

MEDIA STATEMENT - FOR RELEASE ON 31 MARCH 2021

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 07 APRIL 2021 IN GAUTENG AND AT THE COAST (INCREASE)/DECREASE

	Gauteng	Coast	
95 ULP & LRP	(100.00)	(99.00)	cents per litre increase in retail price
93 ULP & LRP	(95.00)	(94.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	(65.20)	(64.00)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(63.20)	(62.00)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(34.80)	(34.00)	cents per litre increase in wholesale price

Illuminating Paraffin (SMNRP)	(35.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP) (Country Wide)
Maximum Retail Price for LPGAS	(48.00)	cents per kilogram increase in the maximum retail price

PRICE CHANGES WILL DIFFER IN MAGISTERIAL DISTRICT ZONES DUE TO THE DIFFERENT TRANSPORT DECREASES/INCREASES IMPLEMENTED INTO THE FUEL PRICE STRUCTURES AND THE REVISED PETROL 95/93 BFP OCTANE DIFFERENTIAL - REFER TO PARAGRAPHS 2 & 3 BELOW

2. ADJUSTMENTS TO THE TRANSPORT TARIFFS (ZONE DIFFERENTIAL)

In line with Ministerial approval, the annual adjustments to road transport tariffs applicable in petrol, diesel and IP price structures will range from 0.0 c/l (at the coast) to a decrease of 2.8 c/l (Gordonia South Magisterial District Pricing Zone). The primary transport tariffs applicable to the transport of petrol and diesel mainly by means of the pipeline network will increase. The highest increase will amount to 1.2 c/l (Zone 9C - Gauteng). As a result of the different transport tariff adjustments to be implemented on 07 April 2021, price changes to similar products will differ in the 54 Magisterial District Pricing Zones.

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

Furthermore, the quarterly Octane differential adjustment between Petrol 95 and 93 octanes in the same Magisterial District Pricing Zones will add to the different petrol price increases to be effected on 07 April 2021 on 95 and 93 in the 54 Magisterial District Pricing Zones.

4. FUEL AND ROAD ACCIDENT FUND LEVIES INCREASE

The Minister of Finance, in his Budget Speech on 25 February 2021, announced that the Fuel and the Road Accident Fund levies on both petrol and diesel will increase by 16.0 c/l and 11.0 c/l respectively on 07 April 2021. With effect from 07 April 2021, the Fuel Levy in the price structure of petrol and diesel will therefore amount to 393.0 c/l and 379.0 c/l respectively. The Road Accident Fund Levy in the price structure of both petrol and diesel will amount to 218.0 c/l with effect from 07 April 2021.

5. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 26 FEBRUARY 2021 TO 30 MARCH 2021

The average international product prices for 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 26 February 2021 to 30 March 2021 was 14.9829 compared to 14.7631 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 10.70 c/l, 10.03 c/l and 9.71 c/l respectively.

6. 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 07 April 2021.

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

The Single Maximum National Retail Price for the period 07 April 2021 to 04 May 2021 will be 1 106.0 c/l compared to 1 071.0 c/l for the period 03 March 2021 to 06 April 2021.

8. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R11 748.89 per metric ton (652.06 c/l), excluding VAT, for the period 07 April 2021 to 04 May 2021.

9. 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.

10. 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
<u>Movements in external factors</u>				
Movement in International Product Prices	(61.726)	(27.217)	(25.729)	(25.268)
Movement in Exchange Rate	(10.696)	(10.032)	(10.071)	(9.711)
<u>BFP Over/(under)-recovery for the period 26/02/2021 to 30/03/2021</u>	(72.422)	(37.249)	(35.800)	(34.979)

11. BREAKDOWN OF PRICE ADJUSTMENT

	Petrol 95 ULP & LRP	Diesel 0.05 (%) Sulphur	Diesel 0.005 (%) Sulphur	Illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
--	------------------------------------	------------------------------------	---	--	---

The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 23 days from 26/02/2021 to 30/03/2021 (cents / litre) as detailed below	(72.422)	(37.249)	(35.800)	(34.979)	-
Cumulative positive/(negative) slate balances end of February 2021 (R-million)	299.494	49.701	49.701	33.455	-

The price adjustments consist of the following elements:

	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	(72.000)	(37.000)	(35.000)	(34.000)	(48.000)
Fuel Levy Increase	(16.000)	(16.000)	(16.000)	-	-
Road Accident Fund Levy	(11.000)	(11.000)	(11.000)	-	-
Transport Tariff Increases	(1.200)	(1.200)	(1.200)	(0.800)	-
Price Rounding	0.200	-	-	-	-
<u>Total price (increase) / decrease</u>	(100.000)	(65.200)	(63.200)	(34.800)	(48.000)

12. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

13.

