

**MEDIA STATEMENT - FOR RELEASE ON 31 MARCH 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 5 APRIL 2017 IN GAUTENG AND AT THE COAST (INCREASE) / DECREASE**

	<u>Gauteng</u>	<u>Coast</u>	
95 ULP & LRP	24.00	25.00	cents per litre decrease in retail price
93 ULP & LRP	22.00	23.00	cents per litre decrease in retail price
Diesel (0.05%) Wholesale	10.50	10.80	cents per litre decrease in wholesale price
Diesel (0.005%) Wholesale	10.50	10.80	cents per litre decrease in wholesale price
IP Wholesale	48.50	51.80	cents per litre decrease in wholesale price

illuminating Paraffin (SMNRP)	65.0 c/l Country Wide	c/l decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	101.0 cents per kilogram Country Wide	cents per kilogram decrease in the maximum retail price

**PRICE CHANGES WILL DIFFER IN MAGISTERIAL DISTRICT ZONES DUE TO THE DIFFERENT TRANSPORT INCREASES IMPLEMENTED INTO THE FUEL PRICE STRUCTURE AND THE REVISED PETROL OCTANE DIFFERENTIAL - REFER TO PARAGRAPHS 2 & 3 BELOW**

**2. ADJUSTMENTS TO THE TRANSPORT TARIFFS (ZONE DIFFERENTIAL)**

Based on the road transport freight rate model of the Road Freight Association (RFA) to transport petrol, diesel and illuminating paraffin as at the end of October 2016 (latest data available), the road transport tariffs in the applicable road transport pricing zones, as well as for transporting fuels by road from pipeline draw-off points to supply depots have been determined. Compared to the RFA rates of 2015 (implemented in April 2016), the 2016 rates (to be implemented in April 2017) have increased by 6.2 percent. The revised road transport tariff increases to be effected on 05 April 2017 into the price structures of petrol, diesel and IP will range from 0.2 c/l to 8.5 c/l.

**3. ADJUSTMENT TO THE OCTANE DIFFERENTIAL BETWEEN 95 AND 93 OCTANES**

In line with the Working Rules to administer the Basic Fuels Price, the 95 octane (unleaded) grade is the price-marker grade and the BFP-differentials between 95 and 93 octanes will be adjusted on the first Wednesday of each quarter. The price changes to 93 octane includes the adjustment to the differential and therefore the prices of 95 and 93 octanes will differ in each Fuel Price Zone, but also differ between zones due to the adjustment in the zone differentials.

**4. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 24 FEBRUARY 2017 TO 30 MARCH 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 24 February 2017 to 30 March 2017 was 12.9148 compared to 13.2899 during the previous period. This led to a lower contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 15.99 c/l, 15.66 c/l and 15.47 c/l respectively.

**5. 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 April 2017.

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

The Single Maximum National Retail Price for the period 05 April 2017 to 02 May 2017 will be 901.0 c/l compared to 966.0 c/l for the period 01 March 2017 to 04 April 2017.

**7. FUEL AND ROAD ACCIDENT FUND LEVY INCREASES**

The Minister of Finance, in his Budget Speech on 22 February 2017, announced that the Fuel and the Road Accident Fund levies on petrol and diesel will increase by 30.0 c/l and 9.0 c/l respectively on 05 April 2017. With effect from 05 April 2017, the Fuel Levy on petrol and diesel will therefore amount to 315.0 c/l and 300.0 c/l respectively. The Road Accident Fund Levy on petrol and diesel will amount to 163.0 c/l with effect from 05 April 2017.

## 8. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 7 097.71 per metric ton (393.92 c/l), excluding VAT, for the period 05 April 2017 to 02 May 2017.

## 9. 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

## 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	47.520	34.075	33.427	35.960
Movement in Exchange Rate	15.984	15.659	15.745	15.471
<b><u>BFP Over/(under)-recovery for the period 24/02/2017 to 30/03/2017</u></b>	<b>63.504</b>	<b>49.734</b>	<b>49.172</b>	<b>51.431</b>

## 11. 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 24/02/2017 to 30/03/2017 (cents / litre) as detailed below

63.504	49.734	49.172	51.431	N/A
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Cumulative positive/(negative) slate balances end of February 2017 (R-million)

1 860.098	1 855.656	1 855.656	0.888
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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	64.000	50.000	50.000	52.000	101.000
Fuel Levy Increase	( 30.000)	( 30.000)	( 30.000)		
Road Accident Fund Levy	( 9.000)	( 9.000)	( 9.000)		
Transport Tariff Increases	( 0.500)	( 0.500)	( 0.500)	( 3.500)	
Price Rounding	( 0.500)				
<b><u>Total price (increase) / decrease</u></b>	<b>24.000</b>	<b>10.500</b>	<b>10.500</b>	<b>48.500</b>	<b>101.000</b>

## 12. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

**13. 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 05/04/2017 TO 02/05/2017 WILL BE AS FOLLOWS**

<u>Price element</u>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	709.771	709.771
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>1 477.299</b>	<b>1 621.138</b>
Retail Margin: (15% of Subtotal (1))	221.595	243.171
Sub-total (2)	<b>1 698.894</b>	<b>1 864.309</b>
Value Added Tax (14% Sub-total (2))	237.845	261.003
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>1 937.000</b>	<b>2 125.000</b>

14. 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 05/04/2017 TO 02/05/2017 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	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	<b>41.500</b>	<b>41.500</b>	<b>41.500</b>	<b>41.500</b>	<b>60.700</b>
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	<b>315.000</b>	<b>315.000</b>	<b>300.000</b>	<b>300.000</b>	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	<b>163.000</b>	<b>163.000</b>	<b>163.000</b>	<b>163.000</b>	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>	548.670	536.670	538.630	541.030	531.128
<u>Retail Price</u>	<u>1,330.00</u>	<u>1,308.00</u>			
<u>Wholesale price</u>			<u>1,150.330</u>	<u>1,152.730</u>	<u>702.088</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
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