

MEDIA STATEMENT - FOR RELEASE ON 29 DECEMBER 2022

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY
ENQUIRIES: MR E MULIBANA 082 263 7372 / MR J MOKOBANE 082 766 3674**

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 04 JANUARY 2023 IN GAUTENG (INCREASE) / DECREASE

Product:

Both grades of Petrol 93 & 95

(ULP & LRP)

206.00 cents per litre **decrease** in retail price

Diesel 0.05% Sulphur 268.90 cents per litre **decrease** in wholesale price

Diesel 0.005% Sulphur 280.90 cents per litre **decrease** in wholesale price

Illuminating Paraffin (Wholesale) 193.00 cents per litre **decrease** in wholesale price

Illuminating Paraffin (SMNRP) 258.00 cents per litre **decrease** in the Single Maximum National Retail price (SMNRP)

Maximum Retail Price for LPGAS (82.00) cents per kilogram **increase** in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 02 DECEMBER 2022 TO 28 DECEMBER 2022

The average international product prices for 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 02 December to 28 December 2022 was 17.2815 compared to 17.5338 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 15.27 c/l, 18.81 c/l and 19.20 c/l respectively.

3. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of November 2022 amounted to a negative balance of R 7.046 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 61.38 c/l (decrease of 21.90 c/l) has been implemented into the price structures of petrol and diesel with effect from 04 January 2023.

4. ADJUSTMENT TO THE OCTANE DIFFERENTIAL BETWEEN 95 AND 93 BFP OCTANE

In terms of the Working Rules to administer the BFP, the differentials between 95 and 93 petrol grades are adjusted at the beginning of each quarter. The BFP differentials between 95 and 93 petrol grades have not changed and therefore there were no different price adjustments between the two grades.

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

The Single Maximum National Retail Price for the period 04 January 2023 to 31 January 2023 will be 2 009.0 c/l compared to 2 267.0 c/l for the period 07 December 2022 to 03 January 2023.

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R14 136.57 per metric ton (784.580 c/l), excluding VAT, for the period 04 January 2023 to 31 January 2023.

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 and slate ranges adjusted with effected from 7 September 2022 (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 R500.0 million.

8. 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:

	Petrol 95 ULP c/l	Diesel 0.05% c/l	Diesel 0.005% c/l	illuminating Paraffin c/l
Movements in external factors				
Movement in International Product Prices	169.694	228.478	240.202	174.735
Movement in Exchange Rate	15.266	18.809	19.066	19.203
BFP Over/(under)-recovery for the period 02/12/2022 to 28/12/2022	184.960	247.287	259.268	193.938

9. BREAKDOWN OF PRICE ADJUSTMENT

Petrol 95 ULP & LRP	Diesel 0.05 (%) Sulphur	Diesel 0.005 (%) Sulphur	illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
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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 19 days from 02/12/2022 to 28/12/2022 (cents / litre) as detailed below

184.960	247.287	259.268	193.938	-
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Cumulative positive/(negative) slate balances end of November 2022 (R-million)

(1 950.887)	(5 094.772)	(5 094.772)	(725.547)	-
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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

184.000	247.000	259.000	193.000	(82.000)
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Decrease in Slate Levy

21.900	21.900	21.900	-	-
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Pump rounding

0.100	-	-	-	-
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Total price (increase) / decrease

206.000	268.900	280.900	193.000	(82.000)
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10. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

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 04/01/2023 TO 31/01/2023 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 413.657	1 413.657
Primary transport costs	52.292	247.880
Operating expenses	501.698	501.698
Working capital	38.029	38.029
Depreciation	190.813	190.813
Gross margin: Cylinder-filling plant	243.815	243.815
Sub-total (1)	2 440.303	2 635.891
Retail Margin: (15% of Subtotal (1))	366.045	395.384
Sub-total (2)	2 806.349	3 031.275
Value Added Tax (15% Sub-total (2))	420.952	454.691
Maximum Retail Price (Rounded to full cents)	3 227.000	3 486.000

12. 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 04/01/2023 TO 31/01/2023 WILL BE AS FOLLOWS:**

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel 0.05% S c/l	Diesel 0.005% S c/l	Illumi- nating Paraffin c/l
Wholesale margin	56.600	56.600	83.830	83.830	83.830
Secondary Storage	28.800	28.800	28.800	28.800	28.800
Secondary Distribution	16.900	16.900	16.900	16.900	16.900
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	241.900	241.900	0.000	0.000	0.000
Zone differential in Gauteng	67.900	67.900	67.900	67.900	81.900
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	394.000	394.000	380.000	380.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	218.000	218.000	218.000	218.000	0.000
Petroleum Products levy	0.330	0.330	0.330	0.330	0.000
Slate levy	61.380	61.380	61.380	61.380	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	1 089.610	1 089.610	861.240	861.240	218.830
<u>Contribution to the Basic Fuel Price</u>	1 050.390	1 020.390	1 261.630	1 280.030	1 307.128
<u>Retail Price</u>	<u>2,140.00</u>	<u>2,110.00</u>			
<u>Wholesale price</u>			<u>2,122.870</u>	<u>2,141.270</u>	<u>1,525.958</u>

