

**MEDIA STATEMENT - FOR RELEASE ON 02 OCTOBER 2015**

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

**ENQUIRIES: MR J MOKOBANE 082 766 3674**

**1. ADJUSTMENT TO THE FUEL PRICES: WEDNESDAY, 07 OCTOBER 2015**

Product:

|                                   |        |  |
|-----------------------------------|--------|--|
| Petrol 93 ULP & LRP               | 2.000  | cents per litre <b>decrease</b> in retail price                  |
| Petrol 95 ULP & LRP               | 4.000  | cents per litre increase in retail price                         |
| Diesel 0.05% Sulphur              | 53.000 | cents per litre increase in wholesale price                      |
| Diesel 0.005% Sulphur             | 51.000 | cents per litre increase in wholesale price                      |
| Illuminating Paraffin (Wholesale) | 50.000 | cents per litre increase in wholesale price                      |
| Illuminating Paraffin (SMNRP)     | 67.000 | c/l increase in the Single Maximum National Retail price (SMNRP) |
| Maximum Retail Price for LPGAS    | 11.000 | cents per kilogram increase in the maximum retail price          |

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 28 AUGUST 2015 TO 01 OCTOBER 2015**

The average international product prices of Petrol decreased whilst Diesel and Illuminating Paraffin increased during the period under review.

The Rand weakened against the US Dollar, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 28 August 2015 to 01 October 2015 was 13.5949 compared to 12.8609 during the previous period.

The weakening of the Rand against the US Dollar increased the contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 32.00 c/l, 30.89 c/l and 30.27 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 07 October 2015.

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

The Single Maximum National Retail Price for the period 07 October 2015 to 03 November 2015 will be 914.0 c/l compared to 847.0 c/l for the period 02 September 2015 to 06 October 2015, this is an increase of 67.0 c/l.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 7 548.88 per metric ton (418.96 c/l), excluding VAT, for the period 07 October 2015 to 03 November 2015.

**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<br/>95 ULP<br/>c/l</b> | <b>** Diesel<br/>0.05%<br/>c/l</b> | <b>** Diesel<br/>0.005%<br/>c/l</b> | <b>illuminating<br/>Paraffin<br/>c/l</b> |
|----------------------------------|------------------------------------|-------------------------------------|--|
|----------------------------------|------------------------------------|-------------------------------------|--|

**Movements in external factors**

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Movement in International Product Prices | 27.094    | ( 22.125) | ( 20.022) | ( 19.584) |
| Movement in Exchange Rate                | ( 31.995) | ( 30.889) | ( 31.228) | ( 30.266) |

**BFP Over/(under)-recovery for the period  
28/08/2015 to 01/10/2015**

|  |          |           |           |           |
|--|----------|-----------|-----------|-----------|
|  | ( 4.901) | ( 53.014) | ( 51.250) | ( 49.850) |
|--|----------|-----------|-----------|-----------|

**8. BREAKDOWN OF PRICE ADJUSTMENT**

| <b>Petrol 95<br/>ULP &amp; LRP</b> | <b>Diesel<br/>0.05(%)<br/>Sulphur</b> | <b>Diesel<br/>0.005(%)<br/>Sulphur</b> | <b>illuminating<br/>Paraffin<br/>Wholesale</b> | <b>LPGAS<br/>(Gauteng,<br/>Zone 9C)</b> |
|------------------------------------|---------------------------------------|--|--|---|
|------------------------------------|---------------------------------------|--|--|---|

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

|   |          |           |           |           |     |
|---|----------|-----------|-----------|-----------|-----|
| Average product over/(under)-recovery,<br>measured for the 25 days from 28/08/2015<br>to 01/10/2015 (cents / litre) as detailed below | ( 4.901) | ( 53.014) | ( 51.250) | ( 49.850) | N/A |
|---|----------|-----------|-----------|-----------|-----|

|   |           |           |           |            |
|---|-----------|-----------|-----------|------------|
| Cumulative positive/(negative) slate<br>balances end of August 2015 (R-million) | 2 533.983 | 3 256.030 | 3 256.030 | ( 168.756) |
|---|-----------|-----------|-----------|------------|

