

**MEDIA STATEMENT - FOR RELEASE ON 01 FEBRUARY 2019**

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF ENERGY  
ENQUIRIES: MRS LERATO NTSOKO 082 459 2788 / MR J MOKOBANE 082 766 3674**

**1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 06 FEBRUARY 2019 IN GAUTENG (INCREASE) / DECREASE**

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	(7,00)	cents per litre <b>increase</b> in retail price
Diesel 0.05% Sulphur	(1,00)	cents per litre <b>increase</b> in wholesale price
Diesel 0.005% Sulphur	(2,00)	cents per litre <b>increase</b> in wholesale price
Illuminating Paraffin (Wholesale)	5,00	cents per litre <b>decrease</b> in wholesale price
Illuminating Paraffin (SMNRP)	7,00	cents per litre <b>decrease</b> in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	11,00	cents per kilogram <b>decrease</b> in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 27 DECEMBER 2018 TO 31 JANUARY 2019**

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 27 December 2018 to 31 January 2019 was 13.9476 compared to 14.1778 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 9.24 c/l, 10.85 c/l and 10.97 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 06 February 2019.

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

The Single Maximum National Retail Price for the period 06 February 2019 to 05 March 2019 will be 1 060.0 c/l compared to 1 067.0 c/l for the period 02 January 2019 to 05 February 2019.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 7 239.37 per metric ton (401.78 c/l), excluding VAT, for the period 06 February 2019 to 05 March 2019.

## 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
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### Movements in external factors

Movement in International Product Prices	( 17,039)	( 12,206)	( 13,027)	( 5,676)
Movement in Exchange Rate	9,240	10,848	10,922	10,972

### BFP Over/(under)-recovery for the period 27/12/2018 to 31/01/2019

	( 7,799)	( 1,358)	( 2,105)	5,296
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## 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 26 days from 27/12/2018 to 31/01/2019 (cents / litre) as detailed below	( 7,799)	( 1,358)	( 2,105)	5,296	N/A
Cumulative positive/(negative) slate balances end of December 2018 (R-million)	2 048,415	706,499	706,499	( 40,431)	

### 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	( 7,000)	( 1,000)	( 2,000)	5,000	11,000
<b>Total price (increase) / decrease</b>	<b>( 7,000)</b>	<b>( 1,000)</b>	<b>( 2,000)</b>	<b>5,000</b>	<b>11,000</b>

## 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 06/02/2019 TO 05/03/2019 WILL BE AS FOLLOWS**

<u>Price element</u>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	723,937	723,937
Primary transport costs	43,123	204,419
Operating expenses	426,411	426,411
Working capital	32,322	32,322
Depreciation	157,356	157,356
Gross margin: Cylinder-filling plant	201,066	201,066
Sub-total (1)	<b>1 584,216</b>	<b>1 745,511</b>
Retail Margin: (15% of Subtotal (1))	237,632	261,827
Sub-total (2)	<b>1 821,848</b>	<b>2 007,338</b>
Value Added Tax (15% Sub-total (2))	273,277	301,101
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 095,000</b>	<b>2 308,000</b>

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 06/02/2019 TO 05/03/2019 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 c/l</b>	<b>Illumi- nating Paraffin c/l</b>
Wholesale margin	34,800	34,800	71,250	71,250	71,250
Secondary Storage	20,900	20,900	20,900	20,900	20,900
Secondary Distribution	14,600	14,600	14,600	14,600	14,600
Router Differential	0,000	0,000	0,000	0,000	7,400
Retail margin	198,000	198,000	0,000	0,000	0,000
Zone differential in Gauteng	51,700	51,700	51,700	51,700	63,400
IP Tracer levy	0,000	0,000	0,010	0,010	0,000
Fuel levy	337,000	337,000	322,000	322,000	0,000
Customs & excise duty	4,000	4,000	4,000	4,000	0,000
RAF levy	193,000	193,000	193,000	193,000	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	0,200	0,200	0,000	0,000	0,000
Sub-total	864,530	854,530	677,790	677,790	177,550
<u>Contribution to the Basic Fuel Price</u>	543,470	531,470	636,630	641,030	646,128
<u>Retail Price</u>	<u>1 408,00</u>	<u>1 386,00</u>			
<u>Wholesale price</u>			<u>1 314,420</u>	<u>1 318,820</u>	<u>823,678</u>

