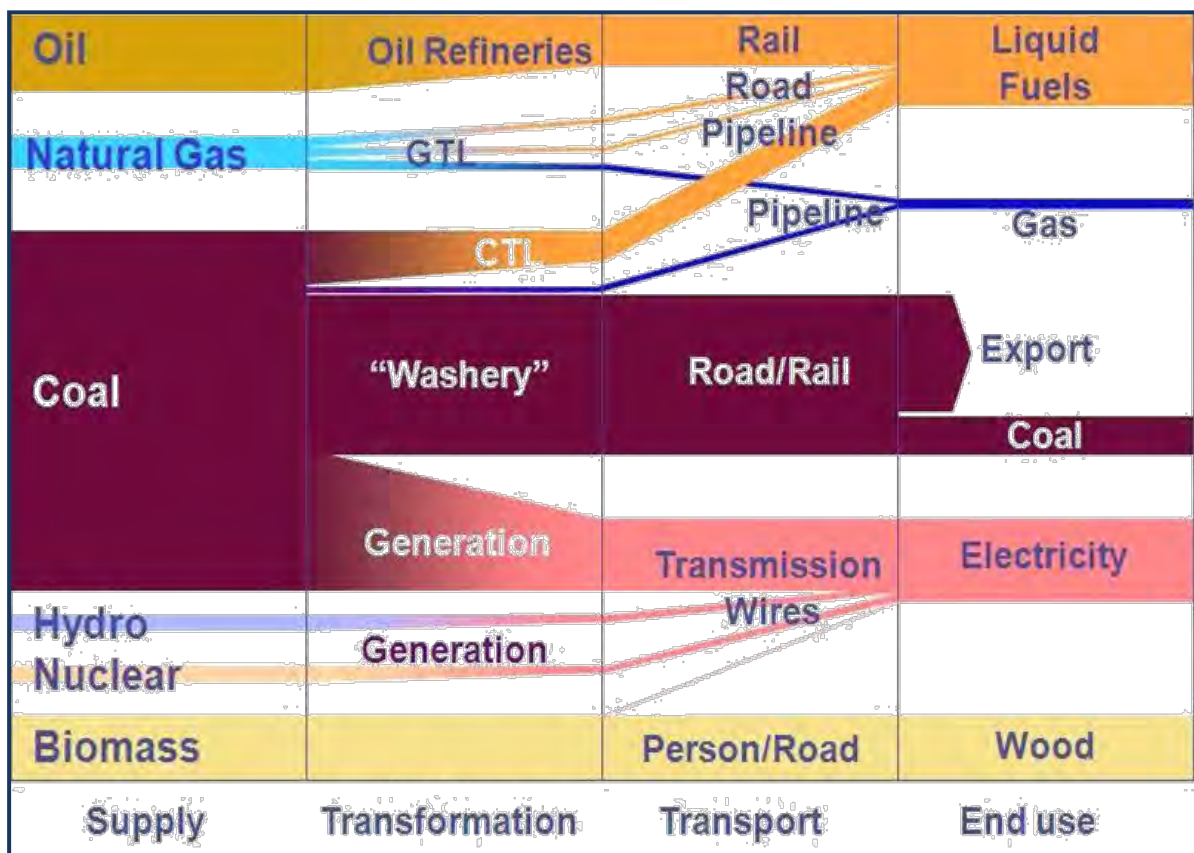


SOUTH AFRICAN ENERGY

Price Report

2013



Directorate: Energy Data Collection,
Management and Analysis



energy

Department
Energy
REPUBLIC OF SOUTH AFRICA

SOUTH AFRICAN ENERGY PRICE REPORT 2013

Directorate: Energy Data Collection, Management and Analysis

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FOREWORD

It gives me great pleasure to introduce the 2013 edition of the South African Energy Price Report. The South African Energy Price Report is based on the information collated from government departments, state-owned-entities, coal, oil and gas industries. This publication covers a broad overview and analysis of energy prices in South African and aims to keep stakeholders informed about key issues affecting energy pricing.

This edition presents energy price data in a format which provides an overall picture of monthly and annual trends for common energy carriers used in South Africa. In order to clearly present and analyse the energy pricing trends, this report is divided into four focus areas: Petroleum; Natural Gas, Coal, and Electricity. This report covers energy price data and analysis for the past 10 years, older information is available in our previous editions published on the department's website.

I extend my most sincere thanks and appreciation to the Energy Data Collection, Management and Analysis Directorate for the hard work that went into the compilation of this publication. I would also like to express my appreciation to all the energy data providers who have helped us to accomplish what is set out in this report.

The Department of Energy is working hard to improve delivery times in the publishing of the South African Energy Price Report and hopes that the publication will become a standard work of reference among energy analysts in South Africa and abroad. Comments and inputs are welcome and could be addressed to publications@energy.gov.za.

Dr W Barnard
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Abbreviations and Acronyms

BFP	–	Basic Fuel Price
CIF	–	Cost, Insurance and Freight
COC	–	Customer Own Collection
CPI	–	Consumer Price Index
DME	–	Department of Minerals and Energy
DoE	–	Department of Energy
FOB	–	Free on Board
FOR	–	Free on Road
HFO	–	Heavy Furnace Oil
IBLC	–	In-Bond-Landed-Cost
IEA	–	International Energy Agency
LPG	–	Liquefied Petroleum Gas
LRP	–	Lead Replacement Petrol
NERSA	–	National Energy Regulator of South Africa
OECD	–	The Organisation for Economic Co-operation and Development
OPEC	–	Organization of the Petroleum Exporting Countries
PPI	–	Producer Price Index
RAF	–	Road Accident Fund
RFA	–	Road Freight Association
RTC	–	Rail Tank Car
SA	–	South Africa
SAPIA	–	South African Petroleum Industry Association
SSLM	–	Self-adjusting Slate Levy Mechanism
StatsSA	–	Statistics South Africa
ULP	–	Unleaded Petrol
USD	–	United States Dollar
WTI	–	West Texas Intermediate

1 INTRODUCTION

Energy provision is crucial to economic and social development as well as improved quality of life. As the demand for energy grows, the energy sector is expected to play a significant role in