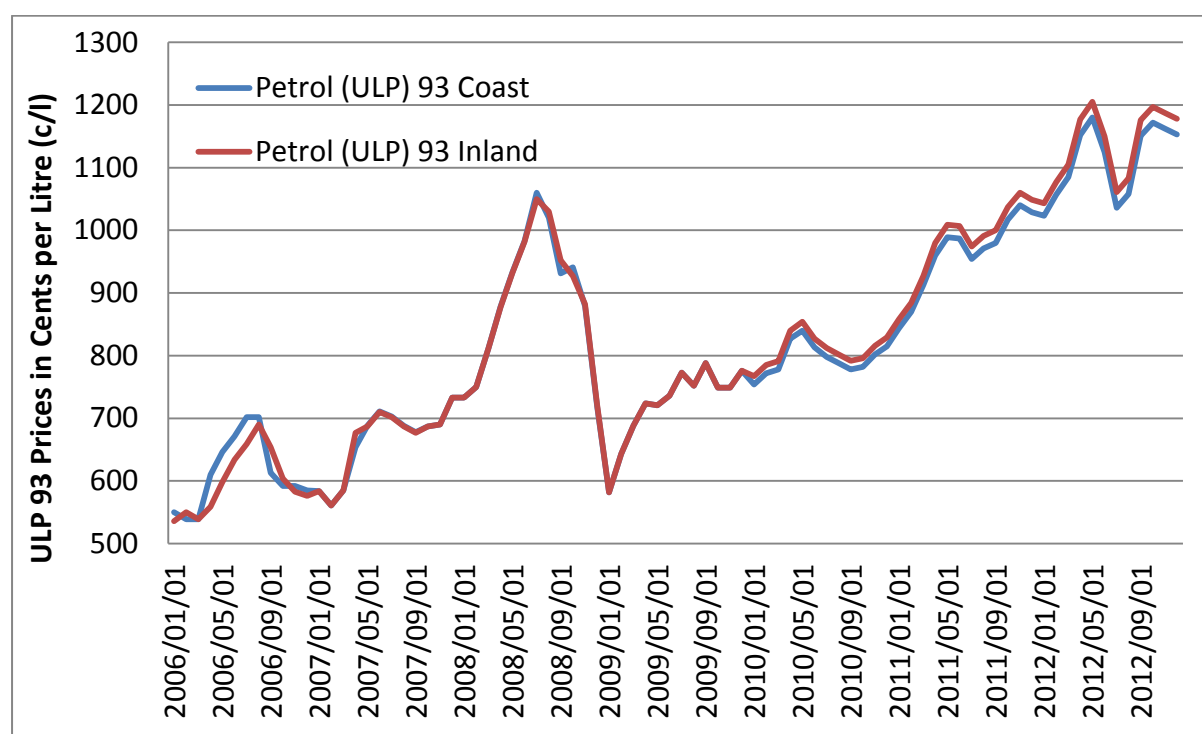
Period	Petrol (ULP) 93		Petrol (ULP) 95	
	Coast	Inland	Coast	Gauteng/inland
2012/07/04	1036.00	1061.00	1047.00	1082.00
2012/08/01	1058.00	1083.00	1069.00	1104.00
2012/09/05	1151.00	1176.00	1162.00	1197.00
2012/10/03	1172.00	1197.00	1185.00	1220.00
2012/11/07	1162.00	1187.00	1175.00	1210.00
2012/12/05	1153.00	1178.00	1166.00	1201.00

Source: DoE

Explanatory Notes:

1. ULP = Unleaded Petrol.
 2. ULP 93 is mainly sold in the inland region.
 3. ULP 95 & ULP 93 grades were introduced in February 2006.
 4. Data sourced from DoE.
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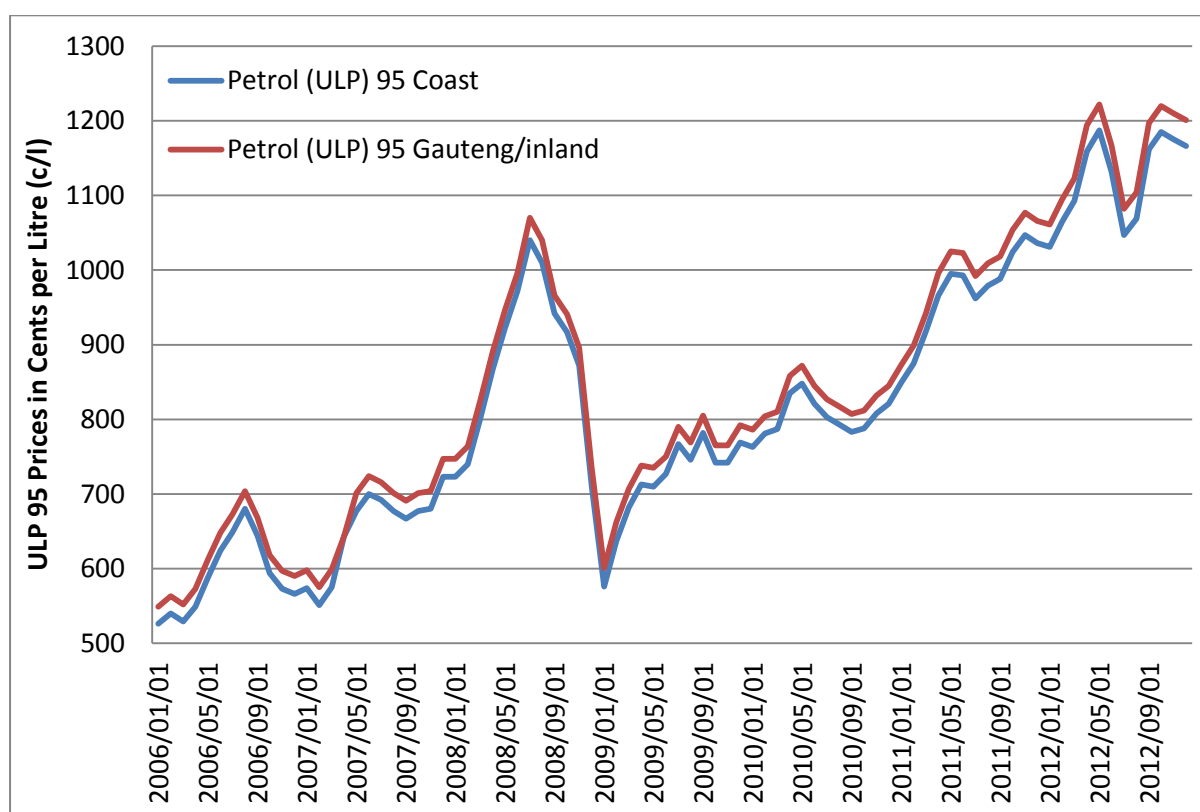
Figure 2.3: Monthly retail price (ULP 93)



Source: DoE

Figure 2.3 shows the coastal and inland prices of unleaded petrol 93 from 2006 to 2012. In 2012, ULP 93 reached a ceiling in May costing R12.05 a litre in the inland areas and R11.87 a litre in the coastal areas which were the highest historical prices ever.

Figure 2.4: Monthly retail price (ULP 95)



Source:DoE

Figure 2.4 depicts the coastal and inland ULP 95 prices per litre from 2006 to 2012. In May 2012, ULP 95 reached a highest price, selling at R12.93 per litre in the coastal areas and R12.23 a litre in the inland areas which were the highest prices ever in the history of UPL 95 prices in South Africa. The increase in petrol price could be attributed to high international crude oil price in April (125 US\$/bbl) and a weaker rand (\$1=R9.07).

A breakdown of the price of unleaded petrol 93 in the inland region (ULP 93) divided into individual components (customs & excise duty, dealers margin, fuel levy, incremental inland transport recovery levy, petroleum products levy, road accident fund levy, service cost recoveries, slate levy, storage, handling & delivery costs, wholesale margin, zone differential and contribution to the basic fuel price) from 2006 to 2012 is shown in Table 2.4. The difference between the retail price of ULP 93 and ULP 95 in the inland region of around 15 cents per litre on average is mainly due to the 10 cents per litre Demand-Side Management levy charged on ULP 95 as well as quarterly adjustments of octane/grade zone differentials.

Table 2.4: Monthly individual components mogas 93 - Coast price - cents per litre (c/l)

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recovery levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
2006/02/01	280.23	4.00	43.60	116.00	0.00	0.00	0.00	31.50	7.00	15.00	39.27	13.40	0.00	0.00	0.00	550.00
2006/03/01	269.23	4.00	43.60	116.00	0.00	0.00	0.00	31.50	7.00	15.00	39.27	13.40	0.00	0.00	0.00	539.00
2006/05/03	334.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	600.00
2006/06/07	370.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	636.00
2006/07/05	395.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	661.00
2006/08/02	426.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	692.00
2006/09/06	426.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	692.00
2006/10/04	337.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	606.00
2006/11/01	316.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	585.00
2006/12/06	309.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	578.00
2007/01/03	315.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	584.00
2007/02/07	292.63	4.00	46.90	116.00	0.00	0.00	0.19	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	561.00
2007/03/07	315.53	4.00	48.00	116.00	0.00	0.00	0.19	36.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	585.00

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
2007/04/04	374.53	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	654.00
2007/05/02	408.53	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	688.00
2007/06/06	431.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	711.00
2007/07/04	423.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	703.00
2007/08/01	408.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	688.00
2007/09/05	386.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	678.00
2007/10/03	395.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	687.00
2007/11/07	398.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	690.00
2007/12/05	441.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	733.00
2008/01/02	441.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	733.00
2008/02/06	458.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	750.00
2008/03/05	519.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	811.00
2008/04/02	575.63	4.00	59.70	127.00	0.00	0.00	0.19	46.50	7.00	4.85	39.27	13.90	0.00	0.00	0.00	878.00
2008/05/07	606.63	4.00	59.70	127.00	1.50	0.00	0.15	46.50	7.00	24.85	39.27	13.90	0.00	0.00	0.00	933.00
2008/06/04	651.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	39.27	13.90	0.00	0.00	0.00	983.00
2008/07/02	723.23	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	44.67	13.90	0.00	0.00	0.00	1060.00
2008/08/06	682.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	44.67	14.50	0.00	0.00	0.00	1017.00
2008/09/03	593.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	951.00
2008/11/05	519.03	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	879.00
2008/12/03	358.03	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	718.00
2009/01/02	265.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	582.00
2009/02/07	326.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	643.00
2009/03/04	371.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	688.00
2009/04/04	367.48	4.00	67.30	150.00	1.50	0.00	0.15	64.00	9.50	0.00	44.67	15.40	0.00	0.00	0.00	724.00

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
2009/05/01	364.48	4.00	67.30	150.00	1.50	0.00	0.15	64.00	9.50	0.00	44.67	15.40	0.00	0.00	0.00	721.00
2009/06/06	379.38	4.00	67.30	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	736.00
2009/07/03	416.38	4.00	67.30	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	773.00
2009/08/01	389.98	4.00	72.70	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	752.00
2009/09/05	425.98	4.00	72.70	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	788.00
2009/10/02	379.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	749.00
2009/11/07	379.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	749.00
2009/12/04	406.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	776.00
2010/01/07	397.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	767.00
2010/02/02	415.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	785.00
2010/03/06	421.78	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	-0.30	791.00
2010/04/03	445.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	14.00	0.00	0.00	-0.30	840.00
2010/05/03	457.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	854.00
2010/06/07	445.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	842.00
2010/07/05	457.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	854.00
2010/08/02	405.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	802.00
2010/09/07	395.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	792.00
2010/10/04	390.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	796.00
2010/11/01	410.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	816.00
2010/12/06	423.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	829.00
2011/01/03	449.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	858.00
2011/02/01	475.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	884.00
2011/03/05	518.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	927.00
2011/04/02	546.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	980.00

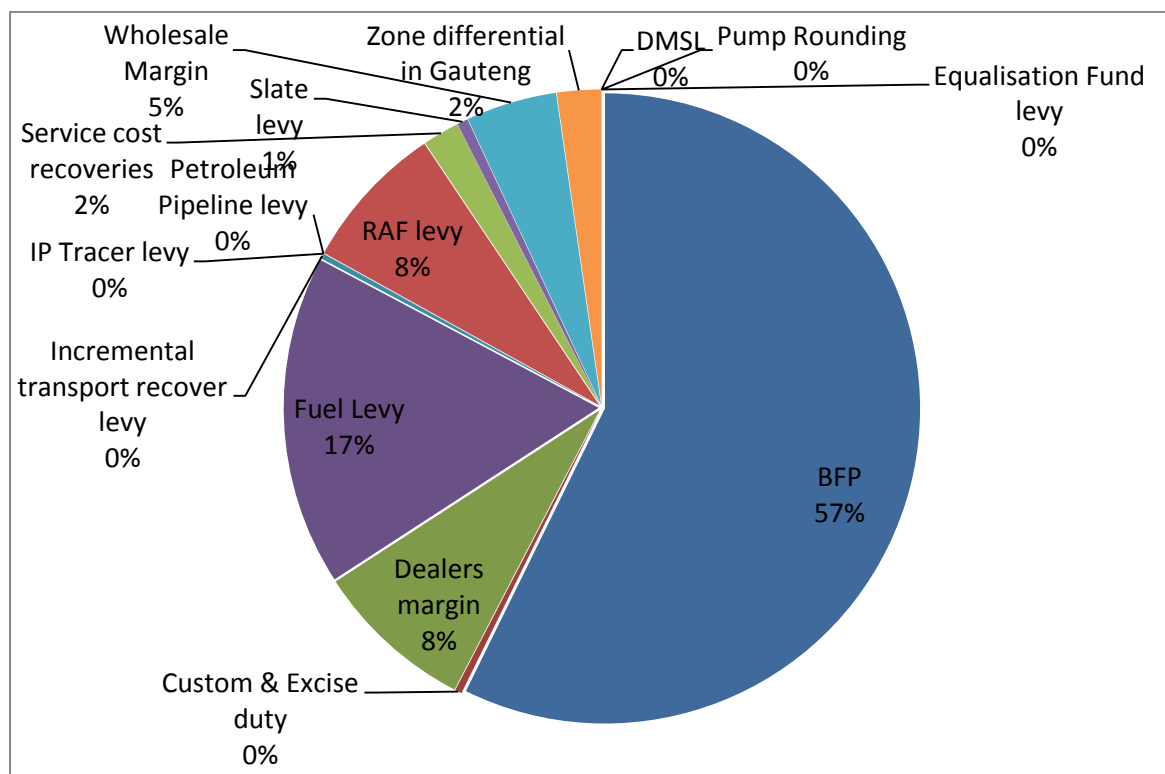
Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
2011/05/02	575.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1009.00
2011/06/06	573.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1007.00
2011/07/04	540.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	974.00
2011/08/01	557.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	991.00
2011/09/06	566.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1000.00
2011/10/03	599.38	4.00	85.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1037.00
2011/11/07	622.38	4.00	85.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1060.00
2011/12/05	596.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1049.00
2012/01/04	590.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1043.00
2012/02/01	624.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1077.00
2012/03/07	648.17	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	4.38	52.50	22.90	0.00	0.00	-0.40	1105.00
2012/04/04	687.57	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	4.38	52.50	26.80	0.00	0.00	0.30	1177.00
2012/05/02	711.17	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	8.78	52.50	26.80	0.00	0.00	0.30	1205.00
2012/06/06	653.99	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	10.96	52.50	26.80	0.00	0.00	0.30	1150.00
2012/07/04	571.57	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	4.38	52.50	26.80	0.00	0.00	0.30	1061.00
2012/08/01	597.95	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	0.00	52.50	26.80	0.00	0.00	0.30	1083.00
2012/09/05	687.45	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	0.00	52.50	26.80	0.00	0.00	0.30	1176.00
2012/10/03	695.29	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	13.16	52.50	26.80	0.00	0.00	0.30	1197.00
2012/11/07	683.09	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	15.36	52.50	26.80	0.00	0.00	0.30	1187.00
2012/12/05	660.19	4.00	99.20	197.50	3.00	0.00	0.15	88.00	25.50	15.36	58.00	26.80	0.00	0.00	0.30	1178.00

