

**MEDIA STATEMENT - FOR RELEASE ON 31 JULY 2009**

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

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

**TELEPHONE: (012) 679-9032 OR 082 773 2388**

**1. ADJUSTMENT TO THE FUEL PRICE: WEDNESDAY, 05 AUGUST 2009**

Product:

Petrol (ALL GRADES)	21.000	cents per litre decrease in retail price
Diesel 0.05% Sulphur	20.000	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	21.000	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	14.000	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	19.000	c/l decrease in the Single Maximum National Retail price (SMNRP)

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD  
26 JUNE 2009 TO 30 JULY 2009**

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

The average Rand/US Dollar exchange rate strengthened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 26 June 2009 to 30 July 2009 was 7.9840 compared to 8.1093 during the previous period.

**3. INCREASE IN RETAIL MARGIN ON PETROL**

The Minister of Energy has approved an increase of 5,4 c/l in the retail margin on all grades of petrol with effect from 05 August 2009.

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

The Minister of Minerals and Energy has approved the implementation of a Single Maximum National Retail Price for Illuminating Paraffin with effect from 2 April 2003. The Single Maximum National Retail Price for Illuminating Paraffin will change on a monthly basis from the first Wednesday of each month and will also be promulgated in the Government Gazette. The Single Maximum National Retail Price with effect from 5 August 2009 to 1 September 2009 will be 629,0 c/l compared to 648,0 c/l from 1 July 2009 to 4 August 2009, that is a decrease of 19,00c/l.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 5 077.22 per metric ton (281.78 c/l) for the period 5 August 2009 to 1 September 2009.

## 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) has been implemented with effect from 7 January 2009 (the SLM is available on the website of the Department of Minerals and Energy). A Slate levy will only be applicable on all petrol and diesel grades if the Slate balance is negative (cumulative under recovery) by more than R250.0 million

## 7. BREAKDOWN OF PRICE ADJUSTMENT

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

Average product over/(under)-recovery, measured for the 25 days from 26/06/2009 to 30/07/2009 (cents / litre) as detailed below.

25.802	19.029	20.398	14.655
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Cumulative positive/(negative) slate balances end of May 2009 (R-million)

627.628	539.687	539.687	( 101.779)
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**The price adjustments consist of the following elements:**

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

26.000	20.000	21.000	14.000
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Retail margin increase on petrol

( 5.400)

Rounding

0.400

**Total price (increase) / decrease**

<b>21.000</b>	<b>20.000</b>	<b>21.000</b>	<b>14.000</b>
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## 8. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

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

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

	<b>Petrol c/l</b>	<b>** Diesel 0.05% c/l</b>	<b>** Diesel 0.005% c/l</b>	<b>illuminating Paraffin c/l</b>
<b><u>Movements in external factors</u></b>				
Movement in International Product Prices	19.632	12.943	14.265	8.535
Movement in Exchange Rate	6.170	6.086	6.133	6.119
<b><u>Over/(under)-recovery for the period 26/06/2009 to 30/07/2009</u></b>	<b>25.802</b>	<b>19.029</b>	<b>20.398</b>	<b>14.655</b>

## 10. ANNEXURE

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

### ANNEXURE 1

#### COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG FOR THE PERIOD 05/08/2009 TO 01/09/2009 WILL BE AS FOLLOWS:

	<b>Petrol 95 ULP c/l</b>	<b>Petrol 93 ULP &amp; LRP c/l</b>	<b>Diesel * 0.05% S c/l</b>	<b>Diesel * 0.005% S c/l</b>	<b>illuminatin g Paraffin c/l</b>
Wholesale margin	44.887	44.668	44.660	44.660	44.872
Service cost recoveries	9.500	9.500	9.500	9.500	16.900
Storage, handling & delivery costs	9.500	9.500	9.500	9.500	9.500
Distribution cost	0	0	0	0	7.400
Dealers margin	72.700	72.700	0	0	0
Zone differential in Gauteng	14.000	14.000	14.000	14.000	29.800
IP Tracer levy	0	0	0.010	0.010	0
Fuel levy	150.000	150.000	135.000	135.000	0
Customs & excise duty	4.000	4.000	4.000	4.000	0
RAF levy	64.000	64.000	64.000	64.000	0
Petroleum Products levy	0.150	0.150	0.150	0.150	0
Slate levy	0.000	0.000	0.000	0.000	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Incremental Inland Transport Recovery levy	3.000	3.000	3.000	3.000	
Sub-total	372.237	362.018	274.320	274.320	91.572
<u>Contribution to the Basic Fuel Price</u>	<u>396.763</u>	<u>389.982</u>	<u>391.630</u>	<u>395.030</u>	<u>396.128</u>
<u>Retail Price</u>	<u>769.00</u>	<u>752.00</u>			
<u>Wholesale price</u>			<u>665.95</u>	<u>669.35</u>	<u>487.70</u>

