

MEDIA STATEMENT - FOR RELEASE ON 28 APRIL 2022

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY
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1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 04 MAY 2022 IN GAUTENG AND AT THE COAST (INCREASE)/DECREASE

	Gauteng	Coast	
Both Grades of Petrol 93 & 95 (LRP & ULP)	12.00	15.00	cents per litre decrease in retail price
Diesel 0.05% Sulphur	(98.00)	(94.30)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(92.00)	(88.30)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(79.60)	(82.30)	cents per litre increase in wholesale price

Illuminating Paraffin (SMNRP)	(149.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP) (Country Wide)
Maximum Retail Price for LPGAS	(69.00)	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 REFER TO PARAGRAPH 2 BELOW

2. ADJUSTMENTS TO THE TRANSPORT TARIFFS (ZONE DIFFERENTIAL)

In line with the Ministerial approval, the annual adjustments to road transport tariffs applicable in petrol, diesel and IP price structures will range from a decrease of 33.4 c/l (Gordonia South Magisterial District Pricing Zone) to an increase of 3.0 c/l (Gauteng District Pricing Zone). The primary transport tariffs applicable to the transport of petrol and diesel mainly by means of the pipeline network has increased. As a result of the different transport tariff adjustments to be implemented on 04 May 2022, price changes to similar products will differ in the 54 Magisterial District Pricing Zones.

3. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 01 APRIL 2022 TO 27 APRIL 2022

The average international product prices for Petrol decreased whilst 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 01 April to 27 April 2022 was 14.8983 compared to 15.0211 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 10.18 c/l, 11.96 c/l and 11.57 c/l respectively.

4. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of March 2022 amounted to a negative balance of R 11.505 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 04

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

The Single Maximum National Retail Price for the period 04 May 2022 to 31 May 2022 will be 2 194.0 c/l compared to 2 045.0 c/l for the period 06 April 2022 to 03

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R16 931.07 per metric ton (939.674 c/l), excluding VAT, for the period 04 May 2022 to 31 May 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
Movements in external factors				
Movement in International Product Prices	4.777	(106.449)	(100.931)	(93.850)
Movement in Exchange Rate	10.184	11.956	12.074	11.568
BFP Over/(under)-recovery for the period 01/04/2022 to 27/04/2022	14.961	(94.493)	(88.857)	(82.282)

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 19 days from 01/04/2022 to 27/04/2022 (cents / litre) as detailed below

14.961 (94.493) (88.857) (82.282) -

Cumulative positive/(negative) slate balances end of March 2022 (R-million)

(3 800.038) (7 704.871) (7 704.871) (531.252) -

The price adjustments consist of the following elements:

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

14.000 (95.000) (89.000) (83.000) (69.000)

Increase in transport tariff (Gauteng)

(3.000) (3.000) (3.000) 3.40 -

Pump rounding

1.000

Total price (increase) / decrease

12.000 (98.000) (92.000) (79.600) (69.000)

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 04/05/2022 TO 31/05/2022 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 693.107	1 693.107
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)	2 664.232	2 846.854
Retail Margin: (15% of Subtotal (1))	399.635	427.028
Sub-total (2)	3 063.867	3 273.882
Value Added Tax (15% Sub-total (2))	459.580	491.082
Maximum Retail Price (Rounded to full cents)	3 523.000	3 765.000

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 04/05/2022 TO 31/05/2022 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	244.000	244.000	230.000	230.000	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	10.000	0.000	0.000	0.000	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	919.590	909.590	701.810	701.810	218.160
<u>Contribution to the Basic Fuel Price</u>	1 264.410	1 241.410	1 497.630	1 514.030	1 446.128
<u>Retail Price</u>	<u>2,184.00</u>	<u>2,151.00</u>			
<u>Wholesale price</u>			<u>2,199.440</u>	<u>2,215.840</u>	<u>1,664.288</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