

MEDIA STATEMENT - FOR RELEASE ON 25 FEBRUARY 2022

**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 02 MARCH 2022 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	(146.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	(144.36)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(148.36)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(121.00)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(161.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(70.00)	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 28 JANUARY 2022 TO 24 FEBRUARY 2022

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 28 January to 24 February 2022 was 15.2343 compared to 15.5081 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 19.59 c/l, 19.66 c/l and 19.44 c/l respectively.

3. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of January 2022 amounted to a negative balance of R 5.102 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 46.06 c/l (increase of 15.36 c/l) will have to be implemented into the price structures of petrol and diesel with effect from 02 March 2022.

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

The Single Maximum National Retail Price for the period 02 March 2022 to 05 April 2022 will be 1 690.0 c/l compared to 1 529.0 c/l for the period 02 February to 01 March 2022.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R14 518.90 per metric ton (805.799 c/l), excluding VAT, for the period 02 March 2022 to 05 April 2022.

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
Movements in external factors				
Movement in International Product Prices	(149.664)	(148.653)	(151.898)	(140.259)
Movement in Exchange Rate	19.586	19.656	19.759	19.443
BFP Over/(under)-recovery for the period 28/01/2022 to 24/02/2022	(130.078)	(128.997)	(132.139)	(120.816)

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 28/01/2022 to 24/02/2022 (cents / litre) as detailed below

(130.078)	(128.997)	(132.139)	(120.816)	-
------------	------------	------------	------------	---

Cumulative positive/(negative) slate balances end of January 2022 (R-million)

(1 685.840)	(3 416.609)	(3 416.609)	(135.909)	-
-------------	-------------	-------------	------------	---

The price adjustments consist of the following elements:

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

(131.000)	(129.000)	(133.000)	(121.000)	(70.000)
------------	------------	------------	------------	-----------

Increase in Slate levy

(15.360)	(15.360)	(15.360)	-	-
-----------	-----------	-----------	---	---

Pump rounding

0.360	-	-	-	-
-------	---	---	---	---

Total price (increase) / decrease

(146.000)	(144.360)	(148.360)	(121.000)	(70.000)
-------------------	-------------------	-------------------	-------------------	------------------

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 02/03/2022 TO 05/04/2022 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 451.890	1 451.890
Primary transport costs	48.825	231.447
Operating expenses	480.094	480.094
Working capital	36.391	36.391
Depreciation	178.163	178.163
Gross margin: Cylinder-filling plant	227.652	227.652
Sub-total (1)	2 423.015	2 605.637
Retail Margin: (15% of Subtotal (1))	363.452	390.846
Sub-total (2)	2 786.467	2 996.483
Value Added Tax (15% Sub-total (2))	417.970	449.472
Maximum Retail Price (Rounded to full cents)	3 204.000	3 446.000

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 02/03/2022 TO 05/04/2022 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	45.500	45.500	80.220	80.220	80.220
Secondary Storage	30.700	30.700	30.700	30.700	30.700
Secondary Distribution	17.940	17.940	17.940	17.940	17.940
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	228.800	228.800	0.000	0.000	0.000
Zone differential in Gauteng	64.900	64.900	64.900	64.900	85.300
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	393.000	393.000	379.000	379.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	218.000	218.000	218.000	218.000	0.000
Petroleum Products levy	0.330	0.330	0.330	0.330	0.000
Slate levy	46.060	46.060	46.060	46.060	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Pump Rounding	0.500	0.500	0.000	0.000	0.000
Sub-total	1 059.730	1 049.730	841.250	841.250	221.560
<u>Contribution to the Basic Fuel</u>					
<u>Price</u>	1 100.270	1 085.270	1 107.630	1 114.030	1 097.128
<u>Retail Price</u>	<u>2,160.00</u>	<u>2,135.00</u>			
<u>Wholesale price</u>			<u>1,948.880</u>	<u>1,955.280</u>	<u>1,318.688</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
01-Jan-20	1,616.00	1,552.00	1,462.260	1,408.060	927.728	860.528	2,604.00	2,379.00
05-Feb-20	1,603.00	1,539.00	1,457.260	1,403.060	924.728	857.528	2,603.00	2,378.00
03-Mar-20	1,584.00	1,520.00	1,403.260	1,349.060	856.728	789.528	2,571.00	2,346.00
01-Apr-20	1,396.00	1,326.00	1,269.560	1,209.260	672.828	591.728	2,193.00	1,968.00
06-May-20	1,222.00	1,152.00	1,108.560	1,048.260	449.828	368.728	1,931.00	1,706.00
03-Jun-20	1,340.00	1,270.00	1,130.560	1,070.260	489.828	408.728	2,129.00	1,904.00
01-Jul-20	1,512.00	1,442.00	1,303.560	1,243.260	703.828	622.728	2,577.00	2,352.00
05-Aug-20	1,517.00	1,447.00	1,348.560	1,288.260	742.828	661.728	2,573.00	2,348.00
02-Sep-20	1,518.00	1,448.00	1,327.560	1,267.260	716.828	635.728	2,609.00	2,384.00
07-Oct-20	1,486.00	1,416.00	1,237.560	1,177.260	640.828	559.728	2,589.00	2,364.00
04-Nov-20	1,459.00	1,389.00	1,225.560	1,165.260	655.828	574.728	2,615.00	2,389.00
02-Dec-20	1,446.00	1,376.00	1,245.420	1,185.120	684.688	603.588	2,752.00	2,516.00
06-Jan-21	1,486.00	1,416.00	1,300.420	1,240.120	739.688	658.588	2,708.00	2,472.00
03-Feb-21	1,567.00	1,497.00	1,358.420	1,298.120	798.688	717.588	2,901.00	2,666.00
03-Mar-21	1,632.00	1,562.00	1,412.420	1,352.120	845.688	764.588	2,988.00	2,752.00
07-Apr-21	1,732.00	1,661.00	1,477.620	1,416.120	880.488	798.588	3,036.00	2,801.00
05-May-21	1,723.00	1,651.00	1,446.620	1,385.120	857.488	775.588	2,864.00	2,628.00
02-Jun-21	1,713.00	1,641.00	1,466.620	1,405.120	877.488	795.588	2,721.00	2,486.00
07-Jul-21	1,739.00	1,667.00	1,508.620	1,447.120	913.488	831.588	2,784.00	2,549.00
04-Aug-21	1,830.00	1,758.00	1,564.200	1,502.700	963.488	881.588	3,010.00	2,775.00
01-Sep-21	1,834.00	1,762.00	1,548.980	1,487.480	948.488	866.588	3,104.00	2,869.00
06-Oct-21	1,833.00	1,761.00	1,571.780	1,510.280	980.488	898.588	3,097.00	2,861.00
03-Nov-21	1,954.00	1,882.00	1,719.980	1,658.480	1,125.488	1,043.588	3,387.00	3,151.00
01-Dec-21	2,029.00	1,957.00	1,792.480	1,730.980	1,167.688	1,085.788	3,570.00	3,335.00
05-Jan-22	1,961.00	1,889.00	1,724.680	1,663.180	1,096.688	1,014.788	3,500.00	3,259.00
02-Feb-22	2,014.00	1,942.00	1,804.520	1,743.020	1,197.688	1,115.788	3,376.00	3,134.00
02-Mar-22	2,160.00	2,088.00	1,948.880	1,887.380	1,318.688	1,236.788	3,446.00	3,204.00