

**MEDIA STATEMENT - FOR RELEASE ON 26 SEPTEMBER 2014**

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF ENERGY**

**ENQUIRIES: J MOKOBANE 082 766 3674**

**1. ADJUSTMENT TO THE FUEL PRICES: WEDNESDAY, 01 OCTOBER 2014**

Product:

Petrol 93 ULP & LRP	2.000	cents per litre	<b>increase</b>	in retail price
Petrol 95 ULP & LRP	5.000	cents per litre	decrease	in retail price
Diesel (Both Grades)	13.000	cents per litre	decrease	in wholesale price
Illuminating Paraffin (Wholesale)	14.000	cents per litre	decrease	in wholesale price
Illuminating Paraffin (SMNRP)	18.000	c/l	decrease	in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	12.000	cents per kilogram	<b>increase</b>	in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 29 AUGUST 2014 TO 25 SEPTEMBER 2014**

The average international product prices of Petrol, Diesel and Illuminating Paraffin decreased during the period under review.

The average Rand/US Dollar exchange rate weakened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 29 August 2014 to 25 September 2014 was 10.9149 compared to 10.6781 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 17.18 c/l, 17.56 c/l and 17.56 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 zero with effect from 01 October 2014.

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

The Single Maximum National Retail Price for the period 01 October 2014 to 04 November 2014 will be 1249.0 c/l compared to 1267.0 c/l for the period 03 September 2014 to 30 September 2014, this is a decrease of 18.0 c/l

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 10 376.33 per metric ton (575.89 c/l), excluding VAT, for the period 01 October 2014 to 04 November 2014.

**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**

<b>Petrol 95 ULP &amp; LRP</b>	<b>Diesel 0.05(%) Sulphar</b>	<b>Diesel 0.005(%) Sulphar</b>	<b>Illuminating Paraffin Wholesale</b>	<b>LPGAS (Gauteng, Zone 9C)</b>
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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 29/08/2014 to 25/09/2014 (cents / litre) as detailed below	4.690	12.575	12.881	14.385	N/A
Cumulative positive/(negative) slate balances end of August 2014 (R-million)	632.114	339.519	339.519	( 268.597)	

**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	5.000	13.000	13.000	14.000	
LPGas BFP, Retail and VAT					( 12.000)
<b><u>Total price (increase) / decrease</u></b>	<b>5.000</b>	<b>13.000</b>	<b>13.000</b>	<b>14.000</b>	<b>( 12.000)</b>

**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 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	21.874	30.131	30.544	31.949
Movement in Exchange Rate	( 17.184)	( 17.556)	( 17.663)	( 17.564)

**BFP Over/(under)-recovery for the period  
29/08/2014 to 25/09/2014**

4.690	12.575	12.881	14.385
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**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 01/10/2014 TO 04/11/2014 WILL BE AS FOLLOWS**

<u>Price element</u>	<u>Coast Zone 1A</u>	<u>Inland Zone 9C</u>
Maximum refinery gate price	1 037.633	1 037.633
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)	<b>1 730.753</b>	<b>1 869.593</b>
Retail Margin: (15% of Subtotal (1))	259.613	280.439
Sub-total (2)	<b>1 990.366</b>	<b>2 150.032</b>
Value Added Tax (14% Sub-total (2))	278.651	301.004
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 269.000</b>	<b>2 451.000</b>

11. The annexure attached contains details of the composition of product prices as well as history of the price

**ANNEXURE 1**

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE  
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG  
FOR THE PERIOD 01/10/2014 TO 04/11/2014 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	31.000	31.000	61.200	61.200	61.200
Secondary Storage	17.100	17.100	17.100	17.100	17.100
Secondary Distribution	11.700	11.700	11.700	11.700	11.700
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	143.300	143.300	0.000	0.000	0.000
Zone differential in Gauteng	33.100	33.100	33.100	33.100	52.700
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	224.500	224.500	209.500	209.500	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	104.000	104.000	104.000	104.000	0.000
Petroleum Products levy	0.150	0.150	0.150	0.150	0.000
Slate levy	0.000	0.000	0.000	0.000	0.000
DSML Incremental Inland	10.000	0.000	0.000	0.000	0.000
Transport Recovery levy	0.000	0.000	0.000	0.000	0.000
Pump Rounding	0.400	0.400			
Sub-total	579.250	569.250	440.760	440.760	150.100
<u>Contribution to the Basic Fuel Price</u>	781.750	773.750	805.630	811.030	807.128
<u>Retail Price</u>	<u>1,361.00</u>	<u>1,343.00</u>			
<u>Wholesale price</u>			<u>1,246.390</u>	<u>1,251.790</u>	<u>957.228</u>