**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<br>rounded to the nearest full cent for price<br>(increase) / decrease | ( 4.000)        | ( 53.000)        | ( 51.000)        | ( 50.000)        |                  |
| LPGas BFP, Retail and VAT<br>(increase)/decrease   |                 |                  |                  | ( 11.000)        |                  |
| <b><u>Total price (increase) / decrease</u></b>  | <b>( 4.000)</b> | <b>( 53.000)</b> | <b>( 51.000)</b> | <b>( 50.000)</b> | <b>( 11.000)</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 07/10/2015 TO 03/11/2015 WILL BE AS FOLLOWS**

| <u>Price element</u>                                | <b>Coast<br/>Zone 1A</b> | <b>Inland<br/>Zone 9C</b> |
|---|--------------------------|---------------------------|
| Maximum refinery gate price                         | 754.888                  | 754.888                   |
| Primary transport costs                             | 37.120                   | 175.960                   |
| Operating expenses                                  | 343.000                  | 343.000                   |
| Working capital                                     | 26.000                   | 26.000                    |
| Depreciation  | 126.000                  | 126.000                   |
| Gross margin: Cylinder-filling plant                | 161.000                  | 161.000                   |
| Sub-total (1)                                       | <b>1 448.008</b>         | <b>1 586.848</b>          |
| Retail Margin: (15% of Subtotal (1))                | 217.201                  | 238.027                   |
| Sub-total (2)                                       | <b>1 665.209</b>         | <b>1 824.875</b>          |
| Value Added Tax (14% Sub-total (2))                 | 233.129                  | 255.483                   |
| <b>Maximum Retail Price (Rounded to full cents)</b> | <b>1 898.000</b>         | <b>2 080.000</b>          |

11. The annexure attached contains details of the composition of product prices as well as history of the price

**ANNEXURE 1**

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE  
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG  
FOR THE PERIOD 07/10/2015 TO 03/11/2015 WILL BE AS FOLLOWS:**

|   | <b>Petrol 95<br/>ULP<br/>c/l</b> | <b>Petrol 93<br/>ULP &amp;<br/>LRP<br/>c/l</b> | <b>Diesel<br/>0.05% S<br/>c/l</b> | <b>Diesel<br/>0.005% S<br/>c/l</b> | <b>Illumi-<br/>nating<br/>Paraffin<br/>c/l</b> |
|---|----------------------------------|--|-----------------------------------|------------------------------------|--|
| Wholesale margin                                | 33.500                           | 33.500   | 64.700                            | 64.700                             | 64.700   |
| Secondary Storage                               | 17.400                           | 17.400   | 17.400                            | 17.400                             | 17.400   |
| Secondary Distribution                          | 12.600                           | 12.600   | 12.600                            | 12.600                             | 12.600   |
| Router Differential                             | 0.000                            | 0.000  | 0.000                             | 0.000                              | 7.400  |
| Retail margin                                   | 155.700                          | 155.700  | 0.000                             | 0.000                              | 0.000  |
| Zone differential in<br>Gauteng                 | 35.300                           | 35.300   | 35.300                            | 35.300                             | 55.600   |
| IP Tracer levy                                  | 0.000                            | 0.000  | 0.010                             | 0.010                              | 0.000  |
| Fuel levy                                       | 255.000                          | 255.000  | 240.000                           | 240.000                            | 0.000  |
| Customs & excise duty                           | 4.000                            | 4.000  | 4.000                             | 4.000                              | 0.000  |
| RAF levy  | 154.000                          | 154.000  | 154.000                           | 154.000                            | 0.000  |
| Petroleum Products<br>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<br>Levy                       | 0.000                            | 0.000  | 0.000                             | 0.000                              | 0.000  |
| Pump Rounding                                   | 0.300                            | 0.300  |                                   |                                    |  |
| Sub-total                                       | 678.130                          | 668.130  | 528.340                           | 528.340                            | 157.700  |
| <u>Contribution to the<br/>Basic Fuel Price</u> | 582.870                          | 561.870  | 565.630                           | 572.030                            | 554.128  |
| <br>  |                                  |  |                                   |                                    |  |
| <u>Retail Price</u>                             | <u>1,261.00</u>                  | <u>1,230.00</u>                                |                                   |                                    |  |
| <br>  |                                  |  |                                   |                                    |  |
| <u>Wholesale price</u>                          |                                  |  | <u>1,093.970</u>                  | <u>1,100.370</u>                   | <u>711.828</u>                                 |