(\*) The wholesale price of diesel is regulated, but not the retail price

## Annexure A

STATISTICS OF PRICE CHANGES

<u>Effective from:</u>	Petrol 95 ULP		Diesel		Illuminating Paraffin	
	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l
	From 4 January 2006 0,05% Sulphur					
3-Jan-07	598.00	574.00	<b>551.10</b>	<b>537.50</b>	447.20	424.20
7-Feb-07	575.00	551.00	<b>542.10</b>	<b>528.50</b>	421.20	398.20
7-Mar-07	599.00	575.00	<b>552.10</b>	<b>538.50</b>	431.20	408.20
4-Apr-07	667.00	643.00	<b>590.10</b>	<b>576.50</b>	462.10	438.20
2-May-07	701.00	677.00	<b>620.30</b>	<b>606.50</b>	480.10	456.20
6-Jun-07	724.00	700.00	<b>625.30</b>	<b>611.50</b>	482.10	458.20
4-Jul-07	716.00	692.00	<b>636.30</b>	<b>622.50</b>	499.10	475.20
1-Aug-07	701.00	677.00	<b>651.30</b>	<b>637.50</b>	506.10	482.20
5-Sep-07	691.00	667.00	<b>656.30</b>	<b>642.50</b>	506.10	482.20
3-Oct-07	701.00	677.00	<b>679.30</b>	<b>665.50</b>	519.10	495.20
7-Nov-07	704.00	680.00	<b>673.30</b>	<b>659.50</b>	529.10	505.20
5-Dec-07	747.00	723.00	<b>724.30</b>	<b>710.50</b>	587.10	563.20
2-Jan-08	747.00	723.00	<b>725.30</b>	<b>711.50</b>	578.10	554.20
6-Feb-08	764.00	740.00	<b>732.30</b>	<b>718.50</b>	580.10	556.20
5-Mar-08	825.00	801.00	<b>810.30</b>	<b>796.50</b>	656.10	632.20
2-Apr-08	891.00	867.00	<b>938.30</b>	<b>924.50</b>	774.10	750.20
7-May-08	946.00	922.00	<b>1 009.30</b>	<b>995.50</b>	829.60	805.70
4-Jun-08	996.00	972.00	<b>1 080.30</b>	<b>1 066.50</b>	900.60	876.70
2-Jul-08	1 070.00	1 040.00	<b>1 143.30</b>	<b>1 129.50</b>	949.60	925.70
6-Aug-08	1 040.00	1 010.00	<b>1 127.30</b>	<b>1 113.50</b>	953.00	929.10
3-Sep-08	966.00	942.00	<b>983.30</b>	<b>969.50</b>	807.00	783.10
1-Oct-08	941.00	917.00	<b>927.30</b>	<b>913.50</b>	742.00	718.10
5-Nov-08	896.00	872.00	<b>903.30</b>	<b>889.50</b>	703.00	679.10
3-Dec-08	735.00	711.00	<b>822.30</b>	<b>808.50</b>	628.00	604.10
7-Jan-09	601.00	576.00	<b>654.35</b>	<b>639.65</b>	496.70	467.60
4-Feb-09	662.00	637.00	<b>649.35</b>	<b>634.65</b>	482.70	453.60
4-Mar-09	707.00	682.00	<b>611.35</b>	<b>596.65</b>	456.70	427.60
1-Apr-09	738.00	713.00	<b>650.85</b>	<b>636.15</b>	451.70	422.60
6-May-09	735.00	710.00	<b>658.85</b>	<b>644.15</b>	464.70	435.60
3-Jun-09	750.00	727.00	<b>645.95</b>	<b>632.65</b>	455.70	426.60
1-Jul-09	790.00	767.00	<b>685.95</b>	<b>672.65</b>	501.70	472.60
5-Aug-09	769.00	746.00	<b>665.95</b>	<b>652.65</b>	487.70	458.60