

**MEDIA STATEMENT - FOR RELEASE ON 31 JULY 2020**

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY**

**ENQUIRIES: MRS LERATO NTSOKO 082 459 2788 / MR J MOKOBANE 082 766 3674**

**1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 05 AUGUST 2020 IN GAUTENG (INCREASE) / DECREASE**

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	(5.00)	cents per litre <b>increase</b> in retail price
Both Grades of Diesel 0.05% and 0.005% Sulphur	(45.00)	cents per litre <b>increase</b> in wholesale price
Illuminating Paraffin (Wholesale)	(39.00)	cents per litre <b>increase</b> in wholesale price
Illuminating Paraffin (SMNRP)	(52.00)	cents per litre <b>increase</b> in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	4.00	cents per kilogram <b>decrease</b> in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 26 JUNE 2020 TO 30 JULY 2020**

The average international product prices for Petrol, Diesel and Illuminating Paraffin increased 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 26 June 2020 to 30 July 2020 was 16.8234 compared to 17.1271 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 9.93 c/l, 10.43 c/l and 9.27 c/l respectively.

**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 05 August 2020.

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

The Single Maximum National Retail Price for the period 05 August 2020 to 01 September 2020 will be 934.0 c/l compared to 882.0 c/l for the period 01 July 2020 to 04 August 2020.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 8 714.19 per metric ton (483.64 c/l), excluding VAT, for the period 05 August 2020 to 01 September 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>
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### Movements in external factors

Movement in International Product Prices	( 15.873)	( 56.277)	( 55.924)	( 49.167)
Movement in Exchange Rate	9.930	10.429	10.509	9.267

### BFP Over/(under)-recovery for the period 26/06/2020 to 30/07/2020

	( 5.943)	( 45.848)	( 45.415)	( 39.900)
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## 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 25 days from 26/06/2020 to 30/07/2020 (cents / litre) as detailed below

	( 5.943)	( 45.848)	( 45.415)	( 39.900)	-
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Cumulative positive/(negative) slate balances end of June 2020 (R-million)

	1 052.808	962.305	962.305	104.051	-
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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

	( 5.000)	( 45.000)	( 45.000)	( 39.000)	4.000
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### Total price (increase) / decrease

	<b>( 5.000)</b>	<b>( 45.000)</b>	<b>( 45.000)</b>	<b>( 39.000)</b>	<b>4.000</b>
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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 05/08/2020 TO 01/09/2020 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	871.419	871.419
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>1 775.343</b>	<b>1 945.510</b>
Retail Margin: (15% of Subtotal (1))	266.301	291.827
Sub-total (2)	<b>2 041.644</b>	<b>2 237.337</b>
Value Added Tax (15% Sub-total (2))	306.247	335.600
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 348.000</b>	<b>2 573.000</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 05/08/2020 TO 01/09/2020 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	63.700	63.700	63.700	63.700	84.500
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	377.000	377.000	363.000	363.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	207.000	207.000	207.000	207.000	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	( 0.300)	( 0.300)			
Sub-total	947.230	937.230	750.930	750.930	204.700
<u>Contribution to the Basic Fuel Price</u>	569.770	550.770	597.630	602.030	538.128
<u>Retail Price</u>	<u>1,517.00</u>	<u>1,488.00</u>			
<u>Wholesale price</u>			<u>1,348.560</u>	<u>1,352.960</u>	<u>742.828</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
06-Jul-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
01-Apr-20	1 396.00	1 326.00	<b>1269.560</b>	<b>1209.260</b>	672.828	591.728	2 193.00	1 968.00
06-May-20	1 222.00	1 152.00	<b>1108.560</b>	<b>1048.260</b>	449.828	368.728	1 931.00	1 706.00
03-Jun-20	1 340.00	1 270.00	<b>1130.560</b>	<b>1070.260</b>	489.828	408.728	2 129.00	1 904.00
01-Jul-20	1 512.00	1 442.00	<b>1303.560</b>	<b>1243.260</b>	703.828	622.728	2 577.00	2 352.00
05-Aug-20	1 517.00	1 447.00	<b>1348.560</b>	<b>1288.260</b>	742.828	661.728	2 573.00	2 348.00