

MEDIA STATEMENT - FOR RELEASE ON 01 MARCH 2013

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, 06 MARCH 2013

Product:

Petrol (all grades)	81.000	cents per litre increase in retail price
Diesel 0.05% Sulphur	58.380	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	58.380	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	57.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	76.000	c/l increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	118.000	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD

01 FEBRUARY 2013 TO 28 FEBRUARY 2013

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

The average Rand/US Dollar exchange rate weakened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 01 February 2013 to 28 February 2013 was 8.9067 compared to 8.7629 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 12.6 c/l, 12.7 c/l and 12.8 c/l respectively.

3. SLATE LEVY

The cumulative combined Slate balance for petrol and diesel at the end of January 2013 amounted to R 1 104.2 million. In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate levy on petrol and diesel will therefore increase from 6.58 c/l to 10.96 c/l with effect from 06 March 2013.

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 06 March 2013 to 02 April 2013 will be 1 218.0 c/l compared to 1 142.0 c/l for the period 06 February 2013 to 05 March 2013, that is an increase of 76,0 c/l

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 10 142.52 per metric ton (562.91 c/l), excluding VAT, for the period 06 March 2013 to 02 April 2013.

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 20 days from 01/02/2013 to 28/02/2013 (cents / litre) as detailed below

(76.739)	(53.139)	(53.261)	(56.649)
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Cumulative positive/(negative) slate balances end of January 2013 (R-million)

(558.892)	(545.270)	(545.270)	(214.725)
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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	(77.000)	(54.000)	(54.000)	(57.000)
Slate Levy	(4.380)	(4.380)	(4.380)	N/A
Rounding	0.380	N/A	N/A	N/A
LPGas BFP, Retail and VAT (increase)/decrease				(118.000)
<u>Total price (increase) / decrease</u>	<u>(81.000)</u>	<u>(58.380)</u>	<u>(58.380)</u>	<u>(57.000)</u>
				<u>(118.000)</u>

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:

	Petrol 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	(64.173)	(40.467)	(40.516)	(43.846)
Movement in Exchange Rate	(12.567)	(12.672)	(12.745)	(12.803)
<u>BFP Over/(under)-recovery for the period 01/02/2013 to 28/02/2013</u>	(76.739)	(53.139)	(53.261)	(56.649)

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 06/03/2013 TO 02/04/2013 WILL BE AS FOLLOWS

<u>Price element</u>	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 014.252	1 014.252
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)	1 707.372	1 846.212
Retail Margin: (15% of Subtotal (1))	256.106	276.932
Sub-total (2)	1 963.478	2 123.144
Value Added Tax (14% Sub-total (2))	274.887	297.240
Maximum Retail Price (Rounded to full cents)	2 238.000	2 420.000

