

**MEDIA STATEMENT - FOR RELEASE ON 02 JUNE 2017**

**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 07 JUNE 2017 IN GAUTENG (INCREASE) / DECREASE**

Product:

|  |       |  |
|--|-------|--|
| Both Grades of Petrol 93 & 95 (ULP & LRP)    | 25.00 | cents per litre decrease in retail price                                     |
| Both Grades of Diesel 0.05% & 0.005% Sulphur | 23.00 | cents per litre decrease in wholesale price                                  |
| Illuminating Paraffin (Wholesale)            | 22.00 | cents per litre decrease in wholesale price                                  |
| Illuminating Paraffin (SMNRP)                | 30.00 | cents per litre decrease in the Single Maximum National Retail price (SMNRP) |
| Maximum Retail Price for LPGAS               | 77.00 | cents per kilogram decrease in the maximum retail price                      |

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 26 APRIL 2017 TO 01 JUNE 2017**

The average international product prices of Petrol, Diesel and Illuminating Paraffin decreased 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 26 April 2017 to 01 June 2017 was 13.2587 compared to 13.5105 during the previous period. This led to a lower contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 10.71 c/l, 10.27 c/l and 10.20 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 07 June 2017.

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

The Single Maximum National Retail Price for the period 07 June 2017 to 04 July 2017 will be 917.0 c/l compared to 947.0 c/l for the period 03 May 2017 to 06 June 2017.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 7 238.84 per metric ton (401.76 c/l), excluding VAT, for the period 07 June 2017 to 04 July 2017.

**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:

|   | <b>Petrol<br/>95 ULP<br/>c/l</b> | <b>** Diesel 0.05%<br/>c/l</b> | <b>** Diesel<br/>0.005%<br/>c/l</b> | <b>Illuminating<br/>Paraffin<br/>c/l</b> |
|---|----------------------------------|--------------------------------|-------------------------------------|--|
| <b><u>Movements in external factors</u></b>   |                                  |                                |                                     |  |
| Movement in International Product Prices  | 13.818                           | 12.239                         | 12.619                              | 11.727                                   |
| Movement in Exchange Rate   | 10.712                           | 10.266                         | 10.334                              | 10.197                                   |
| <b><u>BFP Over/(under)-recovery for the period<br/>26/04/2017 to 01/06/2017</u></b> | <b>24.530</b>                    | <b>22.505</b>                  | <b>22.953</b>                       | <b>21.924</b>                            |

**8. BREAKDOWN OF PRICE ADJUSTMENT**

| <b>Petrol 95 ULP &amp;<br/>LRP</b> | <b>Diesel 0.05 (%)<br/>Sulphur</b> | <b>Diesel 0.005<br/>(%)<br/>Sulphur</b> | <b>Illuminating<br/>Paraffin<br/>Wholesale</b> | <b>LPGAS<br/>(Gauteng, Zone<br/>9C)</b> |
|------------------------------------|------------------------------------|---|--|---|
|------------------------------------|------------------------------------|---|--|---|

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

|   |           |           |           |        |     |
|---|-----------|-----------|-----------|--------|-----|
| Average product over/(under)-recovery, measured for the 27 days from 26/04/2017 to 01/06/2017 (cents / litre) as detailed below | 24.530    | 22.505    | 22.953    | 21.924 | N/A |
| Cumulative positive/(negative) slate balances end of April 2017 (R-million)   | 2 045.105 | 2 073.754 | 2 073.754 | 5.037  |     |

**The price adjustments consist of the following elements:**

|  | <b><u>c/l</u></b> | <b><u>c/l</u></b> | <b><u>c/l</u></b> | <b><u>c/l</u></b> |               |
|--|-------------------|-------------------|-------------------|-------------------|---------------|
| Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease | 25.000            | 23.000            | 23.000            | 22.000            | 77.000        |
| <b><u>Total price (increase) / decrease</u></b>  | <b>25.000</b>     | <b>23.000</b>     | <b>23.000</b>     | <b>22.000</b>     | <b>77.000</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 07/06/2017 TO 04/07/2017 WILL BE AS FOLLOWS**

