

MEDIA STATEMENT - FOR RELEASE ON 29 JULY 2022

**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 03 AUGUST 2022 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 & 95 (LRP & ULP)	132.00	cents per litre decrease in retail price
Diesel 0.05% Sulphur	88.00	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	91.00	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	144.00	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	192.00	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(57.00)	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 01 JULY 2022 TO 28 JULY 2022

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 01 July to 28 July 2022 was 16.8719 compared to 15.7624 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 95.66 c/l, 103.68 c/l and 105.12 c/l respectively.

3. SHORT TERM TEMPORARY RELIEF (FUEL LEVY)

The Minister of Finance and Minister of Mineral Resource and Energy jointly announced on 31 May 2022 that an extension of the temporary reduction in the general fuel levy by 150.0 c/l on both petrol and diesel until 05 July 2022 and thereafter adjusting the relief to 75.0 c/l from 06 July 2022 until 02 August 2022. The temporary relief will be withdrawn from 03 August 2022.

With effect from 03 August 2022, the Fuel Levy in the price structure of petrol and diesel will therefore amount to 394.0 c/l and 380.0 c/l respectively in the price structure of both petrol and diesel.

4. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of June 2022 amounted to a negative balance of R 16.734 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 52.62 c/l (no change) has been implemented into the price structures of petrol and diesel with effect from 03 August 2022.

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

The Single Maximum National Retail Price for the period 03 August 2022 to 06 September 2022 will be 2 431.0 c/l compared to 2 623.0 c/l for the period 06 July 2022 to 02 August 2022.

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R15 326.82 per metric ton (850.639 c/l), excluding VAT, for the period 03 August 2022 to 06 September 2022.

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.

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:

	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	303.159	267.301	271.148	249.774
Movement in Exchange Rate	(95.655)	(103.678)	(104.291)	(105.123)
<u>BFP Over/(under)-recovery for the period 01/07/2022 to 28/07/2022</u>	207.504	163.623	166.857	144.651

9. 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 01/07/2022 to 28/07/2022 (cents / litre) as detailed below

Average product over/(under)-recovery, measured for the 20 days from 01/07/2022 to 28/07/2022 (cents / litre) as detailed below	207.504	163.623	166.857	144.651	-
Cumulative positive/(negative) slate balances end of June 2022 (R-million)	(6 490.357)	(10 243.452)	(10 243.452)	(967.013)	-

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	207.000	163.000	166.000	144.000	(57.000)
Increase in Fuel Levy	(75.000)	(75.000)	(75.000)		-
<u>Total price (increase) / decrease</u>	132.000	88.000	91.000	144.000	(57.000)

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 02/08/2022 TO 06/09/2022 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 532.682	1 532.682
Primary transport costs	48.825	231.447
Operating expenses	480.094	480.094
Working capital	36.391	36.391
Depreciation	178.163	178.163
Gross margin: Cylinder-filling plant	227.652	227.652
Sub-total (1)	2 503.807	2 686.429
Retail Margin: (15% of Subtotal (1))	375.571	402.964
Sub-total (2)	2 879.378	3 089.393
Value Added Tax (15% Sub-total (2))	431.907	463.409
Maximum Retail Price (Rounded to full cents)	3 311.000	3 553.000

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 02/08/2022 TO 06/09/2022 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	45.500	45.500	80.220	80.220	80.220
Secondary Storage	30.700	30.700	30.700	30.700	30.700
Secondary Distribution	17.940	17.940	17.940	17.940	17.940
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	228.800	228.800	0.000	0.000	0.000
Zone differential in Gauteng	67.900	67.900	67.900	67.900	81.900
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	394.000	394.000	380.000	380.000	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
DSML	0.000	0.000	0.000	0.000	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	1 059.590	1 059.590	851.810	851.810	218.160
<u>Contribution to the Basic Fuel</u>					
<u>Price</u>	1 482.410	1 439.410	1 600.630	1 610.030	1 624.128
<u>Retail Price</u>	<u>2,542.00</u>	<u>2,499.00</u>			
<u>Wholesale price</u>			<u>2,452.440</u>	<u>2,461.840</u>	<u>1,842.288</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
01-Jan-20	1,616.00	1,552.00	1,462.260	1,408.060	927.728	860.528	2,604.00	2,379.00
05-Feb-20	1,603.00	1,539.00	1,457.260	1,403.060	924.728	857.528	2,603.00	2,378.00
03-Mar-20	1,584.00	1,520.00	1,403.260	1,349.060	856.728	789.528	2,571.00	2,346.00
01-Apr-20	1,396.00	1,326.00	1,269.560	1,209.260	672.828	591.728	2,193.00	1,968.00
06-May-20	1,222.00	1,152.00	1,108.560	1,048.260	449.828	368.728	1,931.00	1,706.00
03-Jun-20	1,340.00	1,270.00	1,130.560	1,070.260	489.828	408.728	2,129.00	1,904.00
01-Jul-20	1,512.00	1,442.00	1,303.560	1,243.260	703.828	622.728	2,577.00	2,352.00
05-Aug-20	1,517.00	1,447.00	1,348.560	1,288.260	742.828	661.728	2,573.00	2,348.00
02-Sep-20	1,518.00	1,448.00	1,327.560	1,267.260	716.828	635.728	2,609.00	2,384.00
07-Oct-20	1,486.00	1,416.00	1,237.560	1,177.260	640.828	559.728	2,589.00	2,364.00
04-Nov-20	1,459.00	1,389.00	1,225.560	1,165.260	655.828	574.728	2,615.00	2,389.00
02-Dec-20	1,446.00	1,376.00	1,245.420	1,185.120	684.688	603.588	2,752.00	2,516.00
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