

MEDIA STATEMENT - FOR RELEASE ON 27 AUGUST 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 01 SEPTEMBER 2021 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 & 95

(ULP & LRP)	(4.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	15.22	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	14.22	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	15.00	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	20.00	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(94.00)	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 30 JULY 2021 TO 26 AUGUST 2021

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 30 July 2021 to 26 August 2021 was 14.7791 compared to 14.5359 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 13.23 c/l, 12.16 c/l and 11.96 c/l respectively.

3. INCREASE IN THE RETAIL MARGIN APPLICABLE TO PETROL

The Minister of Mineral Resources and Energy has approved a retail margin increase of 5.7 c/l to be effected in the retail price structures of all octane grades of petrol with effect from 01 September 2021. This increase is necessary to accommodate the wage increases of pump attendants, cashiers and administrative staff at service

4. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of July 2021 amounted to a negative balance of R1.736 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 15.36 c/l (increase of 8.78 c/l) will have to be implemented into the price structures of petrol and diesel with effect from 01 September 2021.

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

The Single Maximum National Retail Price for the period 01 September 2021 to 05 October 2021 will be 1 197.0 c/l compared to 1 217.0 c/l for the period 04 August 2021 to 31 August 2021.

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R12 259.14 per metric ton (680.38 c/l), excluding VAT, for the period 01 September 2021 to 05 October 2021.

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
Movements in external factors				
Movement in International Product Prices	24.181	36.481	36.114	27.683
Movement in Exchange Rate	(13.230)	(12.160)	(12.209)	(11.962)
BFP Over/(under)-recovery for the period 30/07/2021 to 26/08/2021	10.951	24.321	23.905	15.721

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 30/07/2021 to 26/08/2021 (cents / litre) as detailed below

Average product over/(under)-recovery, measured for the 20 days from 30/07/2021 to 26/08/2021 (cents / litre) as detailed below	10.951	24.321	23.905	15.721	-
Cumulative positive/(negative) slate balances end of July 2021 (R-million)	(823.569)	(912.621)	(912.621)	(94.997)	-

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	10.000	24.000	23.000	15.000	(94.000)
(Increase) on Retail Margin on Petrol	(5.700)	-	-	-	-
(Increase) in Slate levy	(8.780)	(8.780)	(8.780)	-	-
Pump rounding	0.480	-	-	-	-
Total price (increase) / decrease	(4.000)	15.220	14.220	15.000	(94.000)

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 01/09/2021 TO 05/10/2021 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 225.914	1 225.914
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)	2 169.018	2 347.012
Retail Margin: (15% of Subtotal (1))	325.353	352.052
Sub-total (2)	2 494.371	2 699.064
Value Added Tax (15% Sub-total (2))	374.156	404.860
Maximum Retail Price (Rounded to full cents)	2 869.000	3 104.000

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 01/09/2021 TO 05/10/2021 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	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	227.300	227.300	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	15.360	15.360	15.360	15.360	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Pump Rounding	0.500	0.500			
Sub-total	1 016.890	1 006.890	802.350	802.350	213.360
<u>Contribution to the Basic Fuel Price</u>	817.110	808.110	746.630	750.030	735.128
<u>Retail Price</u>	<u>1,834.00</u>	<u>1,815.00</u>			
<u>Wholesale price</u>			<u>1,548.980</u>	<u>1,552.380</u>	<u>948.488</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
05-May-21	1 723.00	1 651.00	1446.620	1385.120	857.488	775.588	2 864.00	2 628.00
02-Jun-21	1 713.00	1 641.00	1466.620	1405.120	877.488	795.588	2 721.00	2 486.00
07-Jul-21	1 739.00	1 667.00	1508.620	1447.120	913.488	831.588	2 784.00	2 549.00
04-Aug-21	1 830.00	1 758.00	1564.200	1502.700	963.488	881.588	3 010.00	2 775.00
01-Sep-21	1 834.00	1 762.00	1548.980	1487.480	948.488	866.588	3 104.00	2 869.00