

MEDIA STATEMENT - FOR RELEASE ON 27 OCTOBER 2023

**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 01 NOVEMBER 2023 IN GAUTENG (INCREASE) / DECREASE

Product:

Both grades of Petrol 93 & 95

(ULP & LRP) 178.00 cents per litre **decrease** in retail price

Diesel 0.05% Sulphur 85.08 cents per litre **decrease** in wholesale price

Diesel 0.005% Sulphur 82.08 cents per litre **decrease** in wholesale price

Illuminating Paraffin (Wholesale) 97.00 cents per litre **decrease** in wholesale price

Illuminating Paraffin (SMNRP) 130.00 cents per litre **decrease** in the Single Maximum National Retail price (SMNRP)

Maximum Retail Price for LPGAS (149.00) cents per kilogram **increase** in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 29 SEPTEMBER 2023 TO 26 OCTOBER 2023

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

The Rand depreciated 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 29 September 2023 to 26 October 2023 was 19.0797 compared to 18.9853 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 6.34 c/l, 7.57 c/l and 7.61 c/l respectively.

3. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of September 2023 amounted to a negative balance of R 6.267 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 52.62 c/l (increase of 21.92 c/l) will be implemented into the price structures of petrol and diesel with effect from 01 November 2023.

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

The Single Maximum National Retail Price for the period 01 November 2023 to 05 December 2023 will be 2 333.0 compared to 2 463.0 c/l for the period 04 October 2023 to 31 October 2023.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 14 807.14 per metric ton (821.796 c/l), excluding VAT, for the period 01 November 2023 to 05 December 2023.

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 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.

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:

	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	207.056	115.148	111.873	105.177
Movement in Exchange Rate	(6.343)	(7.571)	(7.691)	(7.614)
BFP Over/(under)-recovery for the period 29/09/2023 to 26/10/2023	200.713	107.577	104.182	97.563

8. 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 20 days from 29/09/2023 to 26/10/2023 (cents / litre) as detailed below

200.713	107.577	104.182	97.563	-
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Cumulative positive/(negative) slate balances end of September 2023 (R-million)

(2,422.359)	(3,844.525)	(3,844.525)	(506.667)	-
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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

200.000	107.000	104.000	97.000	(149.000)
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Increase in Slate Levy

(21.920)	(21.920)	(21.920)	-	-
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Pump rounding

(0.080)

Total price (increase) / decrease

178.000	85.080	82.080	97.000	(149.000)
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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 01/11/2023 TO 05/12/2023 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 480.714	1 480.714
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)	2 507.360	2 702.948
Retail Margin: (15% of Subtotal (1))	376.104	405.442
Sub-total (2)	2 883.464	3 108.391
Value Added Tax (15% Sub-total (2))	432.520	466.259
Maximum Retail Price (Rounded to full cents)	3 316.000	3 575.000

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 01/11/2023 TO 05/12/2023 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	246.900	246.900	0.000	0.000	0.000
Zone differential in Gauteng	75.700	75.700	75.700	75.700	96.000
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	395.000	395.000	381.000	381.000	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	52.620	52.620	52.620	52.620	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	1 094.650	1 094.650	861.280	861.280	232.930
<u>Contribution to the Basic Fuel Price</u>	1 295.350	1 249.350	1 555.630	1 579.030	1 562.128
<u>Retail Price</u>	<u>2,390.00</u>	<u>2,344.00</u>			
<u>Wholesale price</u>			<u>2,416.910</u>	<u>2,440.310</u>	<u>1,795.058</u>

STATISTICS OF PRICE CHANGES

	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
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
01-Feb-23	2,168.00	2,103.00	2,132.030	2,066.830	1,583.958	1,504.758	3,346.00	3,087.00
01-Mar-23	2,295.00	2,230.00	2,162.410	2,097.210	1,596.958	1,517.758	3,868.00	3,610.00
05-Apr-23	2,297.00	2,225.00	2,088.830	2,016.630	1,472.058	1,379.558	3,776.00	3,517.00
03-May-23	2,334.00	2,262.00	2,015.290	1,943.090	1,439.058	1,346.558	3,332.00	3,073.00
07-Jun-23	2,263.00	2,191.00	1,931.290	1,859.090	1,396.058	1,303.558	3,407.00	3,148.00
05-Jul-23	2,246.00	2,174.00	1,949.290	1,877.090	1,392.058	1,299.558	3,111.00	2,853.00
02-Aug-23	2,283.00	2,211.00	2,021.290	1,949.090	1,463.058	1,370.558	2,950.00	2,691.00
06-Sep-23	2,454.00	2,382.00	2,305.290	2,233.090	1,741.058	1,648.558	3,176.00	2,917.00
04-Oct-23	2,568.00	2,496.00	2,501.990	2,429.790	1,892.058	1,799.558	3,426.00	3,167.00
01-Nov-23	2,390.00	2,318.00	2,416.910	2,344.710	1,795.058	1,702.558	3,575.00	3,316.00