**STATISTICS OF PRICE CHANGES**

<u>Effective from:</u>	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							
04-Jan-12	1 061.00	1 031.00	<b>1027.690</b>	<b>1007.290</b>	788.428	752.528	2 121.00	1 939.00
01-Feb-12	1 095.00	1 065.00	<b>1026.690</b>	<b>1006.290</b>	785.428	749.528	2 171.00	1 989.00
07-Mar-12	1 123.00	1 093.00	<b>1037.070</b>	<b>1016.670</b>	789.428	753.528	2 207.00	2 025.00
04-Apr-12	1 194.00	1 159.00	<b>1088.970</b>	<b>1064.270</b>	816.028	774.128	2 275.00	2 093.00
02-May-12	1 222.00	1 187.00	<b>1098.370</b>	<b>1073.670</b>	825.028	783.128	2 306.00	2 124.00
06-Jun-12	1 167.00	1 132.00	<b>1073.550</b>	<b>1048.850</b>	804.028	762.128	2 207.00	2 025.00
04-Jul-12	1 082.00	1 047.00	<b>1010.970</b>	<b>986.270</b>	746.028	704.128	2 094.00	1 912.00
01-Aug-12	1 104.00	1 069.00	<b>1025.590</b>	<b>1000.890</b>	761.028	719.128	2 146.00	1 964.00
05-Sep-12	1 197.00	1 162.00	<b>1094.590</b>	<b>1069.890</b>	834.028	792.128	2 275.00	2 093.00
03-Oct-12	1 220.00	1 185.00	<b>1133.750</b>	<b>1109.050</b>	867.028	825.128	2 272.00	2 090.00
07-Nov-12	1 210.00	1 175.00	<b>1143.950</b>	<b>1119.250</b>	870.028	828.128	2 273.00	2 091.00
05-Dec-12	1 201.00	1 166.00	<b>1138.950</b>	<b>1114.250</b>	866.028	824.128	2 238.00	2 056.00
02-Jan-13	1 186.00	1 151.00	<b>1111.370</b>	<b>1086.670</b>	849.028	807.128	2 229.00	2 047.00
06-Feb-13	1 227.00	1 192.00	<b>1129.170</b>	<b>1104.470</b>	875.028	833.128	2 302.00	2 120.00
06-Mar-13	1 308.00	1 273.00	<b>1187.550</b>	<b>1162.850</b>	932.028	890.128	2 420.00	2 238.00
03-Apr-13	1 320.00	1 283.00	<b>1196.610</b>	<b>1170.010</b>	906.228	860.328	2 365.00	2 183.00
01-May-13	1 247.00	1 210.00	<b>1141.050</b>	<b>1114.450</b>	848.228	802.328	2 284.00	2 102.00
05-Jun-13	1 239.00	1 202.00	<b>1137.070</b>	<b>1110.470</b>	849.228	803.328	2 289.00	2 107.00
03-Jul-13	1 323.00	1 286.00	<b>1215.270</b>	<b>1188.670</b>	924.228	878.328	2 418.00	2 236.00
07-Aug-13	1 355.00	1 318.00	<b>1248.230</b>	<b>1221.630</b>	949.228	903.328	2 440.00	2 258.00
04-Sep-13	1 350.00	1 313.00	<b>1262.050</b>	<b>1235.450</b>	974.228	928.328	2 449.00	2 267.00
02-Oct-13	1 330.00	1 293.00	<b>1260.050</b>	<b>1233.450</b>	970.228	924.328	2 409.00	2 227.00
06-Nov-13	1 302.00	1 265.00	<b>1244.850</b>	<b>1218.250</b>	954.228	908.328	2 368.00	2 186.00
04-Dec-13	1 319.00	1 282.00	<b>1254.970</b>	<b>1228.370</b>	970.728	924.828	2 386.00	2 204.00
01-Jan-14	1 357.00	1 320.00	<b>1287.150</b>	<b>1260.550</b>	1009.728	963.828	2 442.00	2 260.00
05-Feb-14	1 396.00	1 359.00	<b>1311.350</b>	<b>1284.750</b>	1021.728	975.828	2 496.00	2 314.00
05-Mar-14	1 432.00	1 395.00	<b>1338.550</b>	<b>1311.950</b>	1037.728	991.828	2 554.00	2 372.00
02-Apr-14	1 439.00	1 398.00	<b>1329.750</b>	<b>1299.150</b>	1003.228	953.028	2 532.00	2 350.00
07-May-14	1 424.00	1 383.00	<b>1299.970</b>	<b>1269.370</b>	984.228	934.028	2 528.00	2 346.00
04-Jun-14	1 402.00	1 361.00	<b>1276.390</b>	<b>1245.790</b>	974.228	924.028	2 501.00	2 319.00
02-Jul-14	1 433.00	1 392.00	<b>1290.390</b>	<b>1259.790</b>	997.228	947.028	2 559.00	2 377.00
06-Aug-14	1 433.00	1 392.00	<b>1284.770</b>	<b>1254.170</b>	990.228	940.028	2 547.00	2 365.00
03-Sep-14	1 366.00	1 325.00	<b>1259.390</b>	<b>1228.790</b>	971.228	921.028	2 439.00	2 257.00
01-Oct-14	1 361.00	1 320.00	<b>1246.390</b>	<b>1215.790</b>	957.228	907.028	2 451.00	2 269.00