Explanatory Notes:

1. All the data was sourced from DoE

To identify the contribution of each component to the final retail price of petrol, all the components are illustrated in Figure 2.5 with their percentage contributions. The BFP and fuel levy had a larger share in the final retail price of ULP 93 in 2012, contributing 57% and 17%, respectively. Dealer's margin and Road Accident fund (RAF) both contributed 8% followed by wholesale margin with 5%.

Figure 2.5: Retail petrol prices - individual components 2012 (ULP 93 - c/l)



Source: DoE

In the 2012/2013 financial year budget, general fuel levy on petrol was increased by 20 cents per litre and Road Accident Fund (RAF) was increased by 8 cents per litre. The Minister of Energy also approved an increase of 3.5 c/l in the retail margin on all grades of petrol with effect from 5th September 2012 and a further increase of 3.9 c/l in the retail margin was granted on all grades of petrol with effect from 5th December 2012. The wholesale margin and the service differential on petrol were increased by 5.5 c/l and 4.5 c/l, respectively, with effect from 5th December 2012. The increase of 4.5 c/l in the service differential resulted from an increase in the secondary storage element by 2.4 c/l; and an increase in the secondary distribution element by 2.1 c/l.

2.2.3 Diesel

The coast and inland prices of 0.05% sulphur diesel are provided in Table 2.5. These prices are from 2006 to 2012.

Table 2.5: Monthly diesel wholesale prices - cents per litre (c/l)

Period	Diesel 0.05% Sulphur	
	Coast	Inland
2006/01/04	504.50	517.80
2006/02/01	504.50	517.80
2006/03/01	504.50	517.80
2006/04/05	530.50	544.10
2006/05/03	557.50	571.10
2006/06/07	586.50	600.10
2006/07/05	618.50	632.10
2006/08/02	640.50	654.10
2006/09/06	615.50	629.10
2006/10/04	578.50	595.10
2006/11/01	578.50	593.10
2006/12/06	554.50	568.10
2007/01/03	537.50	551.10
2007/02/07	528.50	542.10
2007/03/07	538.50	552.10
2007/04/04	576.50	590.10
2007/05/02	606.50	620.10
2007/06/06	611.50	627.30
2007/07/04	622.50	636.30
2007/08/01	637.50	651.30
2007/09/05	642.50	656.30
2007/10/03	665.50	679.30
2007/11/07	659.50	673.30
2007/12/05	710.50	724.30
2008/01/02	711.50	725.30
2008/02/06	718.50	732.30
2008/03/05	796.50	810.30
2008/04/02	924.50	938.30
2008/05/07	955.50	1009.30
2008/06/04	1066.50	1080.30
2008/07/02	1129.50	1143.70
2008/08/06	1113.50	1127.30
2008/09/03	969.50	983.30
2008/10/01	913.50	927.30
2008/11/05	889.50	903.30
2008/12/03	808.50	822.30

Period	Diesel 0.05% Sulphur	
	Coast	Inland
2009/01/07	639.65	654.35
2009/02/04	634.65	649.35
2009/03/04	596.65	611.35
2009/04/01	636.15	650.85
2009/05/06	644.15	658.85
2009/06/03	632.65	645.65
2009/07/01	672.65	685.95
2009/08/05	652.65	665.95
2009/09/02	687.65	700.98
2009/10/07	655.15	668.45
2009/11/04	665.15	678.45
2009/12/02	690.15	703.45
2010/01/06	676.15	689.45
2010/02/03	686.15	699.45
2010/03/03	690.15	703.45
2010/04/07	738.65	751.95
2010/05/05	767.65	781.45
2010/06/02	752.65	766.45
2010/07/07	737.65	751.45
2010/08/04	724.65	738.45
2010/09/01	724.65	738.45
2010/10/06	721.65	735.45
2010/11/03	732.65	746.45
2010/12/01	746.65	760.45
2011/01/05	770.25	789.45
2011/02/02	800.25	814.05
2011/03/02	864.25	878.05
2011/04/06	928.05	948.45
2011/05/04	944.05	964.45
2011/06/01	906.05	926.45
2011/07/06	895.05	915.45
2011/08/03	910.05	930.45
2011/09/07	910.05	930.45
2011/10/05	945.05	965.45
2011/11/02	981.05	1001.45
2011/12/07	1028.29	1048.69
2012/01/04	1007.29	1027.69
2012/02/01	1006.29	1026.69
2012/03/07	1016.67	1037.07
2012/04/04	1064.27	1088.97
2012/05/02	1073.67	1098.37
2012/06/06	1048.85	1073.55

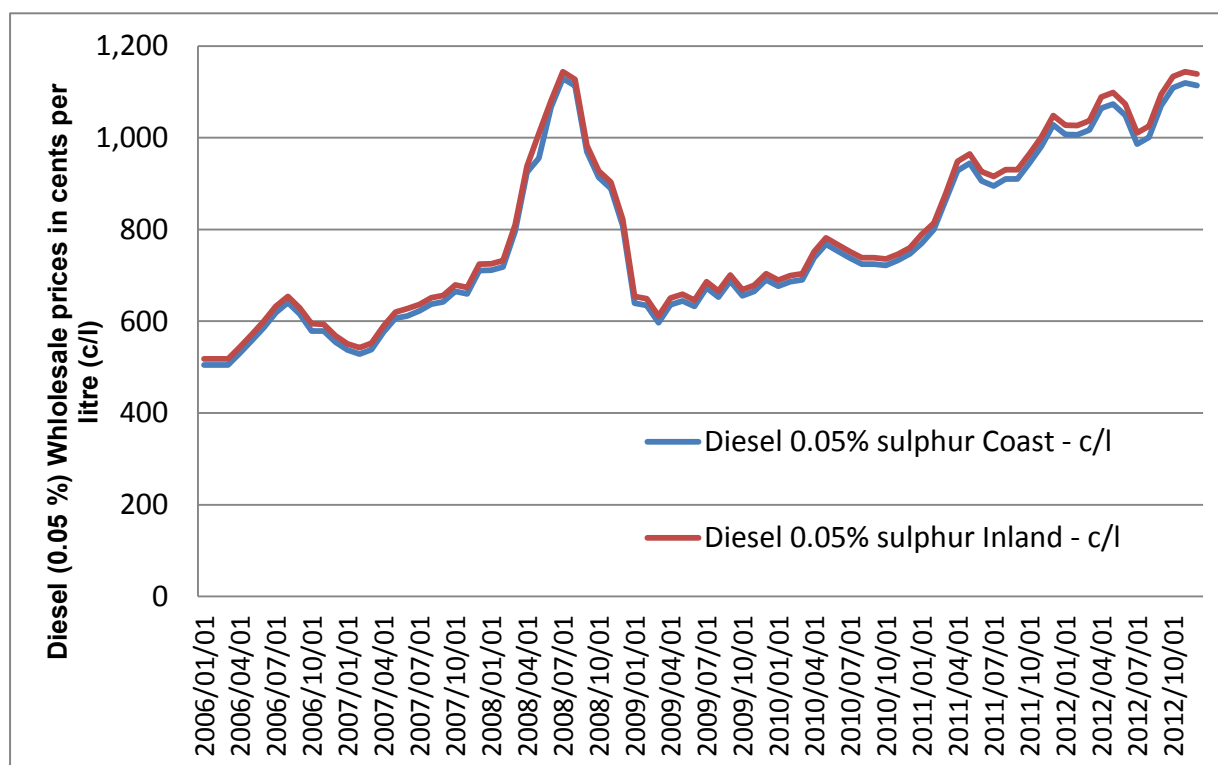
Period	Diesel 0.05% Sulphur	
	Coast	Inland
2012/07/04	986.27	1010.97
2012/08/01	1000.89	1025.59
2012/09/05	1069.89	1094.59
2012/10/03	1109.05	1133.75
2012/11/07	1119.25	1143.95
2012/12/05	1114.25	1138.95

Source: DoE

Explanatory Notes:

1. As from March 1998 the wholesale price of diesel but not the retail price is regulated.
 2. Diesel grades: With effect from 2nd January 2002 the current 0.5% sulphur content diesel grade was replaced by a 0.3% sulphur content diesel grade; on 4th January 2006 0.3% sulphur was replaced with 0.05% sulphur.
 3. The Department of Energy started to report prices of diesel with 0.05% sulphur in 2006.
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Figure 2.6: Monthly wholesale diesel prices - cents per litre (c/l)



Source: DoE

As shown in Figure 2.6, diesel recorded the highest price in 2008 with a 50% increase from average price in 2007 which was mainly driven by the increase in the price of oil worldwide.

In 2012, the price of diesel per litre continued to increase to an annual average of R10.75 (inland) and R10.52 (coastal region). This translates to a 16 % increase from 2011 average diesel price. In 2012, diesel price peaked in November costing R 11.44 (inland) and R11.19 (coastal region) per litre.

The average increase in the diesel price in 2012 was mainly influenced by the increase in fuel levy and the road accident fund levy on diesel by 20c per litre and 8c per litre, respectively, which was implemented in April. Revised pipeline and road transport tariffs were also implemented into the price structure of diesel in April 2012. The pipeline transport tariffs are set by the National Energy Regulator of South Africa and the road transport tariffs were set in line with the vehicle costs schedule of the Road Freight Association.

On the upside, the average Rand/Dollar exchange rate strengthened when compared to the previous year and decreased the contribution to the basic fuels price on diesel by at least 5c per litre.

In economic terms, the impact of the increasing pump prices for fuel inevitably has a spiral effect that leads to increases in the price of other commodities such as food which is transported to consumers by road, rail or air.

Table 2.6: Monthly wholesale diesel prices - individual components - cents per litre (c/l)

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
Diesel 0.05% Sulphur												
2006/02/01	307.63	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	517.80
2006/03/01	307.63	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	517.80
2006/05/03	369.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	574.50
2006/06/07	401.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	606.50
2006/07/05	432.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	637.50
2006/08/02	457.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.50
2006/09/06	457.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.50
2006/10/04	391.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	596.50
2006/11/01	390.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	595.50
2006/12/06	364.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	569.50
2007/01/03	345.63	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	551.10
2007/02/07	336.63	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	542.10
2007/03/07	346.63	4.00	100.00	0.00	0.01	0.19	36.50	7.00	4.81	39.26	13.70	552.10
2007/04/04	374.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	590.10
2007/05/02	404.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	620.10
2007/06/06	409.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	625.30
2007/07/04	420.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	636.30
2007/09/05	440.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	656.30
2007/10/03	463.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	679.30
2007/11/07	457.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	673.30
2007/12/05	508.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	724.30
2008/01/02	509.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	725.30
2008/02/06	516.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	732.30

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2008/03/05	594.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	810.30
2008/04/02	711.63	4.00	111.00	0.00	0.01	0.15	46.50	7.00	4.85	39.26	13.90	938.30
2008/05/07	758.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1009.30
2008/06/04	829.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1080.30
2008/07/02	892.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	13.90	1148.70
2008/08/06	870.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	1127.30
2008/09/03	706.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	983.30
2008/11/05	626.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	903.30
2008/12/03	545.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	822.30
2009/01/02	421.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	654.35
2009/02/04	416.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	649.35
2009/03/04	378.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	611.35
2009/04/01	376.63	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	650.85
2009/05/06	384.63	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	658.85
2009/06/03	371.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	645.95
2009/07/01	411.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	685.95
2009/08/05	391.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	665.95
2009/09/02	426.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	700.95
2009/10/07	386.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	668.45
2009/11/07	396.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	678.45
2009/12/02	421.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	703.45
2010/01/06	407.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	689.45
2010/02/03	417.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	699.45
2010/03/03	421.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	703.45
2010/04/07	444.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	14.00	751.95
2010/05/05	472.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	781.45

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2010/06/02	457.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	766.54
2010/07/07	442.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	751.45
2010/08/04	429.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.45
2010/09/01	429.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.45
2010/10/06	426.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	735.45
2010/11/03	437.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	746.45
2010/12/01	451.63	4.00	152.50	3.00	0.05	0.15	72.00	10.80	0.00	50.86	15.50	760.45
2011/01/05	471.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	784.05
2011/02/02	501.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	814.05
2011/03/02	565.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	878.05
2011/04/06	610.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	948.45
2011/05/04	626.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	964.45
2011/06/01	588.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	926.45
2011/07/06	577.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	915.45
2011/08/03	592.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	930.45
2011/09/07	592.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	930.45
2011/10/05	627.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	965.45
2011/11/02	663.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	1001.45
2011/12/07	702.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1048.69
2012/01/04	681.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1027.69
2012/02/01	680.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1026.69
2012/03/07	686.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	4.38	52.50	22.90	1037.07
2012/04/04	706.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1088.97
2012/05/02	711.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	8.78	52.50	26.80	1098.37
2012/06/06	684.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	10.96	52.50	26.80	1073.55
2012/07/04	628.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1010.97

