

MEDIA STATEMENT - FOR RELEASE ON 26 FEBRUARY 2021

RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY

ENQUIRIES: MRS LERATO NTSOKO 082 459 2788 / MR J MOKOBANE 082 766 3674

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 03 MARCH 2021 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 & 95 (ULP & LRP)	(65.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	(54.00)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(56.00)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(47.00)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(63.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(87.00)	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 29 JANUARY 2021 TO 25 FEBRUARY 2021

The average international product prices for Petrol, Diesel and Illuminating Paraffin increased during the period under review. The Rand appreciated 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 29 January 2021 to 25 February 2021 was 14.7631 compared to 15.0872 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 14.34 c/l, 14.18 c/l and 13.72 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 03 March 2021.

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

The Single Maximum National Retail Price for the period 03 March 2021 to 06 April 2021 will be 1 071.0 c/l compared to 1 008.0 c/l for the period 03 February 2021 to 02 March 2021.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R11 378.95 per metric ton (631.53 c/l), excluding VAT, for the period 03 March 2021 to 06 April 2021.

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
<u>Movements in external factors</u>				
Movement in International Product Prices	(79.674)	(68.995)	(70.421)	(61.589)
Movement in Exchange Rate	14.343	14.176	14.255	13.724
<u>BFP Over/(under)-recovery for the period 29/01/2021 to 25/02/2021</u>	(65.331)	(54.819)	(56.166)	(47.865)

8. BREAKDOWN OF PRICE ADJUSTMENT

Petrol 95 ULP & LRP	Diesel 0.05 (%) Sulphur	Diesel 0.005 (%) Sulphur	Illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
------------------------------------	------------------------------------	---	--	---

The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 20 days from 29/01/2021 to 25/02/2021 (cents / litre) as detailed below

(65.331) (54.819) (56.166) (47.865) -

Cumulative positive/(negative) slate balances end of January 2021 (R-million)

741.170 638.795 638.795 58.902 -

The price adjustments consist of the following elements:

c/l **c/l** **c/l** **c/l**

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

(65.000) (54.000) (56.000) (47.000) (87.000)

Total price (increase) / decrease

(65.000) (54.000) (56.000) (47.000) (87.000)

9. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

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 03/03/2021 TO 06/04/2021 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 137.895	1 137.895
Primary transport costs	47.588	225.582
Operating expenses	464.757	464.757
Working capital	35.228	35.228
Depreciation	173.648	173.648
Gross margin: Cylinder-filling plant	221.883	221.883
Sub-total (1)	2 080.999	2 258.993
Retail Margin: (15% of Subtotal (1))	312.150	338.849
Sub-total (2)	2 393.149	2 597.842
Value Added Tax (15% Sub-total (2))	358.972	389.676
Maximum Retail Price (Rounded to full cents)	2 752.000	2 988.000

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 03/03/2021 TO 06/04/2021 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	40.500	40.500	77.660	77.660	77.660
Secondary Storage	27.200	27.200	27.200	27.200	27.200
Secondary Distribution	15.800	15.800	15.800	15.800	15.800
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	221.600	221.600	0.000	0.000	0.000
Zone differential in Gauteng	63.700	63.700	63.700	63.700	84.500
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	377.000	377.000	363.000	363.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	207.000	207.000	207.000	207.000	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
Pump Rounding	(0.300)	(0.300)			
Sub-total	966.830	956.830	758.790	758.790	212.560
<u>Contribution to the Basic Fuel Price</u>	665.170	658.170	653.630	658.030	633.128
<u>Retail Price</u>	<u>1,632.00</u>	<u>1,615.00</u>			
<u>Wholesale price</u>			<u>1,412.420</u>	<u>1,416.820</u>	<u>845.688</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
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
02-Oct-19	1 621.00	1 557.00	1484.210	1430.010	963.678	896.478	2 556.00	2 343.00
06-Nov-19	1 608.00	1 544.00	1468.210	1414.010	940.678	873.478	2 526.00	2 313.00
04-Dec-19	1 630.00	1 566.00	1453.260	1399.060	922.728	855.528	2 628.00	2 403.00
01-Jan-20	1 616.00	1 552.00	1462.260	1408.060	927.728	860.528	2 604.00	2 379.00
05-Feb-20	1 603.00	1 539.00	1457.260	1403.060	924.728	857.528	2 603.00	2 378.00
03-Mar-20	1 584.00	1 520.00	1403.260	1349.060	856.728	789.528	2 571.00	2 346.00
01-Apr-20	1 396.00	1 326.00	1269.560	1209.260	672.828	591.728	2 193.00	1 968.00
06-May-20	1 222.00	1 152.00	1108.560	1048.260	449.828	368.728	1 931.00	1 706.00
03-Jun-20	1 340.00	1 270.00	1130.560	1070.260	489.828	408.728	2 129.00	1 904.00
01-Jul-20	1 512.00	1 442.00	1303.560	1243.260	703.828	622.728	2 577.00	2 352.00
05-Aug-20	1 517.00	1 447.00	1348.560	1288.260	742.828	661.728	2 573.00	2 348.00
02-Sep-20	1 518.00	1 448.00	1327.560	1267.260	716.828	635.728	2 609.00	2 384.00
07-Oct-20	1 486.00	1 416.00	1237.560	1177.260	640.828	559.728	2 589.00	2 364.00
04-Nov-20	1 459.00	1 389.00	1225.560	1165.260	655.828	574.728	2 615.00	2 389.00
02-Dec-20	1 446.00	1 376.00	1245.420	1185.120	684.688	603.588	2 752.00	2 516.00
06-Jan-21	1 486.00	1 416.00	1300.420	1240.120	739.688	658.588	2 708.00	2 472.00
03-Feb-21	1 567.00	1 497.00	1358.420	1298.120	798.688	717.588	2 901.00	2 666.00
03-Mar-21	1 632.00	1 562.00	1412.420	1352.120	845.688	764.588	2 988.00	2 752.00