

**MEDIA STATEMENT - FOR RELEASE ON 28 FEBRUARY 2020**

**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 04 MARCH 2020 IN GAUTENG (INCREASE) / DECREASE**

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	19.00	cents per litre <b>decrease</b> in retail price
Both Grades of Diesel 0.05% and 0.005% Sulphur	54.00	cents per litre <b>decrease</b> in wholesale price
Illuminating Paraffin (Wholesale)	68.00	cents per litre <b>decrease</b> in wholesale price
Illuminating Paraffin (SMNRP) Maximum Retail Price for	91.00	cents per litre <b>decrease</b> in the Single Maximum National Retail price (SMNRP)
LPGAS	32.00	cents per kilogram <b>decrease</b> in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 31 JANUARY 2020 TO 27 FEBRUARY 2020**

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 31 January 2020 to 27 February 2020 was 14.9789 compared to 14.3276 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 29.13 c/l, 29.73 c/l and 29.00 c/l

**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 04 March 2020.

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

The Single Maximum National Retail Price for the period 04 March 2020 to 31 March 2020 will be 1 085.0 c/l compared to 1 176.0 c/l for the period 05 February 2020 to 03 March 2020.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 8 700.72 per metric ton (482.89 c/l), excluding VAT, for the period 04 March 2020 to 31 March 2020.

## 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	48.018	84.456	84.752	96.570
Movement in Exchange Rate	( 29.134)	( 29.726)	( 29.958)	( 29.002)
<b><u>BFP Over/(under)-recovery for the period 31/01/2020 to 27/02/2020</u></b>	<b>18.884</b>	<b>54.730</b>	<b>54.794</b>	<b>67.568</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 20 days from 31/01/2020 to 27/02/2020 (cents / litre) as detailed below

Average product over/(under)-recovery, measured for the 20 days from 31/01/2020 to 27/02/2020 (cents / litre) as detailed below	18.884	54.730	54.794	67.568	-
Cumulative positive/(negative) slate balances end of January 2020 (R-million)	707.418	( 38.453)	( 38.453)	5.968	-

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

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

Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	19.000	54.000	54.000	68.000	32.000
<b><u>Total price (increase) / decrease</u></b>	<b>19.000</b>	<b>54.000</b>	<b>54.000</b>	<b>68.000</b>	<b>32.000</b>

## 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 04/03/2020 TO 31/03/2020 WILL BE AS FOLLOWS**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	870.072	870.072
Primary transport costs	45.495	215.662
Operating expenses	446.452	446.452
Working capital	33.841	33.841
Depreciation	166.011	166.011
Gross margin: Cylinder-filling plant	212.125	212.125
Sub-total (1)	<b>1 773.996</b>	<b>1 944.163</b>
Retail Margin: (15% of Subtotal (1))	266.099	291.624
Sub-total (2)	<b>2 040.095</b>	<b>2 235.787</b>
Value Added Tax (15% Sub-total (2))	306.014	335.368
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 346.000</b>	<b>2 571.000</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 04/03/2020 TO 31/03/2020 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	35.700	35.700	74.600	74.600	74.600
Secondary Storage	23.000	23.000	23.000	23.000	23.000
Secondary Distribution	15.200	15.200	15.200	15.200	15.200
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	211.600	211.600	0.000	0.000	0.000
Zone differential in Gauteng	57.400	57.400	57.400	57.400	70.400
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	361.000	361.000	347.000	347.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	198.000	198.000	198.000	198.000	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
Pump Rounding	( 0.200)	( 0.200)			
Sub-total	916.030	906.030	719.630	719.630	190.600
<u>Contribution to the Basic Fuel Price</u>	667.970	645.970	683.630	689.030	666.128
<u>Retail Price</u>	<u>1,584.00</u>	<u>1,552.00</u>			
<u>Wholesale price</u>			<u>1,403.260</u>	<u>1,408.660</u>	<u>856.728</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
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
07-Nov-18	1 708.00	1 649.00	<b>1612.750</b>	<b>1563.950</b>	1085.088	1024.588	2 694.00	2 490.00
05-Dec-18	1 524.00	1 465.00	<b>1467.340</b>	<b>1418.540</b>	951.678	891.178	2 451.00	2 238.00
02-Jan-19	1 401.00	1 342.00	<b>1313.420</b>	<b>1264.620</b>	828.678	768.178	2 319.00	2 106.00
06-Feb-19	1 408.00	1 349.00	<b>1314.420</b>	<b>1265.620</b>	823.678	763.178	2 308.00	2 095.00
06-Mar-19	1 482.00	1 423.00	<b>1405.420</b>	<b>1356.620</b>	899.678	839.178	2 409.00	2 196.00
03-Apr-19	1 613.00	1 549.00	<b>1487.120</b>	<b>1432.920</b>	962.678	895.478	2 580.00	2 367.00
01-May-19	1 667.00	1 603.00	<b>1488.120</b>	<b>1433.920</b>	965.678	898.478	2 664.00	2 451.00
05-Jun-19	1 676.00	1 612.00	<b>1521.280</b>	<b>1467.080</b>	973.678	906.478	2 657.00	2 443.00
03-Jul-19	1 581.00	1 517.00	<b>1446.500</b>	<b>1392.300</b>	916.678	849.478	2 524.00	2 310.00
07-Aug-19	1 592.00	1 528.00	<b>1433.210</b>	<b>1379.010</b>	914.678	847.478	2 555.00	2 342.00
04-Sep-19	1 603.00	1 539.00	<b>1459.210</b>	<b>1405.010</b>	938.678	871.478	2 539.00	2 326.00
02-Oct-19	1 621.00	1 557.00	<b>1484.210</b>	<b>1430.010</b>	963.678	896.478	2 556.00	2 343.00
06-Nov-19	1 608.00	1 544.00	<b>1468.210</b>	<b>1414.010</b>	940.678	873.478	2 526.00	2 313.00
04-Dec-19	1 630.00	1 566.00	<b>1453.260</b>	<b>1399.060</b>	922.728	855.528	2 628.00	2 403.00
01-Jan-20	1 616.00	1 552.00	<b>1462.260</b>	<b>1408.060</b>	927.728	860.528	2 604.00	2 379.00
05-Feb-20	1 603.00	1 539.00	<b>1457.260</b>	<b>1403.060</b>	924.728	857.528	2 603.00	2 378.00
03-Mar-20	1 584.00	1 520.00	<b>1403.260</b>	<b>1349.060</b>	856.728	789.528	2 571.00	2 346.00