STATISTICS OF PRICE CHANGES

Effective from:	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
01-Jan-20	1,616.00	1,552.00	1,462.260	1,408.060	927.728	860.528	2,604.00	2,379.00
05-Feb-20	1,603.00	1,539.00	1,457.260	1,403.060	924.728	857.528	2,603.00	2,378.00
03-Mar-20	1,584.00	1,520.00	1,403.260	1,349.060	856.728	789.528	2,571.00	2,346.00
01-Apr-20	1,396.00	1,326.00	1,269.560	1,209.260	672.828	591.728	2,193.00	1,968.00
06-May-20	1,222.00	1,152.00	1,108.560	1,048.260	449.828	368.728	1,931.00	1,706.00
03-Jun-20	1,340.00	1,270.00	1,130.560	1,070.260	489.828	408.728	2,129.00	1,904.00
01-Jul-20	1,512.00	1,442.00	1,303.560	1,243.260	703.828	622.728	2,577.00	2,352.00
05-Aug-20	1,517.00	1,447.00	1,348.560	1,288.260	742.828	661.728	2,573.00	2,348.00
02-Sep-20	1,518.00	1,448.00	1,327.560	1,267.260	716.828	635.728	2,609.00	2,384.00
07-Oct-20	1,486.00	1,416.00	1,237.560	1,177.260	640.828	559.728	2,589.00	2,364.00
04-Nov-20	1,459.00	1,389.00	1,225.560	1,165.260	655.828	574.728	2,615.00	2,389.00
02-Dec-20	1,446.00	1,376.00	1,245.420	1,185.120	684.688	603.588	2,752.00	2,516.00
06-Jan-21	1,486.00	1,416.00	1,300.420	1,240.120	739.688	658.588	2,708.00	2,472.00
03-Feb-21	1,567.00	1,497.00	1,358.420	1,298.120	798.688	717.588	2,901.00	2,666.00
03-Mar-21	1,632.00	1,562.00	1,412.420	1,352.120	845.688	764.588	2,988.00	2,752.00
07-Apr-21	1,732.00	1,661.00	1,477.620	1,416.120	880.488	798.588	3,036.00	2,801.00
05-May-21	1,723.00	1,651.00	1,446.620	1,385.120	857.488	775.588	2,864.00	2,628.00
02-Jun-21	1,713.00	1,641.00	1,466.620	1,405.120	877.488	795.588	2,721.00	2,486.00
07-Jul-21	1,739.00	1,667.00	1,508.620	1,447.120	913.488	831.588	2,784.00	2,549.00
04-Aug-21	1,830.00	1,758.00	1,564.200	1,502.700	963.488	881.588	3,010.00	2,775.00
01-Sep-21	1,834.00	1,762.00	1,548.980	1,487.480	948.488	866.588	3,104.00	2,869.00
06-Oct-21	1,833.00	1,761.00	1,571.780	1,510.280	980.488	898.588	3,097.00	2,861.00
03-Nov-21	1,954.00	1,882.00	1,719.980	1,658.480	1,125.488	1,043.588	3,387.00	3,151.00
01-Dec-21	2,029.00	1,957.00	1,792.480	1,730.980	1,167.688	1,085.788	3,570.00	3,335.00
05-Jan-22	1,961.00	1,889.00	1,724.680	1,663.180	1,096.688	1,014.788	3,500.00	3,259.00
02-Feb-22	2,014.00	1,942.00	1,804.520	1,743.020	1,197.688	1,115.788	3,376.00	3,134.00
02-Mar-22	2,160.00	2,088.00	1,948.880	1,887.380	1,318.688	1,236.788	3,446.00	3,204.00
06-Apr-22	2,196.00	2,124.00	2,101.440	2,039.940	1,584.688	1,502.788	3,696.00	3,454.00
04-May-22	2,184.00	2,109.00	2,199.440	2,134.240	1,664.288	1,585.088	3,765.00	3,523.00
01-Jun-22	2,417.00	2,352.00	2,309.440	2,244.240	1,820.288	1,741.088	3,714.00	3,472.00
06-Jul-22	2,674.00	2,609.00	2,540.440	2,475.240	1,986.288	1,907.088	3,496.00	3,255.00
03-Aug-22	2,542.00	2,477.00	2,452.440	2,387.240	1,842.288	1,763.088	3,553.00	3,311.00
07-Sep-22	2,338.00	2,273.00	2,396.100	2,330.900	1,760.288	1,681.088	3,388.00	3,146.00
05-Oct-22	2,236.00	2,171.00	2,406.100	2,340.900	1,699.288	1,620.088	3,407.00	3,166.00
02-Nov-22	2,287.00	2,222.00	2,548.960	2,483.760	1,776.288	1,697.088	3,309.00	3,068.00
07-Dec-22	2,346.00	2,281.00	2,391.770	2,326.570	1,718.958	1,639.758	3,404.00	3,146.00
04-Jan-23	2,140.00	2,075.00	2,122.870	2,057.670	1,525.958	1,446.758	3,486.00	3,227.00