

**MEDIA STATEMENT - FOR RELEASE ON 02 NOVEMBER 2012**

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

**ENQUIRIES: ZODWA BATYASHE : 082 455 9796 OR J MOKOBANE 082 766 3674**

**1. ADJUSTMENT TO THE FUEL PRICE: WEDNESDAY, 07 NOVEMBER 2012**

Product:

Petrol 95 ULP & LRP	10.000	cents per litre decrease in retail price
Diesel 0.05% Sulphur	10.200	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	9.200	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	3.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	4.000	c/l increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	1.000	cents per kilogram increase in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 28 SEPTEMBER 2012 TO 01 NOVEMBER 2012**

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

The average Rand/US Dollar exchange rate weakened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 28 September 2012 to 01 November 2012 was 8.6479 compared to 8.3075 during the previous period.

**The weakening of the Rand against the US Dollar increased the contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 27.35 c/l, 29.39 c/l and 29.13 c/l respectively.**

**3. SLATE LEVY**

The cumulative combined Slate balance for petrol and diesel at the end of September 2012 amounted to R 1,73 billion. In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate levy on petrol and diesel will therefore increase from 13.16 c/l to 15.36 c/l with effect from 07 November 2012.

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

The Single Maximum National Retail Price for Illuminating Paraffin changes on a monthly basis and is promulgated in the Government Gazette. The Single Maximum National Retail Price for the period 07 November 2012 to 04 December 2012 will be 1 136.0c/l compared to 1 132.0 c/l for the period 03 October 2012 to 06 November 2012, that is an increase of 4.00 c/l.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 9 018.80 per metric ton (500.54 c/l), excluding VAT, for the period 07 November 2012 to 04 December 2012.

## 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. BREAKDOWN OF PRICE ADJUSTMENT

Petrol ULP	95 Diesel 0.05(%)	Diesel 0.005(%)	Illuminating Paraffin	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 25 days from 28/09/2012 to 01/11/2012 (cents / litre) as detailed below

12.002	( 7.345)	( 6.008)	( 2.127)
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Cumulative positive/(negative) slate balances end of September 2012 (R-million)

( 766.916)	( 959.605)	( 959.605)	( 212.373)
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The price adjustments consist of the following elements:

	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	12.000	( 8.000)	( 7.000)	( 3.000)	
Slate levy	( 2.200)	( 2.200)	( 2.200)	N/A	N/A
Rounding	0.200			N/A	N/A
LPGas BFP, Retail and VAT (increase)/decrease					( 1.000)
<b><u>Total price (increase) / decrease</u></b>	<b>10.000</b>	<b>( 10.200)</b>	<b>( 9.200)</b>	<b>( 3.000)</b>	<b>( 1.000)</b>

## 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 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:

	<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	39.357	22.046	23.617	27.006
Movement in Exchange Rate	( 27.355)	( 29.391)	( 29.625)	( 29.133)
<b><u>BFP Over/(under)-recovery for the period 28/09/2012 to 01/11/2012</u></b>				
	12.002	( 7.345)	( 6.008)	( 2.127)

**10. 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 07/11/2012 TO 04/12/2012 WILL BE AS FOLLOWS**

<b><u>Price element</u></b>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	901.880	901.880
Primary transport costs	37.120	175.960
Operating expenses	343.000	343.000
Working capital	26.000	26.000
Depreciation	126.000	126.000
Gross margin: Cylinder-filling plant	161.000	161.000
Sub-total (1)	<b>1 595.000</b>	<b>1 733.840</b>
Retail Margin: (15% of Subtotal (1))	239.250	260.076
Sub-total (2)	<b>1 834.250</b>	<b>1 993.916</b>
Value Added Tax (14% Sub-total (2))	256.795	279.148
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 091.000</b>	<b>2 273.000</b>

11. ANNEXURE

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

ANNEXURE 1

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE  
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG  
FOR THE PERIOD 07/11/2012 TO 04/12/2012 WILL BE AS FOLLOWS:**

	<b>Petrol 95 ULP c/l</b>	<b>Petrol 93 ULP &amp; LRP c/l</b>	<b>Diesel 0.05% S c/l</b>	<b>Diesel 0.005% S</b>	<b>Illuminating Paraffin c/l</b>
Wholesale margin	52.500	52.500	52.500	52.500	52.500
Service cost recoveries	21.000	21.000	21.000	21.000	28.400
Storage, handling & delivery costs	21.000	21.000	21.000	21.000	21.000
Distribution cost	0	0	0	0	7.400
Dealers margin	95.300	95.300	0	0	0
Zone differential in Gauteng	26.800	26.800	26.800	26.800	44.000
IP Tracer levy	0	0	0.010	0.010	0
Fuel levy	197.500	197.500	182.500	182.500	0
Customs & excise duty	4.000	4.000	4.000	4.000	0
RAF levy	88.000	88.000	88.000	88.000	0
Petroleum Products levy	0.150	0.150	0.150	0.150	0
Slate levy	15.360	15.360	15.360	15.360	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Incremental Inland Transport Recovery levy	3.000	3.000	3.000	3.000	
Pump Rounding	0.300	0.300			
Sub-total	513.910	503.910	393.320	393.320	124.900
<u>Contribution to the Basic Fuel Price</u>	696.090	683.090	750.630	757.030	745.128
<u>Retail Price</u>	<u>1,210.00</u>	<u>1,187.00</u>			
<u>Wholesale price</u>			<u>1,143.950</u>	<u>1,150.350</u>	<u>870.028</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