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2012/08/01	647.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1025.59
2012/09/05	716.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1094.59
2012/10/03	742.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	13.16	52.50	26.80	1133.75
2012/11/07	750.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	15.36	52.50	26.80	1143.95
2012/12/05	735.63	4.00	182.50	3.00	0.01	0.15	88.00	25.50	15.36	58.00	26.80	1138.95
Diesel 0.005% Sulphur												
2006/02/01	314.03	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	524.20
2006/03/01	312.03	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	522.20
2006/05/03	369.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	574.77
2006/06/07	401.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	606.50
2006/07/05	432.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	637.77
2006/08/02	457.13	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.60
2006/09/06	427.13	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	632.60
2006/10/04	391.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	596.77
2006/11/01	390.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	595.50
2006/12/06	364.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	569.50
2007/01/02	347.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	4.81	39.26	13.70	552.31
2007/02/07	341.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	4.81	39.26	13.70	546.31
2007/03/07	349.03	4.00	100.00	0.00	0.01	0.19	36.50	7.00	4.81	39.26	13.70	554.50
2007/04/04	376.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	591.50
2007/05/02	406.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	621.50
2007/06/06	413.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	628.70
2007/07/04	424.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	639.70
2007/08/01	439.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	654.70
2007/09/05	444.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	659.70
2007/10/03	467.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	682.70

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2007/11/07	461.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	676.70
2007/12/05	513.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	728.70
2008/01/02	513.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	728.70
2008/02/06	520.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	735.70
2008/03/05	598.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	813.70
2008/04/02	717.03	4.00	111.00	0.00	0.01	0.15	46.50	7.00	4.85	39.26	13.90	943.70
2008/05/07	765.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1015.70
2008/06/04	835.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1085.70
2008/07/02	898.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	13.90	1154.10
2008/08/06	875.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	1131.70
2008/09/03	709.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	965.70
2008/11/05	633.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	909.70
2008/12/03	553.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	829.70
2009/01/02	431.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	663.75
2009/02/04	424.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	656.75
2009/03/04	386.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	618.75
2009/04/01	384.03	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	658.25
2009/05/06	390.03	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	664.25
2009/06/03	376.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	650.35
2009/07/01	416.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	690.35
2009/08/05	395.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	669.35
2009/09/02	431.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	705.35
2009/10/07	390.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	671.85
2009/11/07	398.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	679.85
2009/12/02	424.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	705.85
2010/01/06	410.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	691.85

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2010/02/03	420.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	701.85
2010/03/03	420.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	701.85
2010/04/07	447.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	14.00	754.35
2010/05/05	475.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	783.85
2010/06/02	460.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	768.85
2010/07/07	444.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	752.85
2010/08/04	413.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	739.85
2010/09/01	433.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	741.85
2010/10/06	430.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.85
2010/11/03	442.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	750.85
2010/12/01	457.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	765.85
2011/01/05	477.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	789.45
2011/02/02	509.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	821.45
2011/03/02	572.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	884.45
2011/04/06	616.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	953.85
2011/05/04	632.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	969.85
2011/06/01	595.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	932.85
2011/07/06	583.03	4.00	162.50	3.00	0.01	0.29	80.00	11.40	0.00	53.86	22.90	920.85
2011/08/03	598.03	4.00	162.50	3.00	0.01	0.29	80.00	11.40	0.00	53.86	22.90	935.85
2011/09/07	598.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	935.85
2011/10/05	635.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	972.85
2011/11/02	671.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	1008.85
2011/12/07	707.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1053.09
2012/01/04	687.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1033.09
2012/02/01	685.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1031.09
2012/03/07	690.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	4.38	52.50	22.90	1040.47

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
2012/04/04	712.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1094.37
2012/05/02	716.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	8.78	52.50	26.80	1102.77
2012/06/06	689.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	10.96	52.50	26.80	1077.95
2012/07/04	634.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1016.37
2012/08/01	654.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1031.99
2012/09/05	723.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1100.99
2012/10/03	750.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	13.16	52.50	26.80	1141.15
2012/11/07	757.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	15.36	52.50	26.80	1150.35
2012/12/05	741.03	4.00	182.50	3.00	0.01	0.15	88.00	25.50	15.36	58.00	26.80	1144.35

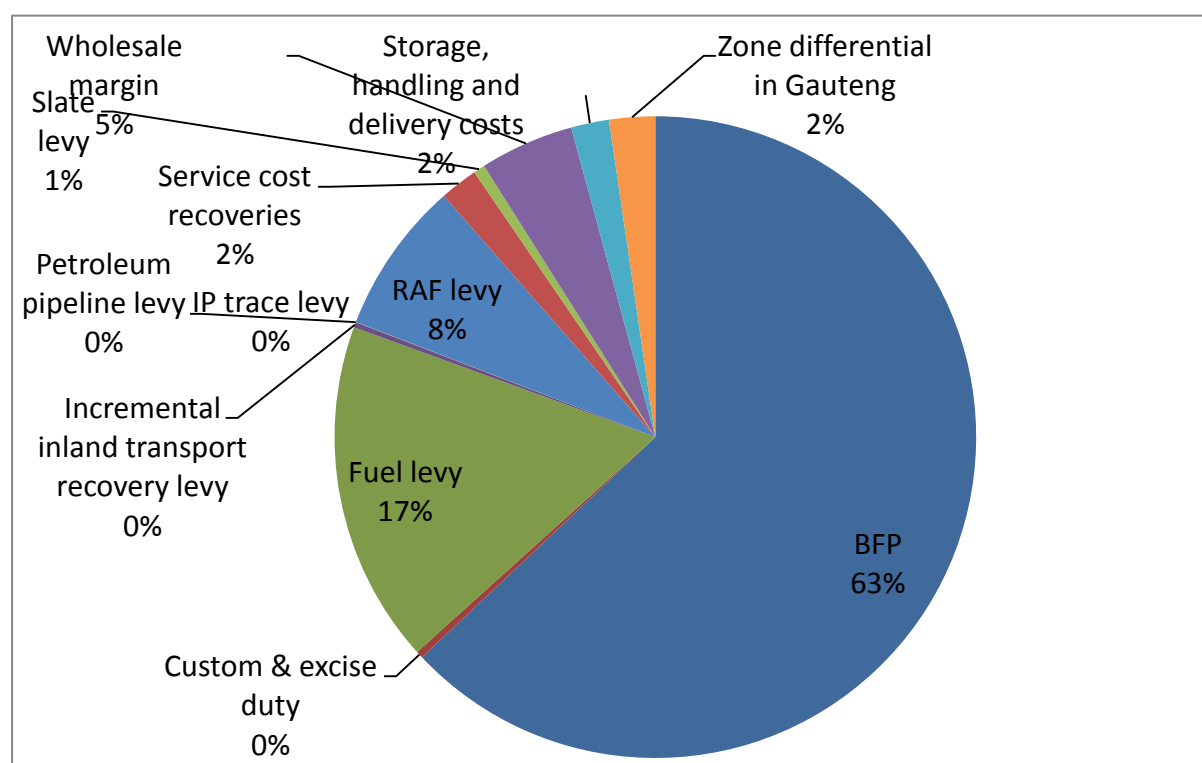
Source: DoE

Description of the table headings:

1. Basic fuel price
2. Custom & excise duty
3. Distribution costs
4. Fuel levy
5. Incremental Inland Transport Recovery levy
6. IP Tracer levy
7. Petroleum Pipeline levy
8. Petroleum Product levy (previously called Petroleum Pipelines Levy)
9. RAF levy
10. Service cost recoveries
11. Slate levy
12. Wholesale margin
13. Storage, handling & delivery costs
14. Zone differential in Gauteng
15. Sub-total
16. Wholesale price

To identify the contribution of each component to the diesel wholesale price, all the components are shown in Figure 2.7. In 2012 the BFP was the largest contributor to total wholesale price of diesel with 63%. The second largest contributor to diesel wholesale price was fuel tax contributing 17%, followed by road accident fund (RAF) levy (8%), and wholesale margin (5%).

Figure 2.7: Annual wholesale diesel prices 2012 - individual components-cents per litre (c/l)



Source: DoE

In the 2012/2013 financial year budget, the general fuel levy charged on diesel was increased by 20 cents per litre and Road Accident Fund (RAF) was increased by 8 cents per litre. The wholesale margin and the service differential on diesel were increased by 5.5 c/l and 4.5 c/l, respectively, with effect from 5th December 2012. The increase of 4.5 c/l in the service differential resulted from an increase in the secondary storage element by 2.4 c/l; and an increase in the secondary distribution component by 2.1 c/l.

2.2.4 Illuminating paraffin

The historical prices in the coastal and inland areas of illuminating paraffin from 2006 to 2012 are shown in Table 2.7.

Table 2.7: Monthly illuminating paraffin price

Period	Illuminating paraffin	
	Coast c/l	Inland c/l
2006/01/04	376.20	398.60
2006/02/01	380.20	402.60
2006/03/01	384.20	402.60
2006/04/05	389.20	412.20
2006/05/03	409.20	432.20
2006/06/07	429.20	452.20
2006/07/05	465.20	488.20
2006/08/02	486.20	509.20
2006/09/06	481.20	504.20
2006/10/04	459.20	482.20
2006/11/01	446.20	469.20
2006/12/06	421.20	444.20
2007/01/03	424.20	447.20
2007/02/07	398.20	421.20
2007/03/07	408.20	431.20
2007/04/04	438.20	462.10
2007/05/02	456.20	480.10
2007/06/06	458.20	482.10
2007/07/04	475.20	499.10
2007/08/01	482.20	506.10
2007/09/05	482.20	506.10
2007/10/03	495.20	519.10
2007/11/07	505.20	529.10
2007/12/05	563.20	587.10
2008/01/02	554.20	578.10
2008/02/06	556.20	580.10
2008/03/05	632.20	656.10
2008/04/02	750.20	774.10
2008/05/07	805.70	829.60
2008/06/04	876.70	900.60
2008/07/02	925.70	949.60
2008/08/06	929.10	953.00
2008/09/03	783.10	807.00
2008/10/01	718.10	742.00
2008/11/05	679.10	703.00
2008/12/03	604.10	628.00

Period	Illuminating paraffin	
	Coast c/l	Inland c/l
2009/01/07	467.60	496.70
2009/02/04	453.60	482.70
2009/03/04	427.60	456.70
2009/04/01	422.60	451.70
2009/05/06	435.60	464.70
2009/06/03	426.60	455.70
2009/07/01	472.60	501.70
2009/08/05	458.60	487.70
2009/09/02	479.60	508.70
2009/10/07	452.10	481.20
2009/11/04	466.10	495.20
2009/12/02	495.10	524.20
2010/01/06	483.10	512.20
2010/02/03	488.10	517.20
2010/03/03	486.10	515.20
2010/04/07	507.10	536.20
2010/05/05	538.10	566.20
2010/06/02	525.10	553.20
2010/07/07	513.10	541.20
2010/08/04	498.10	526.20
2010/09/01	493.10	521.20
2010/10/06	492.10	520.20
2010/11/03	506.10	534.20
2010/12/01	520.10	548.20
2011/01/05	541.71	569.81
2011/02/02	573.71	601.81
2011/03/02	643.71	671.81
2011/04/06	684.51	720.41
2011/05/04	699.51	735.41
2011/06/01	667.51	703.41
2011/07/06	655.51	691.41
2011/08/03	665.51	701.41
2011/09/07	663.51	699.41
2011/10/05	693.51	729.41
2011/11/02	734.53	770.41
2011/12/07	777.53	770.41
2012/01/04	752.53	788.43
2012/02/01	749.53	785.43
2012/03/07	753.53	789.43
2012/04/04	774.13	816.03
2012/05/02	783.13	825.03
2012/06/06	762.13	804.03

Period	Illuminating paraffin	
	Coast c/l	Inland c/l
2012/07/04	704.13	746.03
2012/08/01	719.13	761.03
2012/09/05	792.13	834.03
2012/10/03	825.13	867.03
2012/11/07	828.13	870.03
2012/12/05	824.13	866.03

Source: DoE

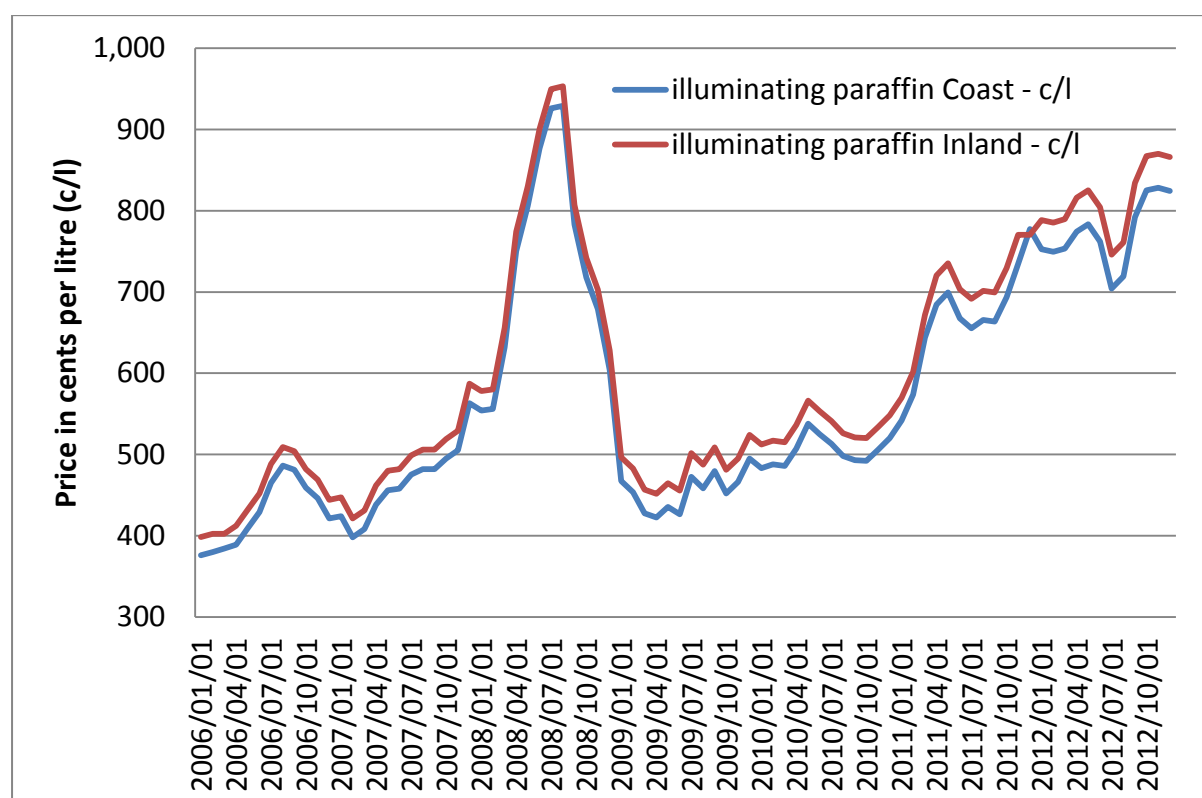
Explanatory Notes:

3. Data until 2009 was sourced from SAPIA and the Department of Minerals and Energy (DME).
 4. From 2010 the data is sourced from the Department of Energy.
 5. The bulk prices are list prices and exclude a controlled maximum retail margin of 33.3%.
 6. The prices are exclusive of VAT.
-

The Department of Energy started to regulate the maximum retail price for illuminating paraffin, excluding the price of any form of packaging since January 2010. As shown in Figure 2.8, the price of illuminating paraffin recorded the highest level ever in August 2008 costing R9.53 per litre in the inland region and R9.29 at the coast which was mainly pushed up by the crude oil price which was around 133 US\$/bbl. Since then the price of illuminating paraffin showed a steady increase in 2011 which could also be attributed to the relative increase in crude oil prices.

