

**MEDIA STATEMENT - FOR RELEASE ON 28 NOVEMBER 2014**

**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, 03 DECEMBER 2014**

Product:

Petrol 95 and 93 (ULP & LRP)	69.000	cents per litre decrease in retail price
Diesel 0.05% Sulphur	53.300	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	54.300	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	49.300	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	66.000	c/l decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	125.000	cents per kilogram decrease in the maximum retail price

**2. IMPLEMENTATION OF REGULATORY ACCOUNTS SYSTEM MARGINS ON PETROL AND ADJUSTMENTS TO DIESEL AND IP MARGINS**

The Minister of Energy has approved the implementation of the Regulatory Accounts System margins on petrol and adjustments to margins applicable in the wholesale list price structures of diesel and IP with effect from 03 December 2014. The new margins are reflected in Annexure 1 below.

**3. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 31 OCTOBER 2014 TO 27 NOVEMBER 2014**

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

The Rand appreciated against the US Dollar (on average) when compared to the previous period. The average Rand/US Dollar exchange rate for the period 31 October 2014 to 27 November 2014 was 11.0969 compared to 11.1004 during the previous period.

**The strengthening of the Rand against the US Dollar increased the contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 0.21 c/l, 0.22 c/l and 0.22 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 03 December 2014.

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

The Single Maximum National Retail Price for the period 03 December 2014 to 06 January 2015 will be 1113.0 c/l compared to 1179.0 c/l for the period 05 November 2014 to 02 December 2014, this is a decrease of 66.0 c/l

**6. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 8 618.89 per metric ton (478.35 c/l), excluding VAT, for the period 03 December 2014 to 06 January 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>Diesel</b>	<b>Diesel</b>	<b>Illuminating</b>	<b>LPGAS</b>
<b>Petrol 95</b>	<b>0.05(%)</b>	<b>0.005(%)</b>	<b>Paraffin</b>	<b>(Gauteng,</b>
<b>ULP &amp; LRP</b>	<b>Sulphur</b>	<b>Sulphur</b>	<b>Wholesale</b>	<b>Zone 9C)</b>

**The price adjustments in (1) above are based on the following actual data:**

Average product over/(under)-recovery, measured for the 20 days from 31/10/2014 to 27/11/2014 (cents / litre) as detailed below

	79.815	57.916	58.269	54.785	N/A
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Cumulative positive/(negative) slate balances end of October 2014 (R-million)

	1 090.604	1 177.207	1 177.207	( 243.839)
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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	80.000	58.000	59.000	54.000	
Increase in Retail Margin	( 7.800)				
Increase in Wholesale Margin	( 2.500)	( 3.500)	( 3.500)	( 3.500)	
Increase in Secondary Storage	( 0.300)	( 0.300)	( 0.300)	( 0.300)	
Increase in Secondary Distribution	( 0.900)	( 0.900)	( 0.900)	( 0.900)	
Pump Rounding	0.500				
LPGas BFP, Retail and VAT					125.000
<b><u>Total price (increase) / decrease</u></b>	<b><u>69.000</u></b>	<b><u>53.300</u></b>	<b><u>54.300</u></b>	<b><u>49.300</u></b>	<b><u>125.000</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:

	<b>Petrol 95 ULP c/l</b>	<b>** Diesel 0.05% c/l</b>	<b>** Diesel 0.005% c/l</b>	<b>Illuminating Paraffin c/l</b>
<b><u>Movements in external factors</u></b>				
Movement in International Product Prices	79.606	57.697	58.048	54.562
Movement in Exchange Rate	0.209	0.219	0.221	0.223
<b><u>BFP Over/(under)-recovery for the period 31/10/2014 to 27/11/2014</u></b>	<b>79.815</b>	<b>57.916</b>	<b>58.269</b>	<b>54.785</b>

**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 03/12/2014 TO 06/01/2015 WILL BE AS FOLLOWS**

<b><u>Price element</u></b>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	861.889	861.889
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>1 555.009</b>	<b>1 693.849</b>
Retail Margin: (15% of Subtotal (1))	233.251	254.077
Sub-total (2)	<b>1 788.260</b>	<b>1 947.926</b>
Value Added Tax (14% Sub-total (2))	250.356	272.710
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 039.000</b>	<b>2 221.000</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 03/12/2014 TO 06/01/2015 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 Incremental Inland	0.000	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			
<b>Sub-total</b>	<b>590.750</b>	<b>580.750</b>	<b>445.460</b>	<b>445.460</b>	<b>154.800</b>
<b>Contribution to the Basic Fuel Price</b>	<b>656.250</b>	<b>648.250</b>	<b>686.630</b>	<b>692.030</b>	<b>701.128</b>
<b>Retail Price</b>	<b>1,247.00</b>	<b>1,229.00</b>			
<b>Wholesale price</b>			<b>1,132.090</b>	<b>1,137.490</b>	<b>855.928</b>

**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
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