**STATISTICS OF PRICE CHANGES**

| <u>Effective from:</u> | <b>Petrol 95 ULP</b>                     |                         | <b>Diesel</b>             |                         | <b>Illuminating Paraffin</b> |                         | <b>LPGAS</b>               |                          |
|------------------------|--|-------------------------|---------------------------|-------------------------|------------------------------|-------------------------|----------------------------|--------------------------|
|                        | <b>Gauteng<br/>SA c/l</b>                | <b>Coast<br/>SA c/l</b> | <b>Gauteng<br/>SA c/l</b> | <b>Coast<br/>SA c/l</b> | <b>Gauteng<br/>SA c/l</b>    | <b>Coast<br/>SA c/l</b> | <b>Gauteng<br/>SA c/Kg</b> | <b>Coast<br/>SA c/Kg</b> |
|                        | <b>From 4 January 2006 0,05% Sulphur</b> |                         |                           |                         |                              |                         |                            |                          |
| 04-Jan-12              | 1 061.00                                 | 1 031.00                | <b>1027.690</b>           | <b>1007.290</b>         | 788.428                      | 752.528                 | 2 121.00                   | 1 939.00                 |
| 01-Feb-12              | 1 095.00                                 | 1 065.00                | <b>1026.690</b>           | <b>1006.290</b>         | 785.428                      | 749.528                 | 2 171.00                   | 1 989.00                 |
| 07-Mar-12              | 1 123.00                                 | 1 093.00                | <b>1037.070</b>           | <b>1016.670</b>         | 789.428                      | 753.528                 | 2 207.00                   | 2 025.00                 |
| 04-Apr-12              | 1 194.00                                 | 1 159.00                | <b>1088.970</b>           | <b>1064.270</b>         | 816.028                      | 774.128                 | 2 275.00                   | 2 093.00                 |
| 02-May-12              | 1 222.00                                 | 1 187.00                | <b>1098.370</b>           | <b>1073.670</b>         | 825.028                      | 783.128                 | 2 306.00                   | 2 124.00                 |
| 06-Jun-12              | 1 167.00                                 | 1 132.00                | <b>1073.550</b>           | <b>1048.850</b>         | 804.028                      | 762.128                 | 2 207.00                   | 2 025.00                 |
| 04-Jul-12              | 1 082.00                                 | 1 047.00                | <b>1010.970</b>           | <b>986.270</b>          | 746.028                      | 704.128                 | 2 094.00                   | 1 912.00                 |
| 01-Aug-12              | 1 104.00                                 | 1 069.00                | <b>1025.590</b>           | <b>1000.890</b>         | 761.028                      | 719.128                 | 2 146.00                   | 1 964.00                 |
| 05-Sep-12              | 1 197.00                                 | 1 162.00                | <b>1094.590</b>           | <b>1069.890</b>         | 834.028                      | 792.128                 | 2 275.00                   | 2 093.00                 |
| 03-Oct-12              | 1 220.00                                 | 1 185.00                | <b>1133.750</b>           | <b>1109.050</b>         | 867.028                      | 825.128                 | 2 272.00                   | 2 090.00                 |
| 07-Nov-12              | 1 210.00                                 | 1 175.00                | <b>1143.950</b>           | <b>1119.250</b>         | 870.028                      | 828.128                 | 2 273.00                   | 2 091.00                 |
| 05-Dec-12              | 1 201.00                                 | 1 166.00                | <b>1138.950</b>           | <b>1114.250</b>         | 866.028                      | 824.128                 | 2 238.00                   | 2 056.00                 |
| 02-Jan-13              | 1 186.00                                 | 1 151.00                | <b>1111.370</b>           | <b>1086.670</b>         | 849.028                      | 807.128                 | 2 229.00                   | 2 047.00                 |
| 06-Feb-13              | 1 227.00                                 | 1 192.00                | <b>1129.170</b>           | <b>1104.470</b>         | 875.028                      | 833.128                 | 2 302.00                   | 2 120.00                 |
| 06-Mar-13              | 1 308.00                                 | 1 273.00                | <b>1187.550</b>           | <b>1162.850</b>         | 932.028                      | 890.128                 | 2 420.00                   | 2 238.00                 |
| 03-Apr-13              | 1 320.00                                 | 1 283.00                | <b>1196.610</b>           | <b>1170.010</b>         | 906.228                      | 860.328                 | 2 365.00                   | 2 183.00                 |
