

MEDIA STATEMENT - FOR RELEASE ON 30 AUGUST 2019

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF ENERGY
ENQUIRIES: MRS LERATO NTSOKO 082 459 2788 / MR J MOKOBANE 082 766 3674**

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 04 SEPTEMBER 2019 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	(11,00)	cents per litre increase in retail price
Both Grades of Diesel 0.05% and 0.005% Sulphur	(26,00)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(24,00)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(32,00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	16,00	cents per kilogram decrease in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 02 AUGUST 2019 TO 29 AUGUST 2019

The average international product prices for Petrol, Diesel and Illuminating Paraffin decreased during the period under review.

The Rand depreciated against the US Dollar during the period under review, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 02 August 2019 to 29 August 2019 was 15.1729 compared to 14.0709 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 51.01 c/l, 54.30 c/l and 54.72 c/l respectively.

3. SLATE LEVY

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate levy on petrol and diesel will remain at 0.00 c/l with effect from 04 September 2019.

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

The Single Maximum National Retail Price for the period 04 September 2019 to 01 October 2019 will be 1 195.0 c/l compared to 1 163.0 c/l for the period 07 August 2019 to 03 September 2019.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 8 984.55 per metric ton (498.64 c/l), excluding VAT, for the period 04 September 2019 to 01 October 2019.

6, PRICE ADJUSTMENT

In terms of the agreed mechanism:

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

7, ANALYSIS OF THE ELEMENTS THAT RESULTED IN THE BFP OVER/(UNDER)-RECOVERIES

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

Petrol 95 ULP c/l	Diesel 0.05% c/l	Diesel 0.005% c/l	Illuminating Paraffin c/l
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Movements in external factors

Movement in International Product Prices	39,590	27,623	28,575	31,704
Movement in Exchange Rate	(51,006)	(54,302)	(54,584)	(54,722)
<u>BFP Over/(under)-recovery for the period 02/08/2019 to 29/08/2019</u>	(11,416)	(26,679)	(26,009)	(23,018)

8, BREAKDOWN OF PRICE ADJUSTMENT

Petrol 95 ULP & LRP	Diesel 0.05 (%) Sulphur	Diesel 0.005 (%) Sulphur	Illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
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The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 20 days from 02/08/2019 to 29/08/2019 (cents / litre) as detailed below

Average product over/(under)-recovery, measured for the 20 days from 02/08/2019 to 29/08/2019 (cents / litre) as detailed below	(11,416)	(26,679)	(26,009)	(23,018)	N/A
Cumulative positive/(negative) slate balances end of July 2019 (R-million)	612,431	124,822	124,822	(47,949)	

The price adjustments consist of the following elements:

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

Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	(11,000)	(26,000)	(26,000)	(24,000)	16,000
<u>Total price (increase) / decrease</u>	(11,000)	(26,000)	(26,000)	(24,000)	16,000

9, REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

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**COMPOSITION OF THE MAXIMUM RETAIL PRICES FOR LPGAS AT THE COAST (ZONE 1A)
AND IN THE INLAND AREA (ZONE 9C) IN CENTS PER KILOGRAM
FOR THE PERIOD 04/09/2019 TO 01/10/2019 WILL BE AS FOLLOWS**

<u>Price element</u>	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	898,455	898,455
Primary transport costs	43,123	204,419
Operating expenses	426,411	426,411
Working capital	32,322	32,322
Depreciation	157,356	157,356
Gross margin: Cylinder-filling plant	201,066	201,066
Sub-total (1)	1 758,734	1 920,029
Retail Margin: (15% of Subtotal (1))	263,810	288,004
Sub-total (2)	2 022,544	2 208,033
Value Added Tax (15% Sub-total (2))	303,382	331,205
Maximum Retail Price (Rounded to full cents)	2 326,000	2 539,000

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

ANNEXURE 1

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG
FOR THE PERIOD 04/09/2019 TO 01/10/2019 WILL BE AS FOLLOWS:**

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel 0.05% S c/l	Diesel 0.005% S c/l	Illumi- nating Paraffin c/l
Wholesale margin	34,800	34,800	71,250	71,250	71,250
Secondary Storage	20,900	20,900	20,900	20,900	20,900
Secondary Distribution	14,600	14,600	14,600	14,600	14,600
Router Differential	0,000	0,000	0,000	0,000	7,400
Retail margin	198,000	198,000	0,000	0,000	0,000
Zone differential in Gauteng	57,400	57,400	57,400	57,400	70,400
IP Tracer levy	0,000	0,000	0,100	0,100	0,000
Fuel levy	361,000	361,000	347,000	347,000	0,000
Customs & excise duty	4,000	4,000	4,000	4,000	0,000
RAF levy	198,000	198,000	198,000	198,000	0,000
Petroleum Products levy	0,330	0,330	0,330	0,330	0,000
Slate levy	0,000	0,000	0,000	0,000	0,000
DSML	10,000	0,000	0,000	0,000	0,000
Equalisation Fund Levy	0,000	0,000	0,000	0,000	0,000
Pump Rounding	(0,200)	(0,200)			
Sub-total	898,830	888,830	713,580	713,580	184,550
<u>Contribution to the Basic Fuel Price</u>	704,170	694,170	745,630	750,030	754,128
<u>Retail Price</u>	<u>1 603,00</u>	<u>1 583,00</u>			
<u>Wholesale price</u>			<u>1 459,210</u>	<u>1 463,610</u>	<u>938,678</u>