**STATISTICS OF PRICE CHANGES**

<b>Effective from:</b>	<b>Petrol 95 ULP</b>		<b>Diesel</b>		<b>Illuminating Paraffin</b>		<b>LPGAS</b>	
	<b>Gauteng SA c/l</b>	<b>Coast SA c/l</b>	<b>Gauteng SA c/l</b>	<b>Coast SA c/l</b>	<b>Gauteng SA c/l</b>	<b>Coast SA c/l</b>	<b>Gauteng SA c/Kg</b>	<b>Coast SA c/Kg</b>
06-Jan-16	1 237,00	1 194,00	<b>1005,170</b>	<b>972,470</b>	647,028	594,028	2 074,00	1 892,00
03-Feb-16	1 243,00	1 200,00	<b>943,170</b>	<b>910,470</b>	588,028	535,028	2 075,00	1 893,00
02-Mar-16	1 174,00	1 131,00	<b>958,170</b>	<b>925,470</b>	605,028	552,028	1 955,00	1 773,00
06-Apr-16	1 262,00	1 214,00	<b>1053,870</b>	<b>1015,470</b>	662,628	608,028	2 065,00	1 883,00
04-May-16	1 274,00	1 226,00	<b>1052,870</b>	<b>1014,470</b>	655,628	601,028	2 060,00	1 877,00
01-Jun-16	1 326,00	1 278,00	<b>1128,870</b>	<b>1090,470</b>	717,628	663,028	2 158,00	1 976,00
06-Jul-16	1 334,00	1 286,00	<b>1170,870</b>	<b>1132,470</b>	760,628	706,028	2 170,00	1 988,00
03-Aug-16	1 235,00	1 187,00	<b>1096,870</b>	<b>1058,470</b>	694,628	640,028	2 010,00	1 828,00
07-Sep-16	1 217,00	1 169,00	<b>1048,870</b>	<b>1010,470</b>	647,628	593,028	2 001,00	1 819,00
05-Oct-16	1 260,00	1 212,00	<b>1071,870</b>	<b>1033,470</b>	669,628	615,028	2 059,00	1 877,00
02-Nov-16	1 305,00	1 257,00	<b>1134,870</b>	<b>1096,470</b>	726,628	672,028	2 118,00	1 936,00
07-Dec-16	1 285,00	1 237,00	<b>1102,830</b>	<b>1064,430</b>	698,588	643,988	2 101,00	1 913,00
04-Jan-17	1 333,00	1 285,00	<b>1141,830</b>	<b>1103,430</b>	741,588	686,988	2 207,00	2 019,00
01-Feb-17	1 362,00	1 314,00	<b>1162,830</b>	<b>1124,430</b>	758,588	703,988	2 228,00	2 040,00
01-Mar-17	1 354,00	1 306,00	<b>1160,830</b>	<b>1122,430</b>	750,588	695,988	2 226,00	2 038,00
05-Apr-17	1 330,00	1 281,00	<b>1150,330</b>	<b>1111,630</b>	702,088	644,188	2 125,00	1 937,00
03-May-17	1 379,00	1 330,00	<b>1180,330</b>	<b>1141,630</b>	736,088	678,188	2 221,00	2 032,00
07-Jun-17	1 354,00	1 305,00	<b>1157,330</b>	<b>1118,630</b>	714,088	656,188	2 144,00	1 955,00
05-Jul-17	1 286,00	1 237,00	<b>1097,330</b>	<b>1058,630</b>	657,088	599,188	2 053,00	1 864,00
02-Aug-17	1 305,00	1 256,00	<b>1126,330</b>	<b>1087,630</b>	683,088	625,188	2 092,00	1 904,00
06-Sep-17	1 372,00	1 323,00	<b>1170,330</b>	<b>1131,630</b>	732,088	674,188	2 178,00	1 990,00
04-Oct-17	1 401,00	1 352,00	<b>1212,330</b>	<b>1173,630</b>	771,088	713,188	2 217,00	2 028,00
01-Nov-17	1 405,00	1 356,00	<b>1235,330</b>	<b>1196,630</b>	792,088	734,188	2 234,00	2 045,00
06-Dec-17	1 476,00	1 427,00	<b>1295,630</b>	<b>1256,930</b>	865,388	807,488	2 438,00	2 236,00
03-Jan-18	1 442,00	1 393,00	<b>1273,630</b>	<b>1234,930</b>	837,388	779,488	2 367,00	2 165,00
07-Feb-18	1 412,00	1 363,00	<b>1256,630</b>	<b>1217,930</b>	818,388	760,488	2 344,00	2 142,00
07-Mar-18	1 376,00	1 327,00	<b>1209,630</b>	<b>1170,930</b>	795,388	737,488	2 275,00	2 073,00
04-Apr-18	1 448,00	1 389,00	<b>1274,830</b>	<b>1226,030</b>	793,088	732,588	2 314,00	2 111,00
02-May-18	1 497,00	1 438,00	<b>1333,830</b>	<b>1285,030</b>	845,088	784,588	2 384,00	2 180,00
06-Jun-18	1 579,00	1 520,00	<b>1418,830</b>	<b>1370,030</b>	927,088	866,588	2 522,00	2 318,00
04-Jul-18	1 602,00	1 543,00	<b>1444,830</b>	<b>1396,030</b>	949,088	888,588	2 559,00	2 356,00
01-Aug-18	1 603,00	1 544,00	<b>1440,830</b>	<b>1392,030</b>	953,088	892,588	2 576,00	2 372,00
05-Sep-18	1 608,00	1 549,00	<b>1440,830</b>	<b>1392,030</b>	953,088	892,588	2 576,00	2 372,00
03-Oct-18	1 708,00	1 649,00	<b>1564,830</b>	<b>1516,030</b>	1057,088	996,588	2 755,00	2 551,00
07-Nov-18	1 708,00	1 649,00	<b>1612,750</b>	<b>1563,950</b>	1085,088	1024,588	2 694,00	2 490,00
05-Dec-18	1 524,00	1 465,00	<b>1467,340</b>	<b>1418,540</b>	951,678	891,178	2 451,00	2 238,00
02-Jan-19	1 401,00	1 342,00	<b>1313,420</b>	<b>1264,620</b>	828,678	768,178	2 319,00	2 106,00
06-Feb-19	1 408,00	1 349,00	<b>1314,420</b>	<b>1265,620</b>	823,678	763,178	2 308,00	2 095,00