| 01-May-13              | 1 247.00                                 | 1 210.00                | <b>1141.050</b>           | <b>1114.450</b>         | 848.228                      | 802.328                 | 2 284.00                   | 2 102.00                 |
| 05-Jun-13              | 1 239.00                                 | 1 202.00                | <b>1137.070</b>           | <b>1110.470</b>         | 849.228                      | 803.328                 | 2 289.00                   | 2 107.00                 |
| 03-Jul-13              | 1 323.00                                 | 1 286.00                | <b>1215.270</b>           | <b>1188.670</b>         | 924.228                      | 878.328                 | 2 418.00                   | 2 236.00                 |
| 07-Aug-13              | 1 355.00                                 | 1 318.00                | <b>1248.230</b>           | <b>1221.630</b>         | 949.228                      | 903.328                 | 2 440.00                   | 2 258.00                 |
| 04-Sep-13              | 1 350.00                                 | 1 313.00                | <b>1262.050</b>           | <b>1235.450</b>         | 974.228                      | 928.328                 | 2 449.00                   | 2 267.00                 |
| 02-Oct-13              | 1 330.00                                 | 1 293.00                | <b>1260.050</b>           | <b>1233.450</b>         | 970.228                      | 924.328                 | 2 409.00                   | 2 227.00                 |
| 06-Nov-13              | 1 302.00                                 | 1 265.00                | <b>1244.850</b>           | <b>1218.250</b>         | 954.228                      | 908.328                 | 2 368.00                   | 2 186.00                 |
| 04-Dec-13              | 1 319.00                                 | 1 282.00                | <b>1254.970</b>           | <b>1228.370</b>         | 970.728                      | 924.828                 | 2 386.00                   | 2 204.00                 |
| 01-Jan-14              | 1 357.00                                 | 1 320.00                | <b>1287.150</b>           | <b>1260.550</b>         | 1009.728                     | 963.828                 | 2 442.00                   | 2 260.00                 |
| 05-Feb-14              | 1 396.00                                 | 1 359.00                | <b>1311.350</b>           | <b>1284.750</b>         | 1021.728                     | 975.828                 | 2 496.00                   | 2 314.00                 |
| 05-Mar-14              | 1 432.00                                 | 1 395.00                | <b>1338.550</b>           | <b>1311.950</b>         | 1037.728                     | 991.828                 | 2 554.00                   | 2 372.00                 |
| 02-Apr-14              | 1 439.00                                 | 1 398.00                | <b>1329.750</b>           | <b>1299.150</b>         | 1003.228                     | 953.028                 | 2 532.00                   | 2 350.00                 |
| 07-May-14              | 1 424.00                                 | 1 383.00                | <b>1299.970</b>           | <b>1269.370</b>         | 984.228                      | 934.028                 | 2 528.00                   | 2 346.00                 |
| 04-Jun-14              | 1 402.00                                 | 1 361.00                | <b>1276.390</b>           | <b>1245.790</b>         | 974.228                      | 924.028                 | 2 501.00                   | 2 319.00                 |
| 02-Jul-14              | 1 433.00                                 | 1 392.00                | <b>1290.390</b>           | <b>1259.790</b>         | 997.228                      | 947.028                 | 2 559.00                   | 2 377.00                 |
| 06-Aug-14              | 1 433.00                                 | 1 392.00                | <b>1284.770</b>           | <b>1254.170</b>         | 990.228                      | 940.028                 | 2 547.00                   | 2 365.00                 |
| 03-Sep-14              | 1 366.00                                 | 1 325.00                | <b>1259.390</b>           | <b>1228.790</b>         | 971.228                      | 921.028                 | 2 439.00                   | 2 257.00                 |
| 01-Oct-14              | 1 361.00                                 | 1 320.00                | <b>1246.390</b>           | <b>1215.790</b>         | 957.228                      | 907.028                 | 2 451.00                   | 2 269.00                 |
| 05-Nov-14              | 1 316.00                                 | 1 275.00                | <b>1185.390</b>           | <b>1154.790</b>         | 905.228                      | 855.028                 | 2 346.00                   | 2 164.00                 |
| 03-Dec-14              | 1 247.00                                 | 1 206.00                | <b>1132.090</b>           | <b>1101.490</b>         | 855.928                      | 805.728                 | 2 221.00                   | 2 039.00                 |
| 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                 |