In 2012 the price of illuminating paraffin recorded the lowest price in July costing R7.46 (inland) and R7.04 (coastal region) per litre. The price drop by 58 cents per litre in July could be attributed to the decrease in the price of Brent crude oil (US\$120.00 to US\$108.00 per barrel) which mainly culminated from lower economic growth and subsequent lower crude oil demand in the USA, Europe and China; which also led to the decrease in the international refined petroleum prices.

Figure 2.8: Monthly illuminating paraffin price - cents per litre (c/l)



Source: DoE

In November 2012, illuminating paraffin recorded the highest price, selling at R8.28 (coastal region) and R8.70 (inland), which were the highest prices in 2012.

2.2.5 Liquid petroleum gas (LPG)

LPG in South Africa is manufactured from all local refineries (crude, coal and gas). LPG is not a by-product of the refining process, but a primary product in its own right. Once produced, LPG is sold and distributed either in bulk or in cylinders along a supply chain. End users of LPG vary across the spectrum from industrial users and farmers who mainly use LPG for space and process heating and certain machinery operations, to hotels, restaurants and resorts for operating a range of appliances such as geysers, ovens, hobs and water heaters, and in the households for which it is often used as a primary energy source for cooking, lighting, refrigeration and space heating. The refinery gate prices of Liquid Petroleum Gas (LPG) from 2002 to 2012 are shown in Table 2.8. These prices are presented in different units including cents per kilogram, cents per litre, rand per gigajoule, rand per kilogram and rand per ton.

Table 2.8: Monthly regulated maximum refinery gate price for liquefied petroleum gas (LPG)

Period	LPG				
	cents per kilogram	cents per litre	Rand per GigaJoule	Rand per kilogram	Rand per ton
2002/07/01	524.26	290.96	106.04	5.24	5242.62
2002/08/01	565.36	313.78	114.34	5.66	5653.64
2002/09/01	586.86	325.72	118.70	5.86	5868.70
2002/10/01	589.40	327.12	119.20	5.90	5894.10
2002/11/01	545.80	302.92	110.38	5.46	5458.02
2002/12/01	491.20	272.62	99.34	4.92	4912.00
2003/01/01	512.42	284.40	103.64	5.12	5124.18
2003/02/01	570.64	316.70	115.42	5.70	5706.36
2003/03/01	550.26	305.38	111.28	5.50	5502.52
2003/04/01	499.42	277.18	101.00	5.00	4994.30
2003/05/01	405.22	224.90	81.96	4.06	4052.30
2003/06/01	472.38	262.18	95.54	4.72	4723.84
2003/07/01	469.76	260.72	95.00	4.70	4697.66
2003/08/01	485.44	269.42	98.18	4.86	4854.34
2003/09/01	444.74	246.82	89.94	4.44	4447.36
2003/10/01	430.62	239.00	87.10	4.30	4306.30
2003/11/01	417.74	231.84	84.48	4.18	4177.44
2003/12/01	414.70	230.16	83.88	4.14	4147.10
2004/01/01	497.58	276.16	100.64	4.98	4975.86
2004/02/01	481.24	267.08	97.32	4.82	4812.38
2004/03/01	517.52	287.22	104.66	5.18	5175.22
2004/04/01	519.74	288.46	105.12	5.20	5197.42
2004/05/01	623.46	346.02	126.10	6.24	6234.70

Period	LPG				
	cents per kilogram	cents per litre	Rand per GigaJoule	Rand per kilogram	Rand per ton
2004/06/01	540.04	299.72	109.22	5.40	5400.50
2004/07/01	513.06	284.74	103.76	5.12	5130.64
2004/08/01	576.96	320.22	116.68	5.76	5769.60
2004/09/01	577.02	320.24	116.70	5.76	5770.26
2004/10/01	623.06	345.80	126.02	6.22	6230.56
2004/11/01	565.82	314.04	114.44	5.66	5658.28
2004/12/01	468.82	260.20	94.82	4.68	4688.28
2005/01/01	497.80	276.28	100.68	4.98	4978.10
2005/02/01	572.70	317.84	115.82	5.72	5726.98
2005/03/01	635.44	352.68	128.52	6.36	6354.46
2005/04/01	681.80	378.40	137.90	6.82	6818.10
2005/05/01	625.84	347.34	126.58	6.26	6258.40
2005/06/01	728.24	404.16	147.28	7.28	7282.32
2005/07/01	779.24	432.48	157.60	7.80	7792.44
2005/08/01	858.24	476.32	173.58	8.58	8582.46
2005/09/01	885.36	491.38	179.06	8.86	8853.70
2005/10/01	805.54	447.08	162.92	8.06	8055.36
2005/11/01	724.56	402.14	146.54	7.24	7245.68
2005/12/01	715.68	397.20	144.74	7.16	7156.88
2006/01/01	739.70	410.54	149.62	7.40	7397.00
2006/02/01	704.68	391.10	142.54	7.04	7046.84
2006/03/01	791.28	439.16	160.06	7.92	7912.88
2006/04/01	873.76	484.94	176.74	8.74	8737.56
2006/05/01	962.50	534.18	194.68	9.62	9624.94
2006/06/01	1036.98	575.52	209.74	10.36	10369.72
2006/07/01	1121.70	622.54	226.88	11.22	11216.92
2006/08/01	1024.48	568.58	207.22	10.24	10244.74
2006/09/01	877.98	487.28	177.58	8.78	8779.84
2006/10/01	863.44	479.20	174.63	8.64	8634.30
2006/11/01	828.60	459.88	167.58	8.28	8286.06
2006/12/01	845.00	468.98	170.90	8.46	8450.04
2007/01/01	775.66	430.50	156.90	7.76	7756.68
2007/02/01	854.40	474.18	172.82	8.54	8544.00
2007/03/01	990.66	549.82	200.38	9.90	9906.64
2007/04/01	1060.12	588.36	214.42	10.60	10601.22
2007/05/01	1131.58	628.02	228.88	11.32	11315.70
2007/06/01	1115.00	618.82	225.52	11.16	11150.00
2007/07/01	1087.52	603.58	219.96	10.88	10875.18
2007/08/01	1028.04	570.56	207.94	10.28	10280.46
2007/09/01	1059.50	588.02	214.30	10.60	10595.04
2007/10/01	1055.46	585.78	213.48	10.56	10554.60
2007/11/01	1173.82	651.46	237.42	11.74	11738.16

Period	LPG				
	cents per kilogram	cents per litre	Rand per GigaJoule	Rand per kilogram	Rand per ton
2007/12/01	1156.90	642.08	234.00	11.56	11568.92
2008/01/01	1224.32	679.50	247.64	12.24	12243.22
2008/02/01	1379.56	765.64	279.04	13.80	13795.54
2008/03/01	1513.48	839.98	306.12	15.14	15134.86
2008/04/01	1513.62	840.04	306.13	15.14	15136.14
2008/05/01	1577.20	875.34	319.02	15.78	15771.94
2008/06/01	1698.14	942.48	343.48	16.98	16981.46
2008/07/01	1893.22	1050.74	382.94	18.94	18932.26
2008/08/01	1808.32	1003.62	365.76	18.08	18083.24
2008/09/01	1578.30	875.96	319.24	15.78	15782.96
2008/10/01	1523.34	845.46	308.12	15.24	15233.48
2008/11/01	1368.60	759.58	276.82	13.68	13686.00
2008/12/01	961.40	533.58	194.46	9.62	9613.94
2009/01/01	373.97	207.56	75.64	3.74	3739.74
2009/02/01	439.66	244.01	88.93	4.40	4396.58
2009/03/01	473.76	262.94	95.82	4.74	4737.58
2009/04/01	473.81	262.96	95.83	4.74	4812.06
2009/05/01	475.89	264.12	96.26	4.76	4758.95
2009/06/01	492.11	273.12	99.54	4.92	4995.13
2009/07/01	545.75	302.89	110.39	5.46	5457.53
2009/08/01	507.72	281.79	102.69	5.08	5077.22
2009/09/01	566.98	314.68	114.68	5.67	5669.84
2009/10/01	493.70	274.00	99.86	4.94	4936.95
2009/11/01	510.38	283.26	103.23	5.10	5103.85
2009/12/01	534.95	296.90	108.20	5.35	5349.53
2010/01/01	520.57	288.92	105.29	5.21	5205.70
2010/02/01	548.47	304.40	110.94	5.48	5484.74
2010/03/01	550.82	305.71	111.41	5.51	5508.21
2010/04/01	586.72	325.63	271.75	5.87	5867.21
2010/05/01	597.13	331.41	120.78	5.97	5971.28
2010/06/01	566.06	314.16	114.49	5.66	5660.60
2010/07/01	549.45	304.94	111.13	5.49	5494.46
2010/08/01	541.57	300.57	109.54	5.42	5415.68
2010/09/01	521.87	289.64	105.56	5.22	5218.72
2010/10/01	516.70	286.77	104.51	5.17	5166.97
2010/11/01	541.42	300.49	109.51	5.41	5414.20
2010/12/01	553.87	307.40	112.03	5.54	5538.71
2011/01/01	588.84	326.81	119.09	5.89	5888.41
2011/02/01	620.66	344.47	125.53	6.21	6206.59
2011/03/01	647.18	374.17	130.89	6.47	6471.80
2011/04/01	712.97	395.70	144.20	7.13	7129.72
2011/05/01	753.33	418.10	152.36	7.53	7533.31

Period	LPG				
	cents per kilogram	cents per litre	Rand per GigaJoule	Rand per kilogram	Rand per ton
2011/06/01	745.53	413.77	150.78	7.45	7455.34
2011/07/01	713.14	395.79	144.23	7.13	7131.37
2011/08/01	742.76	412.23	150.22	7.43	7427.60
2011/09/01	742.44	412.05	150.16	7.42	7424.40
2011/10/01	789.50	438.17	159.63	7.89	7895.03
2011/11/01	815.33	452.52	164.90	8.15	8153.50
2011/12/01	784.71	435.51	158.71	7.84	7847.10
2012/01/01	785.76	436.10	158.92	7.86	16094.70
2012/02/01	823.71	457.16	166.60	8.24	8237.10
2012/03/01	851.41	472.54	172.20	8.51	8514.14
2012/04/01	903.40	501.39	182.71	9.03	9033.98
2012/05/01	927.27	514.63	187.54	9.27	9272.68
2012/06/01	851.40	472.53	172.20	8.51	8514.01
2012/07/01	765.42	424.81	154.81	7.65	7654.21
2012/08/01	805.14	446.85	162.84	8.05	8051.41
2012/09/01	903.61	501.50	182.75	9.04	9036.11
2012/10/03	901.11	500.11	182.25	9.01	9011.10
2012/11/07	901.88	500.54	182.40	9.02	9018.80
2012/12/05	875.42	485.86	177.05	8.75	8754.21

Source: DoE

Explanatory Notes:

1. Prices are for the Regulated Maximum Refinery Gate Price.
 2. Data was sourced from CEF Pty Ltd
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The price of LPG from 2006 to 2012 is shown in Figure 2.9. A substantial price increase is notable in 2006 which recorded a 25% increase from 2005. In 2008 the LPG price reached an all-time high compared to the years under review. The South African power crisis contributed to the increase in LPG prices as many people switched to the use of LPG from electricity for heating and cooking purposes. The price dropped late in 2008 and has been lower since then.

