

MEDIA STATEMENT - FOR RELEASE ON 31 MAY 2024

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY
ENQUIRIES: MR J MOKOBANE 082 766 3674**

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 05 JUNE 2024 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 & 95 (ULP & LRP)	124,00	cents per litre decrease in retail price
Diesel 0.05% Sulphur	118,54	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	108,54	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	80,00	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	107,00	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	135,00	cents per kilogram decrease in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 26 APRIL 2024 TO 30 MAY 2024

The average international product prices for Petrol, Diesel and Illuminating Paraffin decreased 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 26 April 2024 to 30 May 2024 was 18.4664 compared to 18.9036 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 30.91 c/l, 29.90 c/l and 30.03 c/l respectively.

3. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of April 2024 amounted to a negative balance of R 696.3 million. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 4.38 c/l (decrease of 17.54 c/l) has been implemented into the price structures of petrol and diesel with effect from 05 June 2024.

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

The Single Maximum National Retail Price for the period 05 June 2024 to 02 July 2024 will be 1 947.0 c/l compared to 2 054.0 c/l for the period 01 May 2024 to 04 June 2024.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 13 880.57 per metric ton (770.372 c/l), excluding VAT, for the period 05 June 2024 to 02 July 2024.

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 and slate ranges adjusted with effected from 7 September 2022 (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 R500.0 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	75,540	70,547	60,203	50,166
Movement in Exchange Rate	30,914	29,897	30,347	30,026
<u>BFP Over/(under)-recovery for the period 26/04/2024 to 30/05/2024</u>	106,454	100,444	90,550	80,192

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 25 days from 26/04/2024 to 30/05/2024 (cents / litre) as detailed below

Average product over/(under)-recovery, measured for the 25 days from 26/04/2024 to 30/05/2024 (cents / litre) as detailed below	106,454	100,444	90,550	80,192	-
Cumulative positive/(negative) slate balances end of April 2024 (R-million)	(1 057,802)	361,515	361,515	(118,283)	-

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	106,000	101,000	91,000	80,000	135,000
Decrease Slate levy	17,540	17,540	17,540	-	-
Rounding	0,460	-	-	-	-
<u>Total price (increase) / decrease</u>	124,000	118,540	108,540	80,000	135,000

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 05/06/2024 TO 02/07/2024 WILL BE AS FOLLOWS:**

<u>Price element</u>	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 388,057	1 388,057
Primary transport costs	59,822	283,575
Operating expenses	536,315	536,315
Working capital	40,653	40,653
Depreciation	218,290	218,290
Gross margin: Cylinder-filling plant	278,924	278,924
Sub-total (1)	2 522,062	2 745,814
Retail Margin: (15% of Subtotal (1))	378,309	411,872
Sub-total (2)	2 900,371	3 157,686
Value Added Tax (15% Sub-total (2))	435,056	473,653
Maximum Retail Price (Rounded to full cents)	3 335,000	3 631,000

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 05/06/2024 TO 02/07/2024 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	69,800	69,800	89,610	89,610	89,610
Secondary Storage	36,600	36,600	36,600	36,600	36,600
Secondary Distribution	17,200	17,200	17,200	17,200	17,200
Router Differential	0,000	0,000	0,000	0,000	7,400
Retail margin	285,700	285,700	0,000	0,000	0,000
Zone differential in Gauteng	82,800	82,800	82,800	82,800	103,000
IP Tracer levy	0,000	0,000	1,000	1,000	0,000
Fuel levy	396,000	396,000	384,000	384,000	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	4,380	4,380	4,380	4,380	0,000
Pump Rounding	0,000	0,000	0,000	0,000	0,000
Sub-total	1 114,810	1 114,810	837,920	837,920	253,810
<u>Contribution to the Basic Fuel Price</u>	1 310,190	1 276,190	1 258,630	1 277,030	1 266,128
<u>Retail Price</u>	<u>2 425,00</u>	<u>2 391,00</u>			
<u>Wholesale price</u>			<u>2 096,550</u>	<u>2 114,950</u>	<u>1 519,938</u>

