

**MEDIA STATEMENT - FOR RELEASE ON 31 JULY 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, 05 AUGUST 2015**

Product:

Petrol 95 and 93 (ULP & LRP)	51.000	cents per litre decrease in retail price
Diesel 0.05% Sulphur	75.820	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	73.820	cents per litre decrease in wholesale price
illuminating Paraffin (Wholesale)	70.000	cents per litre decrease in wholesale price
illuminating Paraffin (SMNRP)	93.000	c/l decrease in the Single Maximum National Retail price (SMNRP) Maximum Retail Price
for LPGAS	89.000	cents per kilogram decrease in the maximum retail price

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

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

The Rand weakened against the US Dollar, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 26 June 2015 to 30 July 2015 was 12.4128 compared to 12.3196 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 4.87 c/l, 4.25 c/l and 4.19 c/l respectively.

**3. INCREASE IN THE PETROLEUM PRODUCTS LEVY APPLICABLE IN THE PRICE STRUCTURES OF PETROL AND DIESEL**

The Minister of Energy has approved that the Petroleum Products Levy applicable in the price structures of petrol and diesel be increased by 0.18 c/l from 0.15 c/l to 0.33 c/l with effect from 05 August 2015.

**4. 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 05 August 2015.

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

The Single Maximum National Retail Price for the period 05 August 2015 to 01 September 2015 will be 921.0 c/l compared to 1014.0 c/l for the period 01 July 2015 to 04 August 2015, this is a decrease of 93.0 c/l.

**6. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 8 336.80 per metric ton (462.69 c/l), excluding VAT, for the period 05 August 2015 to 01 September 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 25 days from 26/06/2015 to 30/07/2015 (cents / litre) as detailed below	50.405	75.687	73.290	70.550	N/A
Cumulative positive/(negative) slate balances end of June 2015 (R-million)	1 365.868	1 888.461	1 888.461	( 224.945)	

**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	51.000	76.000	74.000	70.000	
Increase in the Petroleum Products Levy applicable of Petrol and Diesel	( 0.180)	( 0.180)	( 0.180)		
Pump Rounding	0.180				
LPGas BFP, Retail and VAT (increase)/decrease					89.000
<b><u>Total price (increase) / decrease</u></b>	<b><u>51.000</u></b>	<b><u>75.820</u></b>	<b><u>73.820</u></b>	<b><u>70.000</u></b>	<b><u>89.000</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	55.273	79.940	77.587	74.739
Movement in Exchange Rate	( 4.868)	( 4.253)	( 4.297)	( 4.189)
<b><u>BFP Over/(under)-recovery for the period 26/06/2015 to 30/07/2015</u></b>	<b>50.405</b>	<b>75.687</b>	<b>73.290</b>	<b>70.550</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 05/08/2015 TO 01/09/2015 WILL BE AS FOLLOWS**

<b><u>Price element</u></b>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	833.680	833.680
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>1 526.800</b>	<b>1 665.640</b>
Retail Margin: (15% of Subtotal (1))	229.020	249.846
Sub-total (2)	<b>1 755.820</b>	<b>1 915.486</b>
Value Added Tax (14% Sub-total (2))	245.815	268.168
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 002.000</b>	<b>2 184.000</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 05/08/2015 TO 01/09/2015 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	35.300	35.300	35.300	35.300	55.600
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	255.000	255.000	240.000	240.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	154.000	154.000	154.000	154.000	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
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Pump Rounding	0.300	0.300			
Sub-total	673.530	663.530	528.340	528.340	157.700
<u>Contribution to the Basic Fuel Price</u>	652.470	637.470	566.630	572.030	559.128
<u>Retail Price</u>	<u>1,326.00</u>	<u>1,301.00</u>			
<u>Wholesale price</u>			<u>1,094.970</u>	<u>1,100.370</u>	<u>716.828</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>
	<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
01-Apr-15	1 289.00	1 246.00	<b>1122.790</b>	<b>1090.090</b>	743.828	690.828	2 100.00	1 918.00
06-May-15	1 289.00	1 246.00	<b>1117.790</b>	<b>1085.090</b>	738.828	685.828	2 117.00	1 935.00
03-Jun-15	1 336.00	1 293.00	<b>1166.790</b>	<b>1134.090</b>	780.828	727.828	2 217.00	2 035.00
01-Jul-15	1 377.00	1 334.00	<b>1170.790</b>	<b>1138.090</b>	786.828	733.828	2 273.00	2 091.00
05-Aug-15	1 326.00	1 283.00	<b>1094.970</b>	<b>1062.270</b>	716.828	663.828	2 184.00	2 002.00