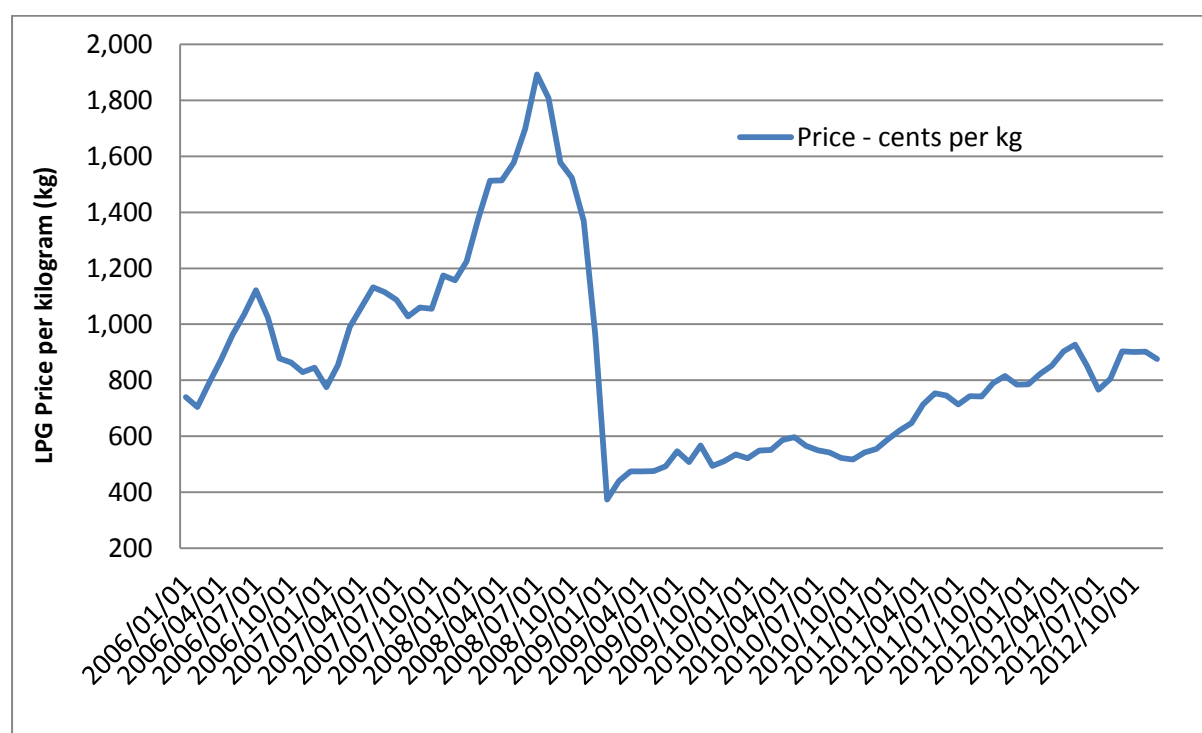
The Department of Energy started regulating LPG prices from the 14th of July 2010, by putting a cap on what retailers could charge. This was effected with the objective to make the product more accessible to low-income households, who generally use wood and paraffin for cooking and heating and to encourage fuel switching from

electricity. From the 14th of July 2010 the maximum price is published by the Department of Energy on the first Wednesday of every month.

Year on year, LPG price increased by 31% in 2011 from 12% in 2010. The LPG price increase was not the only challenge experienced in 2011, there was also shortage in the supply of LPG in winter caused by the higher demand of LPG during the winter period in the year. The shortage was also due to the planned and unplanned shut downs of refineries that took place in that period. The shortage had a serious impact on the manufacturing, automotive and hospitality sectors of the economy. The South African Petroleum Industry Association (SAPIA) estimated that there was a 30% shortage of LPG in the market in that period.

In 2012, the price of LPG reached a ceiling in May, selling at R9.27 per kilogram and recorded the cheapest price in July, selling at R7.64 per kilogram.

Figure 2.9: Monthly LPG prices (c/kg) - regulated maximum refinery gate prices



Source: DoE

3 NATURAL GAS

Natural gas currently makes up only 3% of the total primary energy mix in South Africa, but this is expected to grow to around 10% over the next decade (Price Waterhouse Africa Gas Report, 2012). The International Energy Agency (IEA) points out that proven global natural gas reserves continue to increase and have doubled since 1980. However, in South Africa the natural gas industry is still at a very early stage of development with limited competition. South Africa does not have any significant proven reserves of indigenous natural gas. South Africa had proven natural gas reserves of 0.7 Tcf in 2011 (Business Monitor International, 2011). These reserves are relatively insignificant in the global context, when compared to proven global natural gas reserves of 6621.2 Tcf.

The shale gas potential in the Karoo Basin could radically reshape South African's future. According to the International Energy Agency (IEA), the resource base in Karoo basin is the eighth largest shale gas resource in the world. The IEA has estimated this resource base to be around 390 Tcf and the Petroleum Agency of South Africa estimated the resource between 23 and 47 Tcf. This is a significant amount of reserves given that a refinery like Petro SA gas-to-liquid plant consumes about 1 Tcf in twenty years of operation (Mike de Pontes, 2013). In October 2013, a draft regulation was released for public comments to govern exploration for shale gas, providing measures for protection of water resources and wildlife. The regulations prescribe good international petroleum industry practices and standards, which enhance safe exploration and production of all petroleum (including, but not limited to, shale gas), and will further ensure that petroleum exploration is conducted in a socially and environmentally balanced manner.

Table 3.1 presents the South African historical natural gas tariffs supplied by Sasol Gas from 2003 to 2012. The tariffs are grouped into six customer categories of average annual consumption measured in GJ/a.

Table 3.1: Annual Natural gas tariffs - Rand per gigajoule(R/GJ)

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
1997/07/01	43.02	41.85	37.16	37.16	31.55	19.73
1997/08/01	42.97	41.86	37.15	37.15	31.50	19.55
1997/09/01	44.75	43.59	38.79	38.79	32.98	20.80
1997/10/01	44.48	43.28	38.69	38.69	33.04	21.36
1997/11/01	45.61	44.50	39.70	39.70	33.80	21.49
1997/12/01	47.42	46.27	41.16	41.16	34.94	21.84
1998/01/01	45.52	44.26	39.34	39.34	33.44	21.06
1998/02/01	43.30	41.81	36.63	36.63	30.81	18.28
1998/03/01	42.25	40.67	35.42	35.42	29.67	17.17
1998/04/01	41.09	39.49	34.67	34.67	29.28	17.86
1998/05/01	43.73	42.22	37.25	37.25	31.53	19.45
1998/06/01	44.07	42.59	37.61	37.61	31.86	19.72
1998/07/01	43.48	41.85	36.69	36.69	30.92	18.60
1998/08/01	50.88	48.94	42.90	42.90	36.16	21.77
1998/09/01	51.64	49.73	43.56	43.56	36.67	21.92
1998/10/01	52.22	50.42	44.35	44.35	37.44	22.71
1998/11/01	50.14	48.56	43.06	43.06	36.58	22.99
1998/12/01	47.38	45.75	40.58	40.58	34.52	21.93
1999/01/01	47.75	45.94	40.39	40.39	34.15	20.93
1999/02/01	50.14	48.37	42.48	42.48	35.83	21.62
1999/03/01	48.65	46.71	40.98	40.98	34.60	21.06
1999/04/01	50.74	48.87	43.03	43.03	36.40	22.37
1999/05/01	54.24	52.63	46.50	46.50	39.34	24.12
1999/06/01	54.17	52.49	46.66	46.66	39.72	25.26
1999/07/01	53.88	52.22	46.34	46.34	39.38	24.80
1999/08/01	56.26	54.81	48.82	48.82	41.54	26.31
1999/09/01	59.48	58.20	52.17	52.17	44.56	28.79
1999/10/01	60.00	58.82	52.95	52.95	45.38	29.83
1999/11/01	60.55	59.38	53.74	53.74	46.27	31.20
1999/12/01	62.16	61.06	55.41	55.41	47.80	32.50
2000/01/01	64.20	63.23	57.16	57.16	49.08	32.54
2000/02/01	64.29	63.25	56.87	56.87	48.60	31.41
2000/03/01	67.62	66.48	59.80	59.80	51.15	33.22
2000/04/01	73.92	72.88	66.22	66.22	57.08	38.66
2000/05/01	68.83	67.67	61.53	61.53	53.15	36.41
2000/06/01	73.78	72.62	66.17	66.17	57.23	39.46
2000/07/01	75.64	74.56	68.17	68.17	59.12	41.29
2000/08/01	75.52	74.40	67.29	67.29	57.80	38.40
2000/09/01	78.29	77.09	68.97	68.97	58.67	36.93
2000/10/01	89.39	88.57	79.68	79.68	67.95	43.25
2000/11/01	91.93	91.31	82.51	82.51	70.57	45.66
2000/12/01	91.17	90.44	81.81	81.81	70.09	45.79
2001/01/01	84.23	82.96	74.51	74.51	63.61	40.82
2001/02/01	80.60	79.03	70.73	70.73	60.28	38.43
2001/03/01	83.12	81.79	73.60	73.60	62.96	40.89

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
2001/04/01	82.05	80.65	72.77	72.77	62.44	41.26
2001/05/01	86.07	84.48	76.00	76.00	65.06	42.48
2001/06/01	86.71	85.24	77.08	77.08	66.26	44.21
2001/07/01	86.81	85.31	76.77	76.77	65.71	42.85
2001/08/01	85.46	83.75	74.97	74.97	63.94	40.90
2001/09/01	87.53	85.94	77.58	77.58	66.63	44.24
2001/10/01	93.78	92.44	83.58	83.58	71.76	47.53
2001/11/01	93.97	92.04	82.94	82.94	71.18	47.15
2001/12/01	91.45	89.03	79.44	79.44	67.73	43.36
2002/01/01	105.88	103.27	92.63	92.63	79.30	51.91
2002/02/01	112.87	110.17	98.65	98.65	84.29	54.59
2002/03/01	110.35	107.70	96.83	96.83	83.06	54.94
2002/04/01	113.93	111.53	100.76	100.76	86.69	58.23
2002/05/01	116.31	114.05	103.36	103.36	89.13	60.51
2002/06/01	106.89	105.03	95.49	95.49	82.51	56.57
2002/07/01	103.42	101.43	92.15	92.15	79.63	54.68
2002/08/01	104.62	102.70	93.47	93.47	80.86	55.84
2002/09/01	113.08	111.27	101.30	101.30	87.59	60.26
2002/10/01	118.18	116.71	106.38	106.38	91.93	62.98
2002/11/01	117.61	115.97	105.17	105.17	90.53	60.79
2002/12/01	103.67	101.81	91.95	91.95	78.99	52.55
2003/01/01	99.40	97.96	89.05	89.05	76.83	52.26
2003/02/01	100.54	99.36	90.67	90.67	78.41	53.92
2003/03/01	100.33	99.41	90.93	90.93	78.73	54.41
2003/04/01	96.08	94.94	86.24	86.24	74.29	50.04
2003/05/01	83.96	82.41	74.81	74.81	64.58	44.08
2003/06/01	79.09	77.73	70.75	70.75	61.19	42.17
2003/07/01	84.61	83.26	76.02	76.02	65.90	45.93
2003/08/01	81.59	80.43	73.87	73.87	64.32	45.84
2003/09/01	82.59	81.51	74.06	74.06	63.85	43.21
2003/10/01	82.08	80.85	73.37	73.37	63.22	42.70
2003/11/01	78.73	77.72	70.54	70.54	60.74	40.82
2003/12/01	77.22	76.26	68.95	68.95	59.16	39.01
2004/01/01	73.68	72.85	65.75	65.75	56.28	36.63
2004/02/01	82.44	81.50	73.43	73.43	62.77	40.53
2004/03/01	79.56	78.56	71.07	71.07	61.01	40.34
2004/04/01	78.44	77.41	69.85	69.85	59.82	39.07
2004/05/01	77.94	77.12	69.65	69.65	59.63	38.86
2004/06/01	87.60	87.03	78.60	78.60	67.19	43.34
2004/07/01	81.23	80.54	72.83	72.83	62.38	40.70
2004/08/01	79.19	78.66	70.78	70.78	60.30	38.15
2004/09/01	85.79	85.32	76.68	76.68	65.22	40.87
2004/10/01	90.37	89.85	80.20	80.20	67.80	40.96
2004/11/01	94.67	94.51	84.60	84.60	71.57	43.40
2004/12/01	87.28	86.98	77.87	77.87	65.94	40.22
2005/01/01	76.45	75.84	67.92	67.92	57.64	35.70

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
2005/02/01	79.19	78.64	70.48	70.48	59.84	37.12
2005/03/01	83.24	82.78	74.44	74.44	63.35	39.83
2005/04/01	89.42	89.32	80.08	80.08	67.84	41.43
2005/05/01	100.54	101.03	91.13	91.13	77.46	48.12
2005/06/01	96.53	96.92	88.00	88.00	75.27	48.53
2005/07/01	110.13	110.35	99.76	99.76	85.06	53.89
2005/08/01	109.98	110.17	99.76	99.76	85.20	54.50
2005/09/01	108.66	109.28	99.14	99.14	84.69	54.14
2005/10/01	111.79	112.64	103.04	103.04	88.63	58.81
2005/11/01	114.59	115.42	105.19	105.19	90.17	58.77
2005/12/01	108.27	108.88	100.14	100.14	86.62	59.26
2006/01/01	102.48	103.22	94.48	94.48	81.30	54.12
2006/02/01	104.59	105.47	96.28	96.28	82.61	54.12
2006/03/01	104.79	106.01	97.66	97.66	84.40	57.35
2006/04/01	109.35	110.29	101.56	101.56	87.84	60.03
2006/05/01	111.88	112.83	103.37	103.37	88.99	59.33
2006/06/01	115.97	117.01	107.09	107.09	92.09	61.00
2006/07/01	130.07	130.92	118.89	118.89	101.61	65.13
2006/08/01	135.67	136.78	124.77	124.77	106.99	69.84
2006/09/01	132.01	133.25	121.31	121.31	103.79	66.86
2006/10/01	131.48	132.36	119.40	119.40	101.42	62.70
2006/11/01	132.28	132.97	120.79	120.79	103.33	66.55
2006/12/01	121.60	122.11	110.55	110.55	94.31	59.85
2007/01/01	120.25	121.14	109.56	109.56	93.25	58.32
2007/02/01	116.79	117.31	106.45	106.45	91.00	58.41
2007/03/01	119.62	120.14	109.65	109.65	94.24	62.32
2007/04/01	126.26	126.92	115.79	115.79	99.43	65.43
2007/05/01	129.15	130.18	119.41	119.41	102.94	69.13
2007/06/01	127.28	128.35	117.85	117.85	101.67	68.51
2007/07/01	134.02	135.21	124.13	124.13	107.05	72.00
2007/08/01	134.24	135.63	124.90	124.90	107.95	73.44
2007/09/01	136.12	137.50	126.83	126.83	109.80	75.32
2007/10/01	141.11	142.55	131.24	131.24	113.43	77.12
2007/11/01	139.64	141.43	130.91	130.91	113.56	78.67
2007/12/01	152.70	155.64	144.92	144.92	126.08	88.45
2008/01/01	152.97	155.53	144.13	144.13	124.99	86.32
2008/02/01	155.11	157.63	146.29	146.29	127.04	88.39
2008/03/01	172.95	175.52	161.96	161.96	140.01	95.17
2008/04/01	195.72	198.84	182.70	182.70	157.26	104.44
2008/05/01	205.30	208.91	192.01	192.01	165.21	109.45
2008/06/01	221.35	225.78	207.41	207.41	178.20	117.00
2008/07/01	241.70	246.61	226.35	226.35	194.29	126.92
2008/08/01	251.69	257.67	239.66	239.66	207.93	143.66
2008/09/01	207.51	212.54	199.69	199.69	174.80	126.25
2008/10/01	197.34	201.52	189.15	189.15	165.60	119.80
2008/11/01	196.02	199.34	185.39	185.39	161.26	113.13