From 4 January 2006 0,05% Sulphur

06-Jan-10	786.00	763.00	<b>689.45</b>	<b>676.15</b>	512.20	483.10		
03-Feb-10	804.00	781.00	<b>699.45</b>	<b>686.15</b>	517.20	488.10		
03-Mar-10	810.00	787.00	<b>703.45</b>	<b>690.15</b>	515.20	486.10		
07-Apr-10	858.00	835.00	<b>751.95</b>	<b>738.65</b>	536.20	507.10		
05-May-10	872.00	848.00	<b>781.45</b>	<b>767.65</b>	566.20	538.10		
02-Jun-10	845.00	821.00	<b>766.45</b>	<b>752.65</b>	553.20	525.10		
14-Jul-10	827.00	803.00	<b>751.45</b>	<b>737.65</b>	541.20	513.10	1 727.00	1 569.00
04-Aug-10	817.00	793.00	<b>738.45</b>	<b>724.65</b>	526.20	498.10	1 801.00	1 619.00
01-Sep-10	807.00	783.00	<b>738.45</b>	<b>724.65</b>	521.20	493.10	1 775.00	1 593.00
06-Oct-10	812.00	788.00	<b>735.45</b>	<b>721.65</b>	520.20	492.10	1 768.00	1 586.00
03-Nov-10	832.00	808.00	<b>746.45</b>	<b>732.65</b>	534.20	506.10	1 800.00	1 618.00
01-Dec-10	845.00	821.00	<b>760.45</b>	<b>746.65</b>	548.20	520.10	1 817.00	1 635.00
05-Jan-11	873.00	849.00	<b>784.051</b>	<b>770.251</b>	569.813	541.713	1 863.00	1 681.00
02-Feb-11	899.00	875.00	<b>814.051</b>	<b>800.251</b>	601.813	573.713	1 904.00	1 722.00
02-Mar-11	942.00	918.00	<b>878.051</b>	<b>864.251</b>	671.813	643.713	1 975.00	1 793.00
06-Apr-11	996.00	966.00	<b>948.451</b>	<b>928.051</b>	720.413	684.513	2 025.00	1 843.00
04-May-11	1 025.00	995.00	<b>964.451</b>	<b>944.051</b>	735.413	699.513	2 078.00	1 896.00
01-Jun-11	1 023.00	993.00	<b>926.451</b>	<b>906.051</b>	703.413	667.513	2 068.00	1 886.00
06-Jul-11	992.00	962.00	<b>915.451</b>	<b>895.051</b>	691.413	655.513	2 026.00	1 844.00
03-Aug-11	1 009.00	979.00	<b>930.451</b>	<b>910.051</b>	701.413	665.513	2 064.00	1 882.00
07-Sep-11	1 018.00	988.00	<b>930.451</b>	<b>910.051</b>	699.413	663.513	2 064.00	1 882.00
05-Oct-11	1 054.00	1 024.00	<b>965.451</b>	<b>945.051</b>	729.413	693.513	2 126.00	1 944.00
02-Nov-11	1 077.00	1 047.00	<b>1001.451</b>	<b>981.051</b>	770.413	734.513	2 160.00	1 978.00
07-Dec-11	1 066.00	1 036.00	<b>1048.690</b>	<b>1028.290</b>	813.428	777.528	2 119.00	1 937.00
04-Jan-12	1 061.00	1 031.00	<b>1027.690</b>	<b>1007.290</b>	788.428	752.528	2 121.00	1 939.00
01-Feb-12	1 095.00	1 065.00	<b>1026.690</b>	<b>1006.290</b>	785.428	749.528	2 171.00	1 989.00
07-Mar-12	1 123.00	1 093.00	<b>1037.070</b>	<b>1016.670</b>	789.428	753.528	2 207.00	2 025.00
04-Apr-12	1 194.00	1 159.00	<b>1088.970</b>	<b>1064.270</b>	816.028	774.128	2 275.00	2 093.00
02-May-12	1 222.00	1 187.00	<b>1098.370</b>	<b>1073.670</b>	825.028	783.128	2 306.00	2 124.00
06-Jun-12	1 167.00	1 132.00	<b>1073.550</b>	<b>1048.850</b>	804.028	762.128	2 207.00	2 025.00
04-Jul-12	1 082.00	1 047.00	<b>1010.970</b>	<b>986.270</b>	746.028	704.128	2 094.00	1 912.00
01-Aug-12	1 104.00	1 069.00	<b>1025.590</b>	<b>1000.890</b>	761.028	719.128	2 146.00	1 964.00
05-Sep-12	1 197.00	1 162.00	<b>1094.590</b>	<b>1069.890</b>	834.028	792.128	2 275.00	2 093.00
03-Oct-12	1 220.00	1 185.00	<b>1133.750</b>	<b>1109.050</b>	867.028	825.128	2 272.00	2 090.00
07-Nov-12	1 210.00	1 175.00	<b>1143.950</b>	<b>1119.250</b>	870.028	828.128	2 273.00	2 091.00