STATISTICS OF PRICE CHANGES

Effective from:	Petrol 95 ULP		Diesel		Illuminating Paraffin		LPGAS	
	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/Kg	Coast SA c/Kg
06 Jan 16	1 237,00	1 194,00	1005,170	972,470	647,028	594,028	2 074,00	1 892,00
03 Feb 16	1 243,00	1 200,00	943,170	910,470	588,028	535,028	2 075,00	1 893,00
02 Mar 16	1 174,00	1 131,00	958,170	925,470	605,028	552,028	1 955,00	1 773,00
06 Apr 16	1 262,00	1 214,00	1053,870	1015,470	662,628	608,028	2 065,00	1 883,00
04 May 16	1 274,00	1 226,00	1052,870	1014,470	655,628	601,028	2 060,00	1 877,00
01 Jun 16	1 326,00	1 278,00	1128,870	1090,470	717,628	663,028	2 158,00	1 976,00
06 Jul 16	1 334,00	1 286,00	1170,870	1132,470	760,628	706,028	2 170,00	1 988,00
03 Aug 16	1 235,00	1 187,00	1096,870	1058,470	694,628	640,028	2 010,00	1 828,00
07 Sep 16	1 217,00	1 169,00	1048,870	1010,470	647,628	593,028	2 001,00	1 819,00
05 Oct 16	1 260,00	1 212,00	1071,870	1033,470	669,628	615,028	2 059,00	1 877,00
02 Nov 16	1 305,00	1 257,00	1134,870	1096,470	726,628	672,028	2 118,00	1 936,00
07 Dec 16	1 285,00	1 237,00	1102,830	1064,430	698,588	643,988	2 101,00	1 913,00
04 Jan 17	1 333,00	1 285,00	1141,830	1103,430	741,588	686,988	2 207,00	2 019,00
01 Feb 17	1 362,00	1 314,00	1162,830	1124,430	758,588	703,988	2 228,00	2 040,00
01 Mar 17	1 354,00	1 306,00	1160,830	1122,430	750,588	695,988	2 226,00	2 038,00
05 Apr 17	1 330,00	1 281,00	1150,330	1111,630	702,088	644,188	2 125,00	1 937,00
03 May 17	1 379,00	1 330,00	1180,330	1141,630	736,088	678,188	2 221,00	2 032,00
07 Jun 17	1 354,00	1 305,00	1157,330	1118,630	714,088	656,188	2 144,00	1 955,00
05 Jul 17	1 286,00	1 237,00	1097,330	1058,630	657,088	599,188	2 053,00	1 864,00
02 Aug 17	1 305,00	1 256,00	1126,330	1087,630	683,088	625,188	2 092,00	1 904,00
06 Sep 17	1 372,00	1 323,00	1170,330	1131,630	732,088	674,188	2 178,00	1 990,00
04 Oct 17	1 401,00	1 352,00	1212,330	1173,630	771,088	713,188	2 217,00	2 028,00
01 Nov 17	1 405,00	1 356,00	1235,330	1196,630	792,088	734,188	2 234,00	2 045,00
06 Dec 17	1 476,00	1 427,00	1295,630	1256,930	865,388	807,488	2 438,00	2 236,00
03 Jan 18	1 442,00	1 393,00	1273,630	1234,930	837,388	779,488	2 367,00	2 165,00
07 Feb 18	1 412,00	1 363,00	1256,630	1217,930	818,388	760,488	2 344,00	2 142,00
07 Mar 18	1 376,00	1 327,00	1209,630	1170,930	795,388	737,488	2 275,00	2 073,00
04 Apr 18	1 448,00	1 389,00	1274,830	1226,030	793,088	732,588	2 314,00	2 111,00
02 May 18	1 497,00	1 438,00	1333,830	1285,030	845,088	784,588	2 384,00	2 180,00
06 Jun 18	1 579,00	1 520,00	1418,830	1370,030	927,088	866,588	2 522,00	2 318,00
04 Jul 18	1 602,00	1 543,00	1444,830	1396,030	949,088	888,588	2 559,00	2 356,00
01 Aug 18	1 603,00	1 544,00	1440,830	1392,030	953,088	892,588	2 576,00	2 372,00
05 Sep 18	1 608,00	1 549,00	1440,830	1392,030	953,088	892,588	2 576,00	2 372,00
03 Oct 18	1 708,00	1 649,00	1564,830	1516,030	1057,088	996,588	2 755,00	2 551,00
07 Nov 18	1 708,00	1 649,00	1612,750	1563,950	1085,088	1024,588	2 694,00	2 490,00
05 Dec 18	1 524,00	1 465,00	1467,340	1418,540	951,678	891,178	2 451,00	2 238,00
02 Jan 19	1 401,00	1 342,00	1313,420	1264,620	828,678	768,178	2 319,00	2 106,00
06 Feb 19	1 408,00	1 349,00	1314,420	1265,620	823,678	763,178	2 308,00	2 095,00
06 Mar 19	1 482,00	1 423,00	1405,420	1356,620	899,678	839,178	2 409,00	2 196,00
03 Apr 19	1 613,00	1 549,00	1487,120	1432,920	962,678	895,478	2 580,00	2 367,00
01 May 19	1 667,00	1 603,00	1488,120	1433,920	965,678	898,478	2 664,00	2 451,00
05 Jun 19	1 676,00	1 612,00	1521,280	1467,080	973,678	906,478	2 657,00	2 443,00
03 Jul 19	1 581,00	1 517,00	1446,500	1392,300	916,678	849,478	2 524,00	2 310,00
07 Aug 19	1 592,00	1 528,00	1433,210	1379,010	914,678	847,478	2 555,00	2 342,00
04 Sep 19	1 603,00	1 539,00	1459,210	1405,010	938,678	871,478	2 539,00	2 326,00