

MEDIA STATEMENT - FOR RELEASE ON 31 MARCH 2023

**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 05 APRIL 2023 IN GAUTENG (INCREASE) / DECREASE

	Gauteng	Coast	
Petrol 93 (LRP & ULP)	1.00	8.00	cents per litre decrease in retail price
Petrol 95 (LRP & ULP)	(2.00)	5.00	cents per litre (increase)/decrease in retail price
Diesel 0.05% Sulphur	73.58	80.58	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	74.58	81.58	cents per litre decrease in wholesale price
illuminating Paraffin (Wholesale)	124.90	138.20	cents per litre decrease in wholesale price
illuminating Paraffin (SMNRP)	201.00		cents per litre decrease in the Single Maximum National Retail price (SMNRP) (Country Wide)
Maximum Retail Price for LPGAS	92.00	93.00	cents per kilogram decrease in the maximum retail price

PRICE CHANGES WILL DIFFER IN MAGISTERIAL DISTRICT ZONES DUE TO THE DIFFERENT TRANSPORT INCREASES IMPLEMENTED INTO THE FUEL PRICE STRUCTURES REFER TO PARAGRAPH 3 BELOW

2. FUEL AND ROAD ACCIDENT FUND LEVIES INCREASE AND SHORT TERM TEMPORARY RELIEF

The Minister of Finance, in his Budget Speech on 22 February 2023, announced that no increases will be made to the General Fuel and Road Accident Fund levy on both petrol and diesel. With effect from 05 April 2023, the Fuel Levy in the price structure of petrol and diesel will remain at 394.0 c/l and 380.0 c/l respectively and the Road Accident Fund Levy in the price structure of both petrol and diesel will remain at 218.0 c/l.

3. ADJUSTMENTS TO THE ROAD AND PIPELINE TRANSPORT TARIFFS (ZONE DIFFERENTIAL)

In line with the Ministerial approval, the annual adjustments to transport tariffs applicable in petrol, diesel and IP price structures will range from an increase of 0.8 c/l (Coast District Pricing Zone) to 40.8 c/l (Gordonia Central Magisterial District Pricing Zone). The primary transport tariffs applicable to the transport of petrol and diesel mainly by means of the road and pipeline network has increased. As a result of the different transport tariff adjustments to be implemented on 05 April 2023, 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 24 FEBRUARY 2023 TO 30 MARCH 2023

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 24 February 2023 to 30 March 2023 was 18.3045 compared to 17.7402 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 37.88 c/l, 38.84 c/l and 38.15 c/l respectively.

4. ADJUSTMENT TO THE OCTANE DIFFERENTIAL BETWEEN 95 AND 93 BFP OCTANE

In terms of the Working Rules to administer the BFP, the differentials between 95 and 93 petrol grades are adjusted at the beginning of each quarter. The BFP differentials between 95 and 93 petrol grades have changed and therefore the different price adjustments between the two grades.

5. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of February 2023 amounted to a negative balance of R 2.433 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 17.54 c/l (decrease of 4.38 c/l) will be implemented into the price structures of petrol and diesel with effect from 05 April 2023.

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

The Single Maximum National Retail Price for the period 05 April 2023 to 02 May 2023 will be 1 903.0 compared to 2 104.0 c/l for the period 01 March 2023 to 04 April 2023.

7. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R16 329.38 per metric ton (906.281 c/l), excluding VAT, for the period 05 April 2023 to 02 May 2023.

8. 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 and slate ranges adjusted with effected from 7 September 2022 (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 R500.0 million.

9. 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	39.454	116.573	117.462	177.241
Movement in Exchange Rate	(37.875)	(38.837)	(39.104)	(38.150)
BFP Over/(under)-recovery for the period 24/02/2023 to 30/03/2023	1.579	77.736	78.358	139.091

10. 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 25 days from 24/02/2023 to 30/03/2023 (cents / litre) as detailed below

1.579 77.736 78.358 139.091 -

Cumulative positive/(negative) slate balances end of February 2023 (R-million)

(1 469.578) (963.517) (963.517) (100.886) -

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	1.000	77.000	78.000	139.000	92.000
Increase in transport tariff (Gauteng)	(7.800)	(7.800)	(7.800)	(14.100)	-
Decrease in Slate Levy	4.380	4.380	4.380	-	-
Pump rounding	0.420	-	-	-	-
Total price (increase) / decrease	(2.000)	73.580	74.580	124.900	92.000

11. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

12.

**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 05/04/2023 TO 02/05/2023 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 632.938	1 632.938
Primary transport costs	52.292	247.880
Operating expenses	501.698	501.698
Working capital	38.029	38.029
Depreciation	190.813	190.813
Gross margin: Cylinder-filling plant	243.815	243.815
Sub-total (1)	2 659.584	2 855.172
Retail Margin: (15% of Subtotal (1))	398.938	428.276
Sub-total (2)	3 058.522	3 283.448
Value Added Tax (15% Sub-total (2))	458.778	492.517
Maximum Retail Price (Rounded to full cents)	3 517.000	3 776.000

13. 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 05/04/2023 TO 02/05/2023 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	56.600	56.600	83.830	83.830	83.830
Secondary Storage	28.800	28.800	28.800	28.800	28.800
Secondary Distribution	16.900	16.900	16.900	16.900	16.900
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	241.900	241.900	0.000	0.000	0.000
Zone differential in Gauteng	75.700	75.700	75.700	75.700	96.000
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	17.540	17.540	17.540	17.540	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	1 053.570	1 053.570	825.200	825.200	232.930
<u>Contribution to the Basic Fuel Price</u>	1 243.430	1 210.430	1 263.630	1 272.030	1 239.128
<u>Retail Price</u>	<u>2,297.00</u>	<u>2,264.00</u>			
<u>Wholesale price</u>			<u>2,088.830</u>	<u>2,097.230</u>	<u>1,472.058</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
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
07-Sep-22	2,338.00	2,273.00	2,396.100	2,330.900	1,760.288	1,681.088	3,388.00	3,146.00
05-Oct-22	2,236.00	2,171.00	2,406.100	2,340.900	1,699.288	1,620.088	3,407.00	3,166.00
02-Nov-22	2,287.00	2,222.00	2,548.960	2,483.760	1,776.288	1,697.088	3,309.00	3,068.00
07-Dec-22	2,346.00	2,281.00	2,391.770	2,326.570	1,718.958	1,639.758	3,404.00	3,146.00
04-Jan-23	2,140.00	2,075.00	2,122.870	2,057.670	1,525.958	1,446.758	3,486.00	3,227.00
01-Feb-23	2,168.00	2,103.00	2,132.030	2,066.830	1,583.958	1,504.758	3,346.00	3,087.00
01-Mar-23	2,295.00	2,230.00	2,162.410	2,097.210	1,596.958	1,517.758	3,868.00	3,610.00
05-Apr-23	2,297.00	2,225.00	2,088.830	2,016.630	1,472.058	1,379.558	3,776.00	3,517.00