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 06/03/2013 TO 02/04/2013 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	Illuminating Paraffin c/l
Wholesale margin	58.000	58.000	58.000	58.000	58.000
Service cost recoveries	25.500	25.500	25.500	25.500	32.900
Storage, handling & delivery costs	25.500	25.500	25.500	25.500	25.500
Distribution cost	0	0	0	0	7.400
Dealers margin	99.200	99.200	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	10.960	10.960	10.960	10.960	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	523.410	513.410	398.920	398.920	134.900
<u>Contribution to the Basic Fuel Price</u>	784.590	773.590	788.630	793.030	797.128
<u>Retail Price</u>	<u>1,308.00</u>	<u>1,287.00</u>			
<u>Wholesale price</u>			<u>1,187.550</u>	<u>1,191.950</u>	<u>932.028</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	689.45	676.15	512.20	483.10		
03-Feb-10	804.00	781.00	699.45	686.15	517.20	488.10		
03-Mar-10	810.00	787.00	703.45	690.15	515.20	486.10		
07-Apr-10	858.00	835.00	751.95	738.65	536.20	507.10		
05-May-10	872.00	848.00	781.45	767.65	566.20	538.10		
02-Jun-10	845.00	821.00	766.45	752.65	553.20	525.10		
14-Jul-10	827.00	803.00	751.45	737.65	541.20	513.10	1 727.00	1 569.00
04-Aug-10	817.00	793.00	738.45	724.65	526.20	498.10	1 801.00	1 619.00
01-Sep-10	807.00	783.00	738.45	724.65	521.20	493.10	1 775.00	1 593.00
06-Oct-10	812.00	788.00	735.45	721.65	520.20	492.10	1 768.00	1 586.00
03-Nov-10	832.00	808.00	746.45	732.65	534.20	506.10	1 800.00	1 618.00
01-Dec-10	845.00	821.00	760.45	746.65	548.20	520.10	1 817.00	1 635.00
05-Jan-11	873.00	849.00	784.051	770.251	569.813	541.713	1 863.00	1 681.00
02-Feb-11	899.00	875.00	814.051	800.251	601.813	573.713	1 904.00	1 722.00
02-Mar-11	942.00	918.00	878.051	864.251	671.813	643.713	1 975.00	1 793.00
06-Apr-11	996.00	966.00	948.451	928.051	720.413	684.513	2 025.00	1 843.00
04-May-11	1 025.00	995.00	964.451	944.051	735.413	699.513	2 078.00	1 896.00
01-Jun-11	1 023.00	993.00	926.451	906.051	703.413	667.513	2 068.00	1 886.00
06-Jul-11	992.00	962.00	915.451	895.051	691.413	655.513	2 026.00	1 844.00
03-Aug-11	1 009.00	979.00	930.451	910.051	701.413	665.513	2 064.00	1 882.00
07-Sep-11	1 018.00	988.00	930.451	910.051	699.413	663.513	2 064.00	1 882.00
05-Oct-11	1 054.00	1 024.00	965.451	945.051	729.413	693.513	2 126.00	1 944.00
02-Nov-11	1 077.00	1 047.00	1001.451	981.051	770.413	734.513	2 160.00	1 978.00
07-Dec-11	1 066.00	1 036.00	1048.690	1028.290	813.428	777.528	2 119.00	1 937.00
04-Jan-12	1 061.00	1 031.00	1027.690	1007.290	788.428	752.528	2 121.00	1 939.00
01-Feb-12	1 095.00	1 065.00	1026.690	1006.290	785.428	749.528	2 171.00	1 989.00
07-Mar-12	1 123.00	1 093.00	1037.070	1016.670	789.428	753.528	2 207.00	2 025.00
04-Apr-12	1 194.00	1 159.00	1088.970	1064.270	816.028	774.128	2 275.00	2 093.00
02-May-12	1 222.00	1 187.00	1098.370	1073.670	825.028	783.128	2 306.00	2 124.00
06-Jun-12	1 167.00	1 132.00	1073.550	1048.850	804.028	762.128	2 207.00	2 025.00
04-Jul-12	1 082.00	1 047.00	1010.970	986.270	746.028	704.128	2 094.00	1 912.00
01-Aug-12	1 104.00	1 069.00	1025.590	1000.890	761.028	719.128	2 146.00	1 964.00
05-Sep-12	1 197.00	1 162.00	1094.590	1069.890	834.028	792.128	2 275.00	2 093.00
03-Oct-12	1 220.00	1 185.00	1133.750	1109.050	867.028	825.128	2 272.00	2 090.00
07-Nov-12	1 210.00	1 175.00	1143.950	1119.250	870.028	828.128	2 273.00	2 091.00
05-Dec-12	1 201.00	1 166.00	1138.950	1114.250	866.028	824.128	2 238.00	2 056.00
02-Jan-13	1 186.00	1 151.00	1111.370	1086.670	849.028	807.128	2 229.00	2 047.00
06-Feb-13	1 227.00	1 192.00	1129.170	1104.470	875.028	833.128	2 302.00	2 120.00
06-Mar-13	1 308.00	1 273.00	1187.550	1162.850	932.028	890.128	2 420.00	2 238.00