

MEDIA STATEMENT - FOR RELEASE ON 26 NOVEMBER 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 DECEMBER 2021 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	(75.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	(72.50)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(74.50)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(42.20)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(56.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(183.00)	cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 28 OCTOBER 2021 TO 25 NOVEMBER 2021

The average international product prices for Petrol, Diesel increased whilst 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 28 October 2021 to 25 November 2021 was 15.3891 compared to 14.8175 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 35.34 c/l, 34.44 c/l and 34.11 c/l respectively.

3. IMPLEMENTATION OF REGULATORY ACCOUNTS SYSTEM MARGINS ON PETROL AND ADJUSTMENTS TO DIESEL AND IP MARGINS

In line with the application of the Regulatory Accounts System the Minister of Mineral Resources and Energy has approved a net increase of 12.14 c/l in the annual margin adjustments on petrol and a net increase of 8.20 c/l on diesel and illuminating paraffin wholesale prices, with effect from 01 December 2021.

4. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of October 2021 amounted to a negative balance of R4.689 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 41.66 c/l (increase of 26.3 c/l) will have to be implemented into the price structures of petrol and diesel with effect from 01 December 2021.

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

The Single Maximum National Retail Price for the period 01 December 2021 to 04 January 2022 will be 1 489.0 c/l compared to 1 433.0 c/l for the period 03 November 2021 to 30 November 2021.

6. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R15 784.24 per metric ton (876.025 c/l), excluding VAT, for the period 01 December 2021 to 04 January 2022.

7. PRICE ADJUSTMENT

In terms of the agreed mechanism:

- 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
- 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.
- 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
<u>Movements in external factors</u>				
Movement in International Product Prices	(1.551)	(3.026)	(5.312)	0.210
Movement in Exchange Rate	(35.337)	(34.442)	(34.662)	(34.113)
<u>BFP Over/(under)-recovery for the period 28/10/2021 to 25/11/2021</u>	(36.888)	(37.468)	(39.974)	(33.903)

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 21 days from 28/10/2021 to 25/11/2021 (cents / litre) as detailed below

(36.888) (37.468) (39.974) (33.903) -

Cumulative positive/(negative) slate balances end of October 2021 (R-million)

(1 783.000) (2 906.000) (2 906.000) (295.000) -

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 rounded to the nearest full cent for price (increase) / decrease	(37.000)	(38.000)	(40.000)	(34.000)	(183.000)
Increase in Retail Margin	(1.500)	-	-	-	-
Increase in Wholesale Margin	(5.000)	(2.560)	(2.560)	(2.560)	-
Increase in Secondary Storage	(3.500)	(3.500)	(3.500)	(3.500)	-
Increase in Secondary Distribution	(2.140)	(2.140)	(2.140)	(2.140)	-
Increase in Slate levy	(26.300)	(26.300)	(26.300)	-	-
Pump rounding	0.440	-	-	-	-
<u>Total price (increase) / decrease</u>	(75.000)	(72.500)	(74.500)	(42.200)	(183.000)

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 01/12/2021 TO 04/01/2022 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 578.424	1 578.424
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)	2 521.528	2 699.522
Retail Margin: (15% of Subtotal (1))	378.229	404.928
Sub-total (2)	2 899.757	3 104.450
Value Added Tax (15% Sub-total (2))	434.964	465.668
Maximum Retail Price (Rounded to full cents)	3 335.000	3 570.000

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 01/12/2021 TO 04/01/2022 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	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	41.660	41.660	41.660	41.660	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Pump Rounding	0.500	0.500			
Sub-total	1 055.330	1 045.330	836.850	836.850	221.560
Contribution to the Basic Fuel Price	973.670	961.670	955.630	961.030	946.128
Retail Price	2,029.00	2,007.00			
Wholesale price			1,792.480	1,797.880	1,167.688

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	1,313.420	1,264.620	828.678	768.178	2,319.00	2,106.00
06-Feb-19	1,408.00	1,349.00	1,314.420	1,265.620	823.678	763.178	2,308.00	2,095.00
06-Mar-19	1,482.00	1,423.00	1,405.420	1,356.620	899.678	839.178	2,409.00	2,196.00
03-Apr-19	1,613.00	1,549.00	1,487.120	1,432.920	962.678	895.478	2,580.00	2,367.00
01-May-19	1,667.00	1,603.00	1,488.120	1,433.920	965.678	898.478	2,664.00	2,451.00
05-Jun-19	1,676.00	1,612.00	1,521.280	1,467.080	973.678	906.478	2,657.00	2,443.00
03-Jul-19	1,581.00	1,517.00	1,446.500	1,392.300	916.678	849.478	2,524.00	2,310.00
07-Aug-19	1,592.00	1,528.00	1,433.210	1,379.010	914.678	847.478	2,555.00	2,342.00
04-Sep-19	1,603.00	1,539.00	1,459.210	1,405.010	938.678	871.478	2,539.00	2,326.00
02-Oct-19	1,621.00	1,557.00	1,484.210	1,430.010	963.678	896.478	2,556.00	2,343.00
06-Nov-19	1,608.00	1,544.00	1,468.210	1,414.010	940.678	873.478	2,526.00	2,313.00
04-Dec-19	1,630.00	1,566.00	1,453.260	1,399.060	922.728	855.528	2,628.00	2,403.00
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