

**MEDIA STATEMENT - FOR RELEASE ON 27 FEBRUARY 2015**

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

**ENQUIRIES: MR J MOKOBANE 082 766 3674**

**1. ADJUSTMENT TO THE FUEL PRICES: WEDNESDAY, 04 MARCH 2015**

Product:

Petrol 95 and 93 (ULP & LRP)	96.000	cents per litre increase in retail price
Diesel 0.05% and 0.005% Sulphur	74.000	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	73.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	98.000	c/l increase in the Single Maximum National Retail price (SMNRP) Maximum Retail Price
for LPGAS	154.000	cents per kilogram increase in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 30 JANUARY 2015 TO 26 FEBRUARY 2015**

The average international product prices of Petrol, Diesel and Illuminating Paraffin increased 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 30 January 2015 to 26 February 2015 was 11.5890 compared to 11.5777 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 0.54 c/l, 0.56 c/l and 0.57 c/l respectively.**

**4. SLATE LEVY**

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate levy on petrol and diesel will remain 0.00 c/l with effect from 04 March 2015.

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

The Single Maximum National Retail Price for the period 04 March 2015 to 31 March 2015 will be 931.0 c/l compared to 833.0 c/l for the period 04 February 2015 to 03 March 2015, this is a increase of 98.0 c/l

**6. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 7 048.68 per metric ton (391.20 c/l), excluding VAT, for the period 04 March 2015 to 31 March 2015.

**7. 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

**8. BREAKDOWN OF PRICE ADJUSTMENT**

<b>Petrol 95 ULP &amp; LRP</b>	<b>Diesel 0.05(%) Sulphur</b>	<b>Diesel 0.005(%) Sulphur</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 30/01/2015 to 26/02/2015 (cents / litre) as detailed below	( 96.696)	( 74.472)	( 74.408)	( 72.830)	N/A
Cumulative positive/(negative) slate balances end of January 2015 (R-million)	3 790.369	3 823.885	3 823.885	( 159.478)	

**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	( 96.000)	( 74.000)	( 74.000)	( 73.000)	
LPGas BFP, Retail and VAT					( 154.000)
<b><u>Total price (increase) / decrease</u></b>	<b><u>( 96.000)</u></b>	<b><u>( 74.000)</u></b>	<b><u>( 74.000)</u></b>	<b><u>( 73.000)</u></b>	<b><u>( 154.000)</u></b>

**9. REPORT OF THE INDEPENDENT AUDITORS**

The report of the independent auditors is available on request.

**10. 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	( 96.159)	( 73.916)	( 73.848)	( 72.265)
Movement in Exchange Rate	( 0.537)	( 0.556)	( 0.560)	( 0.565)

**BFP Over/(under)-recovery for the period  
30/01/2015 to 26/02/2015**

( 96.696)	( 74.472)	( 74.408)	( 72.830)
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**11. 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 04/03/2015 TO 31/03/2015 WILL BE AS FOLLOWS**

<u>Price element</u>	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	704.868	704.868
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>1 397.988</b>	<b>1 536.828</b>
Retail Margin: (15% of Subtotal (1))	209.698	230.524
Sub-total (2)	<b>1 607.686</b>	<b>1 767.352</b>
Value Added Tax (14% Sub-total (2))	225.076	247.429
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>1 833.000</b>	<b>2 015.000</b>

12. 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 04/03/2015 TO 31/03/2015 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	33.500	33.500	64.700	64.700	64.700
Secondary Storage	17.400	17.400	17.400	17.400	17.400
Secondary Distribution	12.600	12.600	12.600	12.600	12.600
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	151.100	151.100	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	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Pump Rounding	0.400	0.400			
Sub-total	590.750	580.750	445.460	445.460	154.800
<u>Contribution to the Basic Fuel Price</u>	536.250	524.250	554.630	559.030	564.128
<u>Retail Price</u>	<u>1,127.00</u>	<u>1,105.00</u>			
<u>Wholesale price</u>			<u>1,000.090</u>	<u>1,004.490</u>	<u>718.928</u>

**STATISTICS OF PRICE CHANGES**

<u>Effective from:</u>	<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>
	<b>From 4 January 2006 0,05% Sulphur</b>							
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
05-Nov-14	1 316.00	1 275.00	<b>1185.390</b>	<b>1154.790</b>	905.228	855.028	2 346.00	2 164.00
03-Dec-14	1 247.00	1 206.00	<b>1132.090</b>	<b>1101.490</b>	855.928	805.728	2 221.00	2 039.00
07-Jan-15	1 124.00	1 083.00	<b>1028.090</b>	<b>997.490</b>	747.928	697.728	2 011.00	1 829.00
04-Feb-15	1 031.00	990.00	<b>926.090</b>	<b>895.490</b>	645.928	595.728	1 861.00	1 679.00
04-Mar-15	1 127.00	1 086.00	<b>1000.090</b>	<b>969.490</b>	718.928	668.728	2 015.00	1 833.00