

**MEDIA STATEMENT - FOR RELEASE ON 28 SEPTEMBER 2018**

**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 03 OCTOBER 2018 IN GAUTENG (INCREASE) / DECREASE**

Product:

Petrol 93 (ULP & LRP)	(99.00)	cents per litre increase in retail price
Petrol 95 (ULP & LRP)	(100.00)	cents per litre increase in retail price
Both Grades of Diesel 0.05% and 0.005% Sulphur	(124.00)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(104.00)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(139.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(179.00)	cents per kilogram increase in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD  
31 AUGUST 2018 TO 27 SEPTEMBER 2018**

The average international product prices of Petrol, Diesel and Illuminating Paraffin increased 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 31 August 2018 to 27 September 2018 was 14.7899 compared to 13.9430 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 48.72c/l, 51.03c/l and 50.62 c/l respectively.

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

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 changed and therefore the different price adjustments between the two grades.

**4. 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 October 2018.

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

The Single Maximum National Retail Price for the period 03 October 2018 to 06 November 2018 will be 1 372.0 c/l compared to 1 233.0 c/l for the period 05 September 2018 to 02 October 2018.

**6. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 11 103.88 per metric ton (616.27 c/l), excluding VAT, for the period 03 October 2018 to 06 November 2018.

## 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 (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 and therefore because of price intervention and the Slate movement for August 2018 being funded, the Slate Levy will not be implemented as the Slate balance will be lower than the threshold of R 250.0 million after the funding.

## 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:

	<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	( 51.019)	( 72.453)	( 72.528)	( 53.304)
Movement in Exchange Rate	( 48.724)	( 51.027)	( 51.299)	( 50.623)
<b><u>BFP Over/(under)-recovery for the period 31/08/2018 to 27/09/2018</u></b>	<b>( 99.743)</b>	<b>( 123.480)</b>	<b>( 123.827)</b>	<b>( 103.927)</b>

## 9. 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 20 days from 31/08/2018 to 27/09/2018 (cents / litre) as detailed below

( 99.743) ( 123.480) ( 123.827) ( 103.927) N/A

Cumulative positive/(negative) slate balances end of August 2018 (R-million)

( 3.160) ( 847.318) ( 847.318) ( 75.469)

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

**c/l**                      **c/l**                      **c/l**                      **c/l**

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

( 100.000) ( 124.000) ( 124.000) ( 104.000) ( 179.000)

**Total price (increase) / decrease**

**( 100.000) ( 124.000) ( 124.000) ( 104.000) ( 179.000)**

## 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 03/10/2018 TO 06/11/2018 WILL BE AS FOLLOWS**

<u>Price element</u>	<b>Coast Zone 1A</b>	<b>Inland Zone 9C</b>
Maximum refinery gate price	1 110.388	1 110.388
Primary transport costs	41.148	195.056
Operating expenses	404.949	404.949
Working capital	30.695	30.695
Depreciation	150.149	150.149
Gross margin: Cylinder-filling plant	191.857	191.857
<b>Sub-total (1)</b>	<b>1 929.186</b>	<b>2 083.094</b>
Retail Margin: (15% of Subtotal (1))	289.378	312.464
<b>Sub-total (2)</b>	<b>2 218.564</b>	<b>2 395.558</b>
Value Added Tax (15% Sub-total (2))	332.785	359.334
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 551.000</b>	<b>2 755.000</b>

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 03/10/2018 TO 06/11/2018 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	34.000	34.000	67.660	67.660	67.660
Secondary Storage	18.600	18.600	18.600	18.600	18.600
Secondary Distribution	15.900	15.900	15.900	15.900	15.900
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	192.100	192.100	0.000	0.000	0.000
Zone differential in Gauteng	51.700	51.700	51.700	51.700	63.400
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	337.000	337.000	322.000	322.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	193.000	193.000	193.000	193.000	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	0.200	0.200	0.000	0.000	0.000
<b>Sub-total</b>	<b>856.830</b>	<b>846.830</b>	<b>673.200</b>	<b>673.200</b>	<b>172.960</b>
<b><u>Contribution to the Basic Fuel Price</u></b>	<b>851.170</b>	<b>838.170</b>	<b>891.630</b>	<b>896.030</b>	<b>884.128</b>
<b><u>Retail Price</u></b>	<b>1,708.00</b>	<b>1,685.00</b>			
<b><u>Wholesale price</u></b>			<b>1,564.830</b>	<b>1,569.230</b>	<b>1,057.088</b>

**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>
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
05-Jul-17	1 286.00	1 237.00	<b>1097.330</b>	<b>1058.630</b>	657.088	599.188	2 053.00	1 864.00
02-Aug-17	1 305.00	1 256.00	<b>1126.330</b>	<b>1087.630</b>	683.088	625.188	2 092.00	1 904.00
06-Sep-17	1 372.00	1 323.00	<b>1170.330</b>	<b>1131.630</b>	732.088	674.188	2 178.00	1 990.00
04-Oct-17	1 401.00	1 352.00	<b>1212.330</b>	<b>1173.630</b>	771.088	713.188	2 217.00	2 028.00
01-Nov-17	1 405.00	1 356.00	<b>1235.330</b>	<b>1196.630</b>	792.088	734.188	2 234.00	2 045.00
06-Dec-17	1 476.00	1 427.00	<b>1295.630</b>	<b>1256.930</b>	865.388	807.488	2 438.00	2 236.00
03-Jan-18	1 442.00	1 393.00	<b>1273.630</b>	<b>1234.930</b>	837.388	779.488	2 367.00	2 165.00
07-Feb-18	1 412.00	1 363.00	<b>1256.630</b>	<b>1217.930</b>	818.388	760.488	2 344.00	2 142.00
07-Mar-18	1 376.00	1 327.00	<b>1209.630</b>	<b>1170.930</b>	795.388	737.488	2 275.00	2 073.00
04-Apr-18	1 448.00	1 389.00	<b>1274.830</b>	<b>1226.030</b>	793.088	732.588	2 314.00	2 111.00
02-May-18	1 497.00	1 438.00	<b>1333.830</b>	<b>1285.030</b>	845.088	784.588	2 384.00	2 180.00
06-Jun-18	1 579.00	1 520.00	<b>1418.830</b>	<b>1370.030</b>	927.088	866.588	2 522.00	2 318.00
04-Jul-18	1 602.00	1 543.00	<b>1444.830</b>	<b>1396.030</b>	949.088	888.588	2 559.00	2 356.00
01-Aug-18	1 603.00	1 544.00	<b>1440.830</b>	<b>1392.030</b>	953.088	892.588	2 576.00	2 372.00
05-Sep-18	1 608.00	1 549.00	<b>1440.830</b>	<b>1392.030</b>	953.088	892.588	2 576.00	2 372.00
03-Oct-18	1 708.00	1 649.00	<b>1564.830</b>	<b>1516.030</b>	1057.088	996.588	2 755.00	2 551.00