

**MEDIA STATEMENT - FOR RELEASE ON 02 FEBRUARY 2018**

**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 07 FEBRUARY 2018 IN GAUTENG (INCREASE) / DECREASE**

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	30.00	cents per litre decrease in retail price
Both Grades of Diesel 0.05% and 0.005% Sulphur	17.00	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	19.00	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	26.00	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	23.00	cents per kilogram decrease in the maximum retail price

**2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 28 DECEMBER 2017 TO 01 FEBRUARY 2018**

The average international product prices of 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 28 December 2017 to 01 February 2018 was 12.2029 compared to 13.2303 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 52.85 c/l, 54.66 c/l and 54.88 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 February 2018.

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

The Single Maximum National Retail Price for the period 07 February 2018 to 06 March 2018 will be 1 056.0 c/l compared to 1 082.0 c/l for the period 03 January 2018 to 06 February 2018.

**5. MAXIMUM LPGAS REFINERY GATE PRICE**

The maximum refinery gate price will be R 8 153.89 per metric ton (452.54 c/l), excluding VAT, for the period 07 February 2018 to 06 March 2018.

**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	( 23.116)	( 37.805)	( 38.416)	( 35.274)
Movement in Exchange Rate	52.846	54.655	54.937	54.880
<b><u>BFP Over/(under)-recovery for the period 28/12/2017 to 01/02/2018</u></b>	<b>29.730</b>	<b>16.850</b>	<b>16.521</b>	<b>19.606</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 26 days from 28/12/2017 to 01/02/2018 (cents / litre) as detailed below

29.730      16.850      16.521      19.606      N/A

Cumulative positive/(negative) slate balances end of December 2017 (R-million)

1 368.145      803.634      803.634      ( 61.550)

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

**c/l**                      **c/l**                      **c/l**                      **c/l**

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

30.000      17.000      17.000      19.000      23.000

**Total price (increase) / decrease**

**30.000      17.000      17.000      19.000      23.000**

**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 07/02/2018 TO 06/03/2018 WILL BE AS FOLLOWS**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	815.389	815.389
Primary transport costs	41.148	195.056
Operating expenses	404.949	404.949
Working capital	30.695	30.695
Depreciation	150.149	150.149
Gross margin: Cylinder-filling plant	191.857	191.857
Sub-total (1)	<b>1 634.187</b>	<b>1 788.095</b>
Retail Margin: (15% of Subtotal (1))	245.128	268.214
Sub-total (2)	<b>1 879.315</b>	<b>2 056.309</b>
Value Added Tax (14% Sub-total (2))	263.104	287.883
<b>Maximum Retail Price (Rounded to full cents)</b>	<b>2 142.000</b>	<b>2 344.000</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 07/02/2018 TO 06/03/2018 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	34.000	34.000	67.660	67.660	67.660
Secondary Storage	18.600	18.600	18.600	18.600	18.600
Secondary Distribution	15.900	15.900	15.900	15.900	15.900
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	187.200	187.200	0.000	0.000	0.000
Zone differential in Gauteng	41.500	41.500	41.500	41.500	60.700
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	315.000	315.000	300.000	300.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	163.000	163.000	163.000	163.000	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
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Pump Rounding	0.300	0.300			
Sub-total	789.830	779.830	611.000	611.000	170.260
<u>Contribution to the Basic Fuel Price</u>	622.170	610.170	645.630	648.030	648.128
<u>Retail Price</u>	<u>1,412.00</u>	<u>1,390.00</u>			
<u>Wholesale price</u>			<u>1,256.630</u>	<u>1,259.030</u>	<u>818.388</u>

**STATISTICS OF PRICE CHANGES**

Effective from:	Petrol 95 ULP		Diesel		Illuminating Paraffin		LPGAS	
	Gauteng	Coast	Gauteng	Coast	Gauteng	Coast	Gauteng	Coast
	SA c/l	SA c/l	SA c/l	SA c/l	SA c/l	SA c/l	SA c/Kg	SA c/Kg
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
04-Nov-15	1 239.00	1 196.00	<b>1084.970</b>	<b>1052.270</b>	709.828	656.828	2 033.00	1 851.00
02-Dec-15	1 240.00	1 197.00	<b>1081.170</b>	<b>1048.470</b>	710.028	657.028	2 029.00	1 847.00
06-Jan-16	1 237.00	1 194.00	<b>1005.170</b>	<b>972.470</b>	647.028	594.028	2 074.00	1 892.00
03-Feb-16	1 243.00	1 200.00	<b>943.170</b>	<b>910.470</b>	588.028	535.028	2 075.00	1 893.00
02-Mar-16	1 174.00	1 131.00	<b>958.170</b>	<b>925.470</b>	605.028	552.028	1 955.00	1 773.00
06-Apr-16	1 262.00	1 214.00	<b>1053.870</b>	<b>1015.470</b>	662.628	608.028	2 065.00	1 883.00
04-May-16	1 274.00	1 226.00	<b>1052.870</b>	<b>1014.470</b>	655.628	601.028	2 060.00	1 877.00
01-Jun-16	1 326.00	1 278.00	<b>1128.870</b>	<b>1090.470</b>	717.628	663.028	2 158.00	1 976.00
06-Jul-16	1 334.00	1 286.00	<b>1170.870</b>	<b>1132.470</b>	760.628	706.028	2 170.00	1 988.00
03-Aug-16	1 235.00	1 187.00	<b>1096.870</b>	<b>1058.470</b>	694.628	640.028	2 010.00	1 828.00
07-Sep-16	1 217.00	1 169.00	<b>1048.870</b>	<b>1010.470</b>	647.628	593.028	2 001.00	1 819.00
05-Oct-16	1 260.00	1 212.00	<b>1071.870</b>	<b>1033.470</b>	669.628	615.028	2 059.00	1 877.00
02-Nov-16	1 305.00	1 257.00	<b>1134.870</b>	<b>1096.470</b>	726.628	672.028	2 118.00	1 936.00
07-Dec-16	1 285.00	1 237.00	<b>1102.830</b>	<b>1064.430</b>	698.588	643.988	2 101.00	1 913.00
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