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
2008/12/01	171.45	172.29	154.40	154.40	130.42	78.06
2009/01/01	152.34	152.12	137.39	137.39	117.22	74.58
2009/02/01	148.87	148.81	135.02	135.02	115.65	75.17
2009/03/01	144.07	144.35	132.66	132.66	114.84	78.96
2009/04/01	138.18	137.78	126.31	126.31	109.32	75.19
2009/05/01	137.99	138.38	127.68	127.68	110.88	77.46
2009/06/01	135.77	136.61	127.28	127.28	111.34	80.61
2009/07/01	145.26	146.76	137.13	137.13	120.08	87.23
2009/08/01	139.99	141.54	132.95	132.95	116.92	86.67
2009/09/01	149.28	151.13	142.09	142.09	124.99	92.77
2009/10/01	138.12	139.79	131.84	131.84	116.32	87.50
2009/11/01	137.66	139.49	131.35	131.35	115.65	86.21
2009/12/01	149.16	151.35	142.58	142.58	125.52	93.46
2010/01/01	144.07	146.34	138.33	138.33	122.11	92.01
2010/02/01	148.71	151.26	143.14	143.14	126.41	95.41
2010/03/01	145.14	147.23	139.06	139.06	122.72	92.43
2010/04/01	147.57	149.75	140.93	140.93	123.98	91.96
2010/05/01	153.42	155.84	146.19	146.19	128.19	93.59
2010/06/01	155.98	158.36	148.72	148.72	130.56	95.86
2010/07/01	149.02	151.02	141.22	141.22	123.60	89.49
2010/08/01	146.94	148.90	139.49	139.49	122.29	89.24
2010/09/01	146.15	148.28	139.07	139.07	121.98	89.19
2010/10/01	142.19	144.14	134.73	134.73	117.85	85.09
2010/11/01	143.95	146.22	136.85	136.85	119.75	86.57
2010/12/01	148.54	151.01	141.57	141.57	124.03	90.15
2011/01/01	151.97	154.57	144.65	144.65	126.51	91.17
2011/02/01	156.91	159.76	149.53	149.53	130.73	94.04
2011/03/01	175.41	179.12	168.65	168.65	148.06	108.57
2011/04/01	182.93	187.09	176.02	176.02	154.33	112.42
2011/05/01	187.22	191.56	180.29	180.29	158.11	115.27
2011/06/01	180.86	185.01	174.37	174.37	153.12	112.34
2011/07/01	177.45	181.57	171.60	171.60	151.04	112.04
2011/08/01	179.78	183.91	173.77	173.77	152.93	113.39
2011/09/01	183.72	187.96	177.88	177.88	156.76	116.97
2011/10/01	190.57	194.89	184.53	184.53	162.70	121.73
2011/11/01	203.51	208.21	197.33	197.33	174.11	130.66
2011/12/01	215.88	221.06	209.99	209.99	185.58	140.30
2012/01/01	210.60	215.39	204.49	204.49	180.73	136.71
2012/02/01	214.31	219.42	209.23	209.23	185.53	142.42
2012/03/01	209.43	214.58	204.31	204.31	180.90	137.90
2012/04/01	212.62	218.03	207.77	207.77	184.04	140.43
2012/05/01	216.45	221.96	211.37	211.37	187.10	142.47
2012/06/01	211.63	216.77	206.17	206.17	182.40	138.52
2012/07/01	198.25	202.34	191.51	191.51	168.93	126.73
2012/08/01	199.09	203.32	192.20	192.20	169.32	126.20
2012/09/01	217.49	222.51	210.42	210.42	185.31	137.83

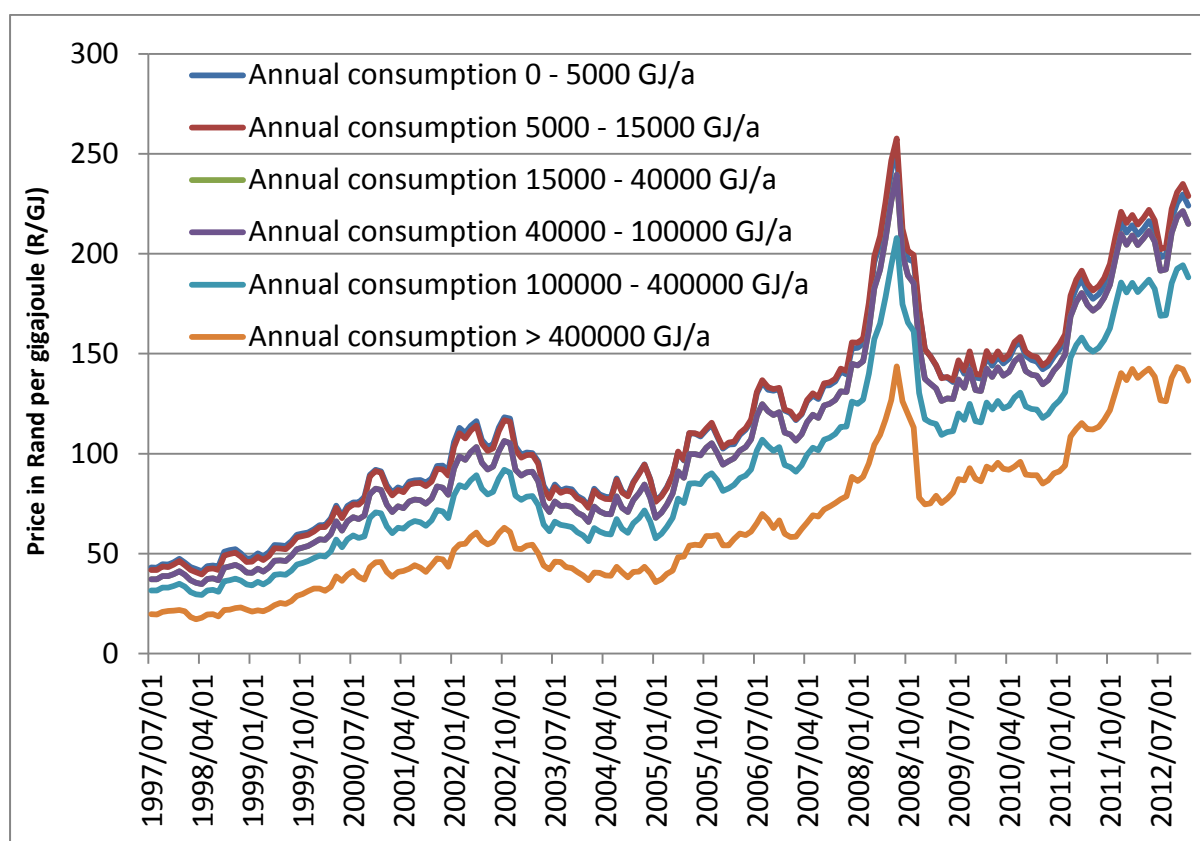
Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
2012/10/01	225.29	230.80	218.46	218.46	192.45	143.32
2012/11/01	229.64	234.96	221.36	221.36	194.28	142.22
2012/12/01	224.07	228.89	214.96	214.96	188.27	136.45

Source: SASOL

Explanatory Notes:

1. According to the Regulatory Agreement, in terms of Section 36 of the Gas Bill, Sasol Gas has to comply to the Market Value Pricing principle which are defined as follows:
 - a). The cost of the alternative fuel delivered to the customer's premises or anticipated place of use (in the case of Greenfields customers) plus;
 - b). The difference between all the operating costs of the customer's use of the alternative fuel and all the operating costs of using natural gas; plus
 - c). The difference between the Nett Present Value (NPV) of the capital costs of the customer's continued use of the alternative fuel and the NPV of the capital costs involved in switching to natural gas, as would be reflected in the customer's accounts.
2. Gas prices are negotiated with customers individually. The prices above are indicative of pipeline gas sold by Sasol Gas
3. The prices above are exclusive of VAT
4. The prices above are the list prices of the highest and lowest volume categories and do not reflect discounts in the market place
5. The abovementioned indicative gas prices are subject to monthly adjustment in accordance with the applicable adjustment formula.

Figure 3.1: Monthly Natural gas tariff - Rand per gigajoule (R/GJ)



Source: Sasol

Figure 2.10 depicts the price of pipeline natural gas sold by Sasol to various customers. The price of natural gas sold by Sasol is charged based on the annual consumption categories. Individual customers negotiate for prices based on their consumption of gas in the previous financial year and the tariffs set by the National Energy Regulator of South Africa (NERSA). As shown in Figure 2.10, the more quantity consumed, the cheaper the price paid in the following financial year. The annual gas prices for different quantities consumed showed a steady increase with a sharp price increase in 2008 which mirrored increases in global oil prices. The price declined again in 2009 as the oil market recovered and the prices have been fluctuating relative to the world oil price ever since.

4 COAL

The coal industry in South Africa contributes about 93% towards electricity generation and about 30% to liquid fuel production. The industry remains the third largest employer, accounting for 15% of total mining industry employment (The Future of South African Coal Report, 2011). The role played by this industry is supported by the vast resources and currently, South Africa is ranked number six in terms of production and is the world's 5th largest coal exporter (IEA, 2011). While there are clear commitments in South Africa to reduce its carbon footprint through various programmes, coal still has a vital role to play in the country's electricity generation. South Africa is also investing in alternative energy technologies to meet the growing energy demand in the country.

The following section provides the prices of thermal coal sold locally and exported.

4.1 Local and export coal prices

The average nominal and real prices of anthracite coal and bituminous coal from 2001 to 2012 are shown in Table 4.1.

Table 4.1: Annual average local and export coal prices - Rand per ton (R/t)

Period	Coal Bituminous				Coal Anthracite			
	Average Price Exports (FOB)		Average Price Local Sales (FOR)		Average Price Exports (FOB)		Average Price Local Sales (FOR)	
	Nominal	Real Price	Nominal	Real Price	Nominal	Real Price	Nominal	Real Price
2001/01/01	244.33	369.64	62.06	93.89	292.43	442.41	320.09	484.25
2002/01/01	278.65	386.48	73.92	102.52	378.07	524.37	379.55	526.42
2003/01/01	187.66	245.95	77.77	101.93	294.87	386.46	394.32	516.80
2004/01/01	202.09	261.10	74.29	95.98	260.92	337.11	417.25	539.08
2005/01/01	295.58	369.47	84.42	105.52	318.58	398.22	414.33	517.91
2006/01/01	310.42	370.87	85.17	101.76	415.58	496.51	477.17	570.10
2007/01/01	358.83	400.03	105.86	118.02	444.93	496.02	485.67	541.44

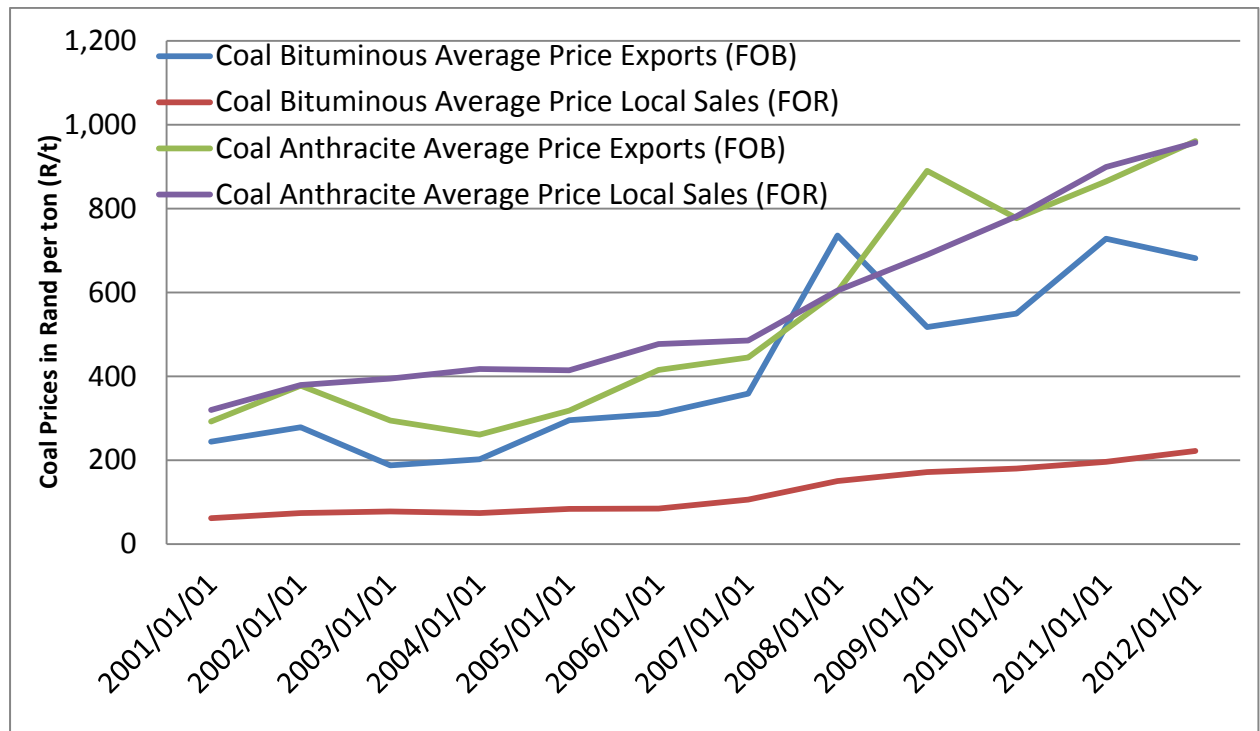
Period	Coal Bituminous				Coal Anthracite			
	Average Price Exports (FOB)		Average Price Local Sales (FOR)		Average Price Exports (FOB)		Average Price Local Sales (FOR)	
	Nominal	Real Price	Nominal	Real Price	Nominal	Real Price	Nominal	Real Price
2008/01/01	735.64	735.64	150.68	150.68	602.11	602.11	604.24	604.24
2009/01/01	517.91	474.28	171.63	157.17	889.64	814.69	690.36	632.20
2010/01/01	549.33	486.13	180.50	159.73	776.83	687.46	781.75	691.81
2011/01/01	727.85	620.50	196.02	167.11	864.65	737.13	898.90	766.33
2012/01/01	682.00	550.44	222.00	179.18	961.00	775.63	957.00	772.40

Source: Department of Mineral Resources

Explanatory Notes:

1. Values for average local and export nominal and real cost prices for bituminous and anthracite are from the Minerals Bureau.
 2. The real price was calculated by using the annual CPI with 2008 = 100.
 3. FOB: Free On Board.
 4. FOR: Free On Road.
 5. The prices are exclusive of VAT.
-

Figure 4.1: Annual average local and exports prices (FOB) - Rand per ton (R/t)



Source: Department of Mineral Resources (DMR)

The local and export price of coal, anthracite and bituminous, from 2001 to 2012 is shown in Figure 3.1. The Figure depicts the vast difference in the local price of both grades of coal. Anthracite is proving to be more expensive than bituminous. In 2012 anthracite coal costs R957 per ton compared to bituminous coal of R222 per ton. The price of each grade depends on its specifications and what it is used for. Anthracite coal contains the highest energy content and it is used in applications where low smoke and low ashes are desired whereas bituminous coal has a high energy content but lower quality compared to anthracite coal. The high quality bituminous coal is used in metallurgy whereas lower quality bituminous coal is used in the electricity transformation.