| <u>Price element</u>                                | <b>Coast<br/>Zone 1A</b> | <b>Inland<br/>Zone 9C</b> |
|---|--------------------------|---------------------------|
| Maximum refinery gate price                         | 723.884                  | 723.884                   |
| Primary transport costs                             | 38.456                   | 182.295                   |
| Operating expenses                                  | 380.591                  | 380.591                   |
| Working capital                                     | 28.849                   | 28.849                    |
| Depreciation  | 140.326                  | 140.326                   |
| Gross margin: Cylinder-filling plant                | 179.306                  | 179.306                   |
| Sub-total (1)                                       | <b>1 491.412</b>         | <b>1 635.251</b>          |
| Retail Margin: (15% of Subtotal (1))                | 223.712                  | 245.288                   |
| Sub-total (2)                                       | <b>1 715.124</b>         | <b>1 880.539</b>          |
| Value Added Tax (14% Sub-total (2))                 | 240.117                  | 263.275                   |
| <b>Maximum Retail Price (Rounded to full cents)</b> | <b>1 955.000</b>         | <b>2 144.000</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 07/06/2017 TO 04/07/2017 WILL BE AS FOLLOWS:**

|   | <b>Petrol 95<br/>ULP<br/>c/l</b> | <b>Petrol 93<br/>ULP &amp; LRP<br/>c/l</b> | <b>Diesel 0.05%<br/>S<br/>c/l</b> | <b>Diesel 0.005%<br/>S<br/>c/l</b> | <b>Illumi-<br/>nating<br/>Paraffin<br/>c/l</b> |
|---|----------------------------------|--|-----------------------------------|------------------------------------|--|
| Wholesale margin                            | 35.600                           | 35.600                                     | 67.660                            | 67.660                             | 67.660   |
| Secondary Storage                           | 17.900                           | 17.900                                     | 17.900                            | 17.900                             | 17.900   |
| Secondary Distribution                      | 17.300                           | 17.300                                     | 17.300                            | 17.300                             | 17.300   |
| Router Differential                         | 0.000                            | 0.000                                      | 0.000                             | 0.000                              | 7.400  |
| Retail margin                               | 176.400                          | 176.400                                    | 0.000                             | 0.000                              | 0.000  |
| Zone differential in Gauteng                | 41.500                           | 41.500                                     | 41.500                            | 41.500                             | 60.700   |
| IP Tracer levy                              | 0.000                            | 0.000                                      | 0.010                             | 0.010                              | 0.000  |
| Fuel levy                                   | 315.000                          | 315.000                                    | 300.000                           | 300.000                            | 0.000  |
| Customs & excise duty                       | 4.000                            | 4.000                                      | 4.000                             | 4.000                              | 0.000  |
| RAF levy                                    | 163.000                          | 163.000                                    | 163.000                           | 163.000                            | 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                                   | 781.330                          | 771.330                                    | 611.700                           | 611.700                            | 170.960  |
| <u>Contribution to the Basic Fuel Price</u> | 572.670                          | 560.670                                    | 545.630                           | 550.030                            | 543.128  |
| <u>Retail Price</u>                         | <u>1,354.00</u>                  | <u>1,332.00</u>                            |                                   |                                    |  |
| <u>Wholesale price</u>                      |                                  |  | <u>1,157.330</u>                  | <u>1,161.730</u>                   | <u>714.088</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</b>                           | <b>Coast</b>  | <b>Gauteng</b>  | <b>Coast</b>    | <b>Gauteng</b>               | <b>Coast</b>  | <b>Gauteng</b> | <b>Coast</b>   |
|                        | <b>SA c/l</b>                            | <b>SA c/l</b> | <b>SA c/l</b>   | <b>SA c/l</b>   | <b>SA c/l</b>                | <b>SA c/l</b> | <b>SA c/Kg</b> | <b>SA c/Kg</b> |
|                        | <b>From 4 January 2006 0,05% Sulphur</b> |               |                 |                 |                              |               |                |                |
| 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       |
| 02-Sep-15              | 1 257.00                                 | 1 214.00      | <b>1040.970</b> | <b>1008.270</b> | 661.828                      | 608.828       | 2 069.00       | 1 887.00       |
| 07-Oct-15              | 1 261.00                                 | 1 218.00      | <b>1093.970</b> | <b>1061.270</b> | 711.828                      | 658.828       | 2 080.00       | 1 898.00       |
| 04-Nov-15              | 1 239.00                                 | 1 196.00      | <b>1084.970</b> | <b>1052.270</b> | 709.828                      | 656.828       | 2 033.00       | 1 851.00       |
| 02-Dec-15              | 1 240.00                                 | 1 197.00      | <b>1081.170</b> | <b>1048.470</b> | 710.028                      | 657.028       | 2 029.00       | 1 847.00       |
| 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       |