STATISTICS OF PRICE CHANGES

	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
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
06-Apr-22	2 196,00	2 124,00	2 101,440	2 039,940	1 584,688	1 502,788	3 696,00	3 454,00
04-May-22	2 184,00	2 109,00	2 199,440	2 134,240	1 664,288	1 585,088	3 765,00	3 523,00
01-Jun-22	2 417,00	2 352,00	2 309,440	2 244,240	1 820,288	1 741,088	3 714,00	3 472,00
06-Jul-22	2 674,00	2 609,00	2 540,440	2 475,240	1 986,288	1 907,088	3 496,00	3 255,00
03-Aug-22	2 542,00	2 477,00	2 452,440	2 387,240	1 842,288	1 763,088	3 553,00	3 311,00
07-Sep-22	2 338,00	2 273,00	2 396,100	2 330,900	1 760,288	1 681,088	3 388,00	3 146,00
05-Oct-22	2 236,00	2 171,00	2 406,100	2 340,900	1 699,288	1 620,088	3 407,00	3 166,00
02-Nov-22	2 287,00	2 222,00	2 548,960	2 483,760	1 776,288	1 697,088	3 309,00	3 068,00
07-Dec-22	2 346,00	2 281,00	2 391,770	2 326,570	1 718,958	1 639,758	3 404,00	3 146,00
04-Jan-23	2 140,00	2 075,00	2 122,870	2 057,670	1 525,958	1 446,758	3 486,00	3 227,00
01-Feb-23	2 168,00	2 103,00	2 132,030	2 066,830	1 583,958	1 504,758	3 346,00	3 087,00
01-Mar-23	2 295,00	2 230,00	2 162,410	2 097,210	1 596,958	1 517,758	3 868,00	3 610,00
05-Apr-23	2 297,00	2 225,00	2 088,830	2 016,630	1 472,058	1 379,558	3 776,00	3 517,00
03-May-23	2 334,00	2 262,00	2 015,290	1 943,090	1 439,058	1 346,558	3 332,00	3 073,00
07-Jun-23	2 263,00	2 191,00	1 931,290	1 859,090	1 396,058	1 303,558	3 407,00	3 148,00
05-Jul-23	2 246,00	2 174,00	1 949,290	1 877,090	1 392,058	1 299,558	3 111,00	2 853,00
02-Aug-23	2 283,00	2 211,00	2 021,290	1 949,090	1 463,058	1 370,558	2 950,00	2 691,00
06-Sep-23	2 454,00	2 382,00	2 305,290	2 233,090	1 741,058	1 648,558	3 176,00	2 917,00
04-Oct-23	2 568,00	2 496,00	2 501,990	2 429,790	1 892,058	1 799,558	3 426,00	3 167,00
01-Nov-23	2 390,00	2 318,00	2 416,910	2 344,710	1 795,058	1 702,558	3 575,00	3 316,00
06-Dec-23	2 325,00	2 253,00	2 181,490	2 109,290	1 623,938	1 531,438	3 742,00	3 446,00
03-Jan-24	2 249,00	2 177,00	2 063,170	1 990,970	1 530,938	1 438,438	3 753,00	3 457,00
07-Feb-24	2 324,00	2 252,00	2 136,170	2 063,970	1 583,938	1 491,438	3 790,00	3 494,00
06-Mar-24	2 445,00	2 373,00	2 241,870	2 169,870	1 647,938	1 555,438	3 831,00	3 535,00
03-Apr-24	2 512,00	2 433,00	2 245,090	2 166,090	1 618,938	1 519,738	3 812,00	3 516,00
01-May-24	2 549,00	2 470,00	2 215,090	2 136,090	1 599,938	1 500,738	3 766,00	3 470,00
05-Jun-24	2 425,00	2 346,00	2 096,550	2 017,550	1 519,938	1 420,738	3 631,00	3 335,00