The domestic price of both grades of coal has been increasing at steady rate year after year with the price of anthracite coal increasing faster than that of bituminous coal. The export price of the two grades is rather volatile. The volatility in the price of coal exported is most likely due to the exchange rate at the time of sale and other additional costs associated with exportation of goods/commodities.

5 ELECTRICITY

In South Africa, economic growth (income) is the key driver of electricity consumption. Despite the increasing contribution of less energy-intensive services to the economy, the electricity intensity of the South African economy more than doubled in the period from 1990 to 2007 (Inglesi-Lotz & Blignaut, 2011b). This was probably due to the increase in energy-intensive manufacturing activities in the 1990s, particularly investment in the non-ferrous metals sector. The electricity intensity of the South African economy is thought to have peaked between 2001 and 2007. The decline in the electricity intensity of the economy since 2007 is probably due in part to the impact of the global economic recession in 2008/9. At a microeconomic level the two main influences on electricity consumption are the changing structure of the economy or 'structural effect' and the influence of new technologies or the 'efficiency effect'.

Eskom is the main generator and supplier of electricity in South Africa and electricity tariffs are regulated by NERSA. NERSA's mandate is derived from written government policies and regulations developed by the Minister of Energy in terms of the Electricity Regulation Act, Gas Act and Petroleum Pipeline Act and is mandated to proactively take necessary regulatory actions in anticipation of and in response to the changing circumstances in the energy industry. Electricity in South Africa is among the most expensive in the world (NUS Consulting Group, International Electricity and Natural Gas Report and Price Survey, 2010-2011).

In terms of the current structure of the economy and contribution of the various sectors, South African economy is dominated by services related activity which accounts for just over two thirds (67%) of GDP in 2010. However, manufacturing remains the second-largest individual sector contributor at 17.2% of GDP and the direct contribution of the relatively energy-intensive primary and secondary activities which include manufacturing, mining, electricity and other utilities, and agriculture remains significant at 28% of GDP. Non-ferrous metals and gold mining account for 25% of electricity consumption but only 4% of GDP (The Economic Impact of Electricity Price Increase on various sectors of the South African Economy, Deloitte).

Over the past two decades, economic growth (income) has proven to have been the main driver of electricity consumption in South Africa and by contrast electricity prices have had almost no effect. The responsiveness of electricity consumption to prices however, has not been constant over time and as price rise beyond certain 'threshold' levels it is likely they will once again have a greater impact on consumption.

The revenue generated by Eskom per kWh for various customer categories between 2001 and 2012 from different uses are shown in Table 5.1. These prices vary according to their uses and the demand thereof.

Table 5.1: Annual electricity price by customer category (nominal prices) - cents per kilowatt per hour (c/kWh)

Period	Average for all categories	Bulk	Domestic and Street Lighting	Commercial	Industrial	International	Eskom Mining	Rural / Farming	Traction
2001/01/01	27.52	25.82	61.8	35.9	23.12	22.94	26.7	53.7	31.38
2002/01/01	29.96	28.18	66.86	39.02	25.76	28.88	28.28	52.94	34.3
2003/01/01	32.1	30.5	73.16	41.24	28.32	19.1	30.14	58.28	37.96
2004/01/01	32.08	30.38	77.4	43.76	27.94	17.26	30.72	61.66	38.74
2006/01/01	34.1	32.26	80.16	45.38	29.5	19.66	32.38	65.72	40.5
2007/01/01	39.2	36.42	89.12	49.7	34.56	28.34	35.98	71.82	46.62
2008/01/01	49.94	46.58	99.76	59.02	40.5	34.46	43.18	85.48	55.62
2009/01/01	32.00	28.79	59.74	38.26	25.24	20.98	28.24	55.05	35.69
2010/01/01	40.31	39.53	66.45	52.63	34.34	31.04	39.78	72.72	48.55
2011/01/01	50.27	49.46	79.52	65.92	42.13	37.53	50.11	89.22	58.23
2012/01/01	55.50	54.59	87.05	73.24	45.56	42.72	55.74	99.75	68.66

Source: Eskom

Explanatory Notes:

1. The data in this table is from various Eskom Statistical Yearbooks and Annual Reports.
2. The price data in this table is only applicable to Eskom's direct sales to the categories as listed. Sales by local authorities to the Domestic, Commercial and Industry categories are not included in this table.
3. The prices are in c/kWh for each of a number of sales categories.
4. Prices are exclusive of VAT

Eskom generates its revenue from different electricity users; Table 5.2 shows various types of electricity users from 2001 to 2012. The electricity usage includes electricity used for domestic and street lighting, commercial, industrial, international, mining and farming.

Table 5.2: Annual electricity Eskom prices by customer category (real prices) - cents per kilowatt per hour (c/kWh)

Period	Average for all categories	Bulk	Domestic and Street Lighting	Commercial	Industrial	International	Mining	Rural/Farming	Traction
2001/01/01	20.82	19.53	46.75	27.16	17.49	17.35	20.2	40.62	23.74
2002/01/01	20.78	19.54	46.37	27.06	17.86	20.03	19.61	36.71	23.79
2003/01/01	21.04	19.99	47.94	27.02	18.56	12.52	19.75	38.19	24.88
2004/01/01	20.72	19.63	50.00	28.27	18.05	11.15	19.84	39.83	25.03
2006/01/01	20.37	19.27	47.89	27.11	17.62	11.74	19.34	39.26	24.19
2007/01/01	21.85	20.3	49.68	27.7	19.26	15.8	20.06	40.03	25.99
2008/01/01	24.97	23.29	49.88	29.51	20.25	17.23	21.59	42.74	27.81
2009/01/01	29.3	26.36	54.71	35.04	23.11	19.21	25.86	50.41	32.68
2010/01/01	35.67	34.98	58.81	46.58	30.39	27.47	35.2	64.35	42.96
2011/01/01	42.86	42.59	67.79	56.2	35.92	31.99	42.72	76.06	49.64
2012/01/01	44.80	44.06	70.25	59.11	36.77	34.48	44.99	80.51	55.41

Source: Eskom

Explanatory Notes:

1. The data in this table is from various Eskom Statistical Yearbooks and Annual Reports.
 2. The price data in this table is only applicable to Eskom's direct sales to the categories as listed. Sales by local authorities to the Domestic, Commercial and Industry categories are not included in this table.
 3. The prices are c/kWh for each of a number of sales categories.
 4. The real price was calculated by using the annual CPI (see Table 22) with 2000 = 100 from 1970 till 2008 and 2008 = 100 from 2009 till 2011.
 5. Prices are exclusive of VAT
-

Eskom's tariffs are adjusted on an annual basis, coinciding with Eskom's financial year price adjustments on 1st April every year. The average tariff adjustments for the past 11 years are indicated in Table 5.3.

Table 5.3: Eskom's average price adjustment

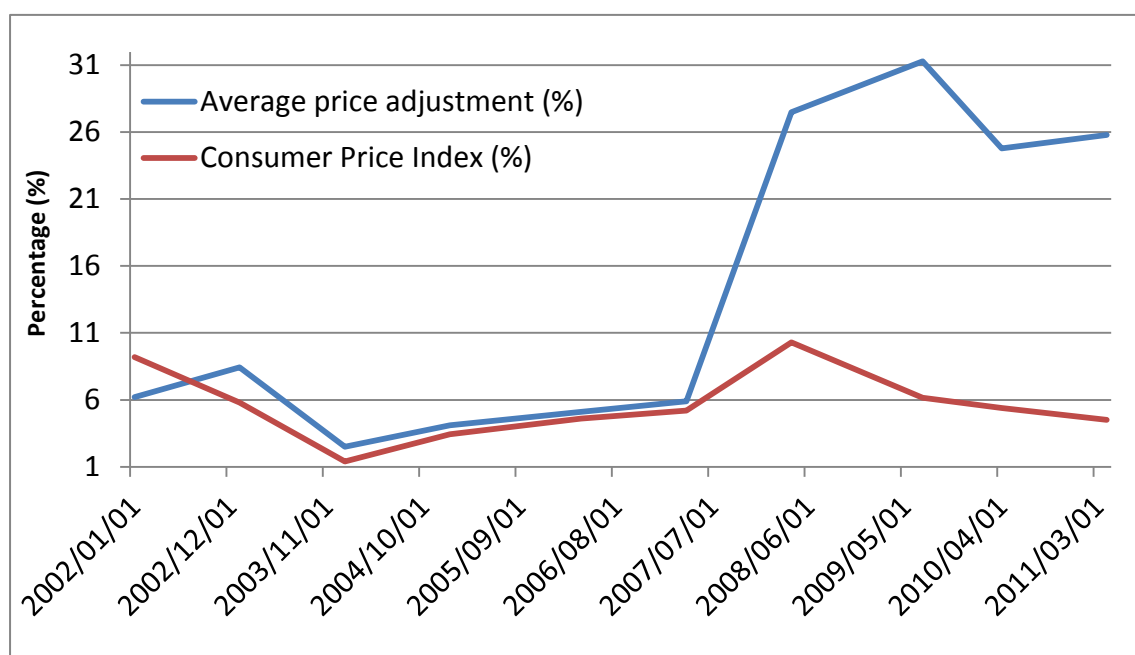
Period	Average price adjustment (%)	Consumer Price Index (%)
2002/01/01	6.2	9.2
2003/01/01	8.43	5.8
2004/01/01	2.5	1.4
2005/01/01	4.1	3.42
2006/04/01	5.1	4.6
2007/04/01	5.9	5.2
2008/04/01	27.5	10.3
2009/07/01	31.3	6.16
2010/04/01	24.8	5.4
2011/04/01	25.8	4.5

Source: Eskom

Explanatory Notes:

1. Eskom's average price tariffs were adjusted annually (calendar period: January to December) from 2002 to 2005
 2. Eskom's average price tariffs are adjusted at the end of the financial year (End of April) from 2005 to 2012
 3. Eskom's average tariff adjustment figures are published on Eskom's website.
 4. The adjustments are according to Eskom's financial year end, which is end of the March.
-

Figure 5.1: Annual Eskom average price adjustment



Source: Eskom

For much of the past three decades, electricity prices in South Africa have been low and declining. From 2008 the trend in prices took a dramatic turn when, in response to serious power supply shortages, Eskom embarked on a massive build programme to increase power generation capacity. Between 2008 and 2011 real electricity prices rose by 78%. Prior to 2008, the National Energy Regulator of South Africa (NERSA) set increases that averaged around 8% annually. Since 2008, NERSA has approved average electricity price increases of over 20% each year.

Demand for electricity in South Africa is increasing and Eskom proposed these higher tariff increases in order to fund capital expansion to meet future demand. Figure 5.1 depicts the annual Eskom electricity price adjustment and the inflation rate from 2002 to 2011. Figure 5.1 depicts Eskom's drastic electricity price increase in 2008 when Eskom introduced tariff adjustment of 27.5%. Since then Eskom electricity price increase has always been over the inflation rate. In March 2013, NERSA announced its approval of Eskom's request to increase the average electricity price by 16% for the 2012/2013 period. This percentage increase in price is lower than expected as NERSA had previously approved a 25.9% increase for the 2012/2013 period under the second Multi-Year price determination period (MYPD2).

Additional power stations and major power lines are being built to meet rising electricity demand.

In the 2012/13 financial year budget, the Minister of Finance allocated an additional R4.7 billion to complete the installation of one million solar water geysers and R600 million was allocated to municipalities to install low-energy lighting and equipment and a further R300 million was allocated for the electrification in the informal settlements. The levy on electricity generated from non-renewable sources was increased by one cent per kWh to replace the funding mechanisms for energy-efficiency initiatives such as Solar Water Geyser Programme.

6 APPENDIX A: ECONOMIC INDICATORS

The purpose of this section is to give an overview and analysis of the economic indicators such as consumer price index, production price index, exchange rates and foreign exchange rates. These economic indicators are published by the Reserve Bank of South Africa and Statistics South Africa. Table A.1. includes monthly consumer price index and producer price index data from 2001 to 2012.

The producer price index (PPI) is a weighted index of prices measured at the wholesale, or producer level. The PPI shows trends within the wholesale markets, manufacturing industries and commodities markets. All of the physical goods-producing industries that make up the economy are included, but imports are not. The consumer price index (CPI) is the benchmark inflation guide for the economy. It uses a "basket of goods" approach that aims to compare a consistent base of products from year to year, focusing on products that are bought and used by consumers on a daily basis i.e. price of milk, eggs, toothpaste and hair cut etc. are all captured in the CPI.