**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 07/04/2021 TO 04/05/2021 WILL BE AS FOLLOWS:**

<u>Price element</u>	<u>Coast Zone 1A</u>	<u>Inland Zone 9C</u>
Maximum refinery gate price	1 174.889	1 174.889
Primary transport costs	47.588	225.582
Operating expenses	464.757	464.757
Working capital	35.228	35.228
Depreciation	173.648	173.648
Gross margin: Cylinder-filling plant	221.883	221.883
Sub-total (1)	2 117.993	2 295.987
Retail Margin: (15% of Subtotal (1))	317.699	344.398
Sub-total (2)	2 435.692	2 640.385
Value Added Tax (15% Sub-total (2))	365.354	396.058
Maximum Retail Price (Rounded to full cents)	2 801.000	3 036.000

14. 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 07/04/2021 TO 04/05/2021 WILL BE AS FOLLOWS:**

	<u>Petrol 95 ULP c/l</u>	<u>Petrol 93 ULP & LRP c/l</u>	<u>Diesel 0.05% S c/l</u>	<u>Diesel 0.005% S c/l</u>	<u>Illumi- nating Paraffin c/l</u>
Wholesale margin	40.500	40.500	77.660	77.660	77.660
Secondary Storage	27.200	27.200	27.200	27.200	27.200
Secondary Distribution	15.800	15.800	15.800	15.800	15.800
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	221.600	221.600	0.000	0.000	0.000
Zone differential in Gauteng	64.900	64.900	64.900	64.900	85.300
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	393.000	393.000	379.000	379.000	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	0.000	0.000	0.000	0.000	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Pump Rounding	0.500	0.500			
Sub-total	995.830	985.830	786.990	786.990	213.360
<u>Contribution to the Basic Fuel Price</u>	736.170	724.170	690.630	693.030	667.128
<u>Retail Price</u>	<u>1,732.00</u>	<u>1,710.00</u>			
<u>Wholesale price</u>			<u>1,477.620</u>	<u>1,480.020</u>	<u>880.488</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
02-Jan-19	1 401.00	1 342.00	1313.420	1264.620	828.678	768.178	2 319.00	2 106.00
06-Feb-19	1 408.00	1 349.00	1314.420	1265.620	823.678	763.178	2 308.00	2 095.00
06-Mar-19	1 482.00	1 423.00	1405.420	1356.620	899.678	839.178	2 409.00	2 196.00
03-Apr-19	1 613.00	1 549.00	1487.120	1432.920	962.678	895.478	2 580.00	2 367.00
01-May-19	1 667.00	1 603.00	1488.120	1433.920	965.678	898.478	2 664.00	2 451.00
05-Jun-19	1 676.00	1 612.00	1521.280	1467.080	973.678	906.478	2 657.00	2 443.00
03-Jul-19	1 581.00	1 517.00	1446.500	1392.300	916.678	849.478	2 524.00	2 310.00
07-Aug-19	1 592.00	1 528.00	1433.210	1379.010	914.678	847.478	2 555.00	2 342.00
04-Sep-19	1 603.00	1 539.00	1459.210	1405.010	938.678	871.478	2 539.00	2 326.00
02-Oct-19	1 621.00	1 557.00	1484.210	1430.010	963.678	896.478	2 556.00	2 343.00
06-Nov-19	1 608.00	1 544.00	1468.210	1414.010	940.678	873.478	2 526.00	2 313.00
04-Dec-19	1 630.00	1 566.00	1453.260	1399.060	922.728	855.528	2 628.00	2 403.00
01-Jan-20	1 616.00	1 552.00	1462.260	1408.060	927.728	860.528	2 604.00	2 379.00
05-Feb-20	1 603.00	1 539.00	1457.260	1403.060	924.728	857.528	2 603.00	2 378.00
03-Mar-20	1 584.00	1 520.00	1403.260	1349.060	856.728	789.528	2 571.00	2 346.00
01-Apr-20	1 396.00	1 326.00	1269.560	1209.260	672.828	591.728	2 193.00	1 968.00
06-May-20	1 222.00	1 152.00	1108.560	1048.260	449.828	368.728	1 931.00	1 706.00
03-Jun-20	1 340.00	1 270.00	1130.560	1070.260	489.828	408.728	2 129.00	1 904.00
01-Jul-20	1 512.00	1 442.00	1303.560	1243.260	703.828	622.728	2 577.00	2 352.00
05-Aug-20	1 517.00	1 447.00	1348.560	1288.260	742.828	661.728	2 573.00	2 348.00
02-Sep-20	1 518.00	1 448.00	1327.560	1267.260	716.828	635.728	2 609.00	2 384.00
07-Oct-20	1 486.00	1 416.00	1237.560	1177.260	640.828	559.728	2 589.00	2 364.00
04-Nov-20	1 459.00	1 389.00	1225.560	1165.260	655.828	574.728	2 615.00	2 389.00
02-Dec-20	1 446.00	1 376.00	1245.420	1185.120	684.688	603.588	2 752.00	2 516.00
06-Jan-21	1 486.00	1 416.00	1300.420	1240.120	739.688	658.588	2 708.00	2 472.00
03-Feb-21	1 567.00	1 497.00	1358.420	1298.120	798.688	717.588	2 901.00	2 666.00
03-Mar-21	1 632.00	1 562.00	1412.420	1352.120	845.688	764.588	2 988.00	2 752.00
07-Apr-21	1 732.00	1 661.00	1477.620	1416.120	880.488	798.588	3 036.00	2 801.00