

**MEDIA STATEMENT - FOR RELEASE ON 29 JANUARY 2016**

**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 FEBRUARY 2016**

Product:

Petrol 95 & 93 (ULP & LRP)

6.000 cents per litre increase in retail price

Diesel 0.05% Sulphur 62.000 cents per litre decrease in wholesale price

Diesel 0.005% Sulphur 63.000 cents per litre decrease in wholesale price

Illuminating Paraffin (Wholesale) 59.000 cents per litre decrease in wholesale price

Illuminating Paraffin (SMNRP) 79.000 c/l decrease in the Single Maximum National Retail price (SMNRP)

Maximum Retail Price for LPGAS 1.000 cents per kilogram increase in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD**

**31 DECEMBER 2015 TO 28 JANUARY 2016**

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 31 December 2015 to 28 January 2016 was 16.3276 compared to 14.8819 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 49.43 c/l, 37.85 c/l and 38.88 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 03 February 2016.

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

The Single Maximum National Retail Price for the period 03 February 2016 to 01 March 2016 will be 749.0 c/l compared to 828.0 c/l for the period 06 January 2016 to 02 February 2016, this is a decrease of 79.0 c/l.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 7 066.83 per metric ton (392.21 c/l), excluding VAT, for the period 03 February 2016 to 01 March 2016.

**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 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	42.753	99.534	100.891	98.871
Movement in Exchange Rate	( 49.426)	( 37.845)	( 38.275)	( 38.883)
<b><u>BFP Over/(under)-recovery for the period 31/12/2015 to 28/01/2016</u></b>	<b>( 6.673)</b>	<b>61.689</b>	<b>62.616</b>	<b>59.988</b>

**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 21 days from 31/12/2015 to 28/01/2016 (cents / litre) as detailed below

( 6.673)	61.689	62.616	59.988	N/A
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Cumulative positive/(negative) slate balances end of December 2015 (R-million)

2 634.741	3 455.161	3 455.161	( 180.152)
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**The price adjustments consist of the following elements:**

Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease

( 6.000)	62.000	63.000	59.000	( 1.000)
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**Total price (increase) / decrease**

<b>( 6.000)</b>	<b>62.000</b>	<b>63.000</b>	<b>59.000</b>	<b>( 1.000)</b>
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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 03/02/2016 TO 01/03/2016 WILL BE AS FOLLOWS**

<u>Price element</u>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	706.683	706.683
Primary transport costs	37.120	175.960
Operating expenses	363.923	363.923
Working capital	27.586	27.586
Depreciation	135.450	135.450
Gross margin: Cylinder-filling plant	173.075	173.075
Sub-total (1)	<b>1 443.837</b>	<b>1 582.677</b>
Retail Margin: (15% of Subtotal (1))	216.576	237.402
Sub-total (2)	<b>1 660.413</b>	<b>1 820.079</b>
Value Added Tax (14% Sub-total (2))	232.458	254.811
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>1 893.000</b>	<b>2 075.000</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 03/02/2016 TO 01/03/2016 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	33.200	33.200	64.700	64.700	64.700
Secondary Storage	18.500	18.500	18.500	18.500	18.500
Secondary Distribution	13.700	13.700	13.700	13.700	13.700
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	161.700	161.700	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	686.030	676.030	530.540	530.540	159.900
<u>Contribution to the Basic Fuel Price</u>	556.970	538.970	412.630	417.030	428.128
<u>Retail Price</u>	<u>1,243.00</u>	<u>1,215.00</u>			
<u>Wholesale price</u>			<u>943.170</u>	<u>947.570</u>	<u>588.028</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
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