Table A.1: Annual consumer price index (CPI) and Production Price Index (PPI)

Period	CPI (2008=100)	PPI (2000=100)	Period	CPI (2008=100)	PPI (2000=100)
2000/01/01	60.60	95.90	2001/09/01	66.40	109.50
2000/02/01	60.40	96.50	2001/10/01	66.30	111.10
2000/03/01	61.00	97.00	2001/11/01	66.60	112.20
2000/04/01	61.80	98.70	2001/12/01	67.00	112.90
2000/05/01	62.10	98.80	2002/01/01	68.10	116.90
2000/06/01	62.40	99.50	2002/02/01	68.90	119.10
2000/07/01	60.60	100.20	2002/03/01	69.60	120.40
2000/08/01	63.30	101.40	2002/04/01	70.70	122.40
2000/09/01	63.60	101.70	2002/05/01	71.20	123.30
2000/10/01	63.80	102.50	2002/06/01	71.70	123.70
2000/11/01	63.90	103.70	2002/07/01	68.10	125.20
2000/12/01	64.10	104.30	2002/08/01	73.10	126.20
2001/01/01	64.90	104.80	2002/09/01	73.80	126.40
2001/02/01	65.10	105.20	2002/10/01	74.90	127.30
2001/03/01	65.50	105.50	2002/11/01	75.20	127.80
2001/04/01	65.80	106.60	2002/12/01	75.30	126.90
2001/05/01	66.10	107.30	2003/01/01	76.00	126.40
2001/06/01	66.40	108.10	2003/02/01	75.90	126.50
2001/07/01	64.90	108.70	2003/03/01	76.70	126.50
2001/08/01	66.20	109.40	2003/04/01	76.90	126.50

Period	CPI (2008=100)	PPI (2000=100)
2003/05/01	76.80	124.80
2003/06/01	76.50	126.60
2003/07/01	76.00	127.10
2003/08/01	76.80	126.50
2003/09/01	76.60	125.10
2003/10/01	76.10	125.00
2003/11/01	75.50	124.60
2003/12/01	75.60	124.60
2004/01/01	76.10	124.60
2004/02/01	76.50	125.20
2004/03/01	77.00	125.00
2004/04/01	77.10	126.30
2004/05/01	77.20	126.30
2004/06/01	77.40	128.30
2004/07/01	76.10	128.00
2004/08/01	77.60	127.90
2004/09/01	77.60	126.80
2004/10/01	77.90	127.40
2004/11/01	78.30	127.70
2004/12/01	78.10	127.00
2005/01/01	78.40	126.40
2005/02/01	78.50	126.70
2005/03/01	79.30	127.40
2005/04/01	79.80	128.60
2005/05/01	79.80	129.30
2005/06/01	79.60	131.20
2005/07/01	78.40	132.60
2005/08/01	80.60	133.30
2005/09/01	80.90	132.60
2005/10/01	81.00	132.70
2005/11/01	80.90	133.40
2005/12/01	80.90	133.50
2006/01/01	81.50	134.80
2006/02/01	81.60	134.90
2006/03/01	82.00	135.60
2006/04/01	82.40	136.90
2006/05/01	82.90	138.70
2006/06/01	83.50	142.60
2006/07/01	81.50	145.10
2006/08/01	85.00	148.30
2006/09/01	85.20	147.20
2006/10/01	85.40	148.30
2006/11/01	85.30	149.50

Period	CPI (2008=100)	PPI (2000=100)
2006/12/01	85.60	149.10
2007/01/01	86.40	149.30
2007/02/01	86.30	150.20
2007/03/01	87.00	152.50
2007/04/01	88.10	154.90
2007/05/01	88.60	157.00
2007/06/01	89.40	160.50
2007/07/01	86.40	161.90
2007/08/01	90.70	160.90
2007/09/01	91.30	162.30
2007/10/01	92.10	162.90
2007/11/01	92.50	163.30
2007/12/01	93.30	158.10
2008/01/01	94.40	164.90
2008/02/01	94.70	167.20
2008/03/01	96.20	170.60
2008/04/01	97.90	174.10
2008/05/01	99.00	182.70
2008/06/01	100.30	187.50
2008/07/01	94.40	192.50
2008/08/01	103.10	193.50
2008/09/01	103.30	186.70
2008/10/01	103.30	185.80
2008/11/01	103.40	183.40
2008/12/01	102.20	1813.00
2009/01/01	103.10	180.00
2009/02/01	104.30	179.40
2009/03/01	105.70	179.60
2009/04/01	106.20	179.20
2009/05/01	106.60	177.20
2009/06/01	107.00	179.90
2009/07/01	108.20	185.20
2009/08/01	108.50	185.80
2009/09/01	108.90	179.80
2009/10/01	108.90	179.70
2009/11/01	108.90	181.20
2009/12/01	109.20	184.90
2010/01/01	109.50	185.60
2010/02/01	110.20	185.60
2010/03/01	111.10	186.20
2010/04/01	111.30	189.00
2010/05/01	111.50	189.30
2010/06/01	111.50	196.80

Period	CPI (2008=100)	PPI (2000=100)
2010/07/01	112.20	199.40
2010/08/01	112.30	200.20
2010/09/01	112.40	192.00
2010/10/01	112.60	191.20
2010/11/01	112.80	192.50
2010/12/01	113.00	193.00
2011/01/01	113.50	195.10
2011/02/01	114.30	198.00
2011/03/01	115.70	199.70
2011/04/01	116.00	201.50
2011/05/01	116.60	202.40
2011/06/01	117.10	211.40
2011/07/01	118.10	217.20
2011/08/01	118.30	219.40
2011/09/01	118.80	212.20

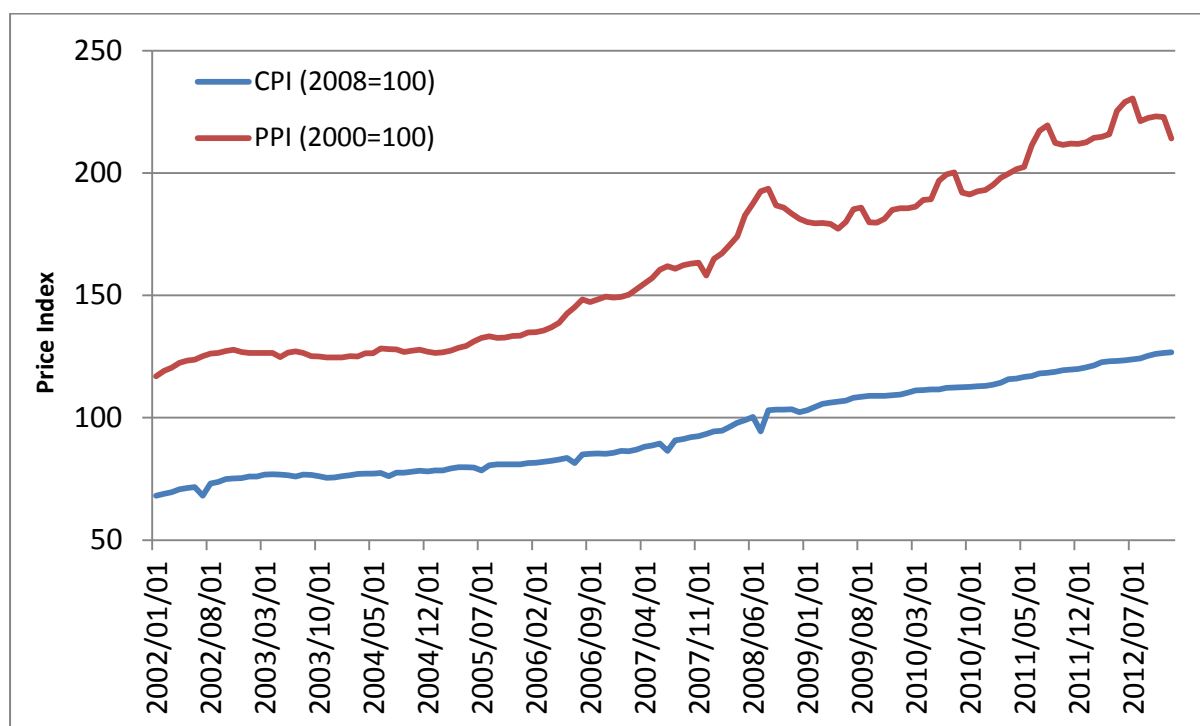
Source: StatsSA

Period	CPI (2008=100)	PPI (2000=100)
2011/10/01	119.40	211.50
2011/11/01	119.70	212.00
2011/12/01	119.90	211.90
2012/01/01	120.60	212.50
2012/02/01	121.30	214.40
2012/03/01	122.60	214.80
2012/04/01	123.10	215.80
2012/05/01	123.20	225.40
2012/06/01	123.50	229.00
2012/07/01	123.90	230.50
2012/08/01	124.20	221.20
2012/09/01	125.30	222.50
2012/10/01	126.10	223.10
2012/11/01	126.40	222.90
2012/12/01	126.70	214.10

Explanatory Notes:

1. Economic indicators (Producer Price index and Consumer Price Index) are from Statistics South Africa.
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Figure 6.1: Consumer Price Index and Producer Price Index



Source: Statistics SA

As depicted in Figure 5.1 above, producer price inflation is more volatile than the consumer price inflation. The notable rise in international food and crude oil prices since the middle of 2010 spilled over to the domestic consumer price, which accelerated steadily from October 2010. Targeted year-on-year headline consumer price inflation accelerated gradually from a recent low of 3.2% in September 2010 to 6% in October 2011, remaining within the inflation target range of 3% to 6% for 21 consecutive months. It breached the upper limit of the inflation target of range and increased to 6.3% on the year January 2012 before moderating to 5.7% in the year to May 2012.

In 2011 PPI was constant in the first half of the year until July when it increased by 8.9%. This rate was 1.5 percentage points higher than the corresponding annual rate of 7.4% in June 2011. The 8.9% increase could be attributed to increases in the annual rate of change in the PPI for mining and quarrying, agriculture, chemicals and chemical products, water and gas, metal products, wearing apparel and non-electrical machinery and equipment. The PPI thereafter accelerated notably to peak at 10.6% in October 2011, primarily as a result of the adverse impact of rising

international commodity prices and the depreciation in the exchange value of the Rand against the US dollar, which caused price pressures to intensify in almost all the categories of the producer price index.

Year-on-year producer price inflation subsequently moderated to a rate of 6.6% in April and May 2012, reflecting a marked moderation in price increases in the categories for mining and quarrying, and for agricultural products. The pattern observed in South Africa was not unique: the year-on-year rate of change in the composite foreign wholesale price index of South Africa's main trading-partner countries accelerated to 6.6% in July 2011, before moderating in ensuing months to 1.7% in April 2012 (Annual Economic Report, SARB, 2012).

6.1 Exchange rates

In simple terms, exchange rate is the price of one country's currency expressed in another country's currency. Exchange rates are mainly used to facilitate international trade and international investment. The historical foreign exchange rate of South African rand compared to the US dollar is shown in Table A.2. This exchange rates ranges from 2001 to 2012.

Table A.2: Average annual foreign currency exchange rates

Period	SA c/US\$
2001/01/01	861.87
2002/01/01	1145.45
2003/01/01	756.47
2004/01/01	644.99
2005/01/01	634.81
2006/01/01	674.66
2007/01/01	709.38
2008/01/01	705.44
2009/01/01	843.72
2010/01/01	732.22
2011/01/01	725.31
2012/01/01	820.93

Source: SARB

According to the table above, South Africa experienced the weakest currency in 2002, with the average annual rand of R11.45 against the US dollar. Since then the exchange rate of rand has on average strengthened somewhat in the subsequent years until 2009. The global economic crises that started in late 2008 overlapping to 2009 could have contributed to the depreciating of rand experienced in 2009. Since 2010 the rand has gradually gained some momentum from an average of R7.32/US\$ in 2010 to an average of R7.25/US\$ in 2011. In 2012 the Rand weakened drastically from 2011 to an annual average of R8.21 against US dollar.

APPENDIX B: FUEL PROPERTIES

Table B.1: Calorific values of various fuels

Carrier	Calorific Value	Calorific Value Unit	Density
LPG	26.7	MJ/l	0.54
Paraffin Power	37.5	MJ/l	0.81
Gas SASOL	18.0	MJ/m ³	
Diesel	38.1	MJ/l	0.84
Electricity	3.6	MJ/kWh	
Gas	41.0	MJ/m ³	
Heavy Fuel Oil	41.6	MJ/l	0.98
Petrol	34.2	MJ/l	0.72
Paraffin Illuminating CSS (StatsSA) Data	37.0	MJ/l	0.79
Aviation Gas	33.9	MJ/l	0.73
Jet Fuel	34.3	MJ/l	0.79
Coal Eskom Average	20.1	MJ/kg	
Coal (General purpose)	24.3	MJ/kg	
Coal (Coking)	30.1	MJ/kg	
Coke	27.9	MJ/kg	
Coke oven gas	17.3	MJ/m ³	
Blast furnace gas	3.1	MJ/m ³	
Bagasse (wet)	7.0	MJ/kg	
Bagasse fibre (dry)	14.0	MJ/kg	
Biomass (wood dry typical)	17.0	MJ/kg	
Gas Sasol - methane rich	35.0	MJ/m ³	

APPENDIX C: UNIT CONVERSIONS

Table C.2: Energy unit conversion factors

From \ To	J	kWh	toe	Btu
1 J	1	0.278×10^{-6}	0.2388×10^{-6}	0.948×10^{-3}
1 kWh	3.6×10^6	1	0.86×10^{-6}	3.412×10^3
1 toe	42×10^9	11630	1	39.68×10^6
1 Btu	1.055×10^3	0.293×10^{-3}	0.252×10^{-9}	1

Note: toe = ton oil equivalent

Table C.3: Unit prefixes

Prefix	Symbol	Power
Kilo	k	10^3
Mega	M	10^6
Giga	G	10^9
Tera	T	10^{12}
Peta	P	10^{15}
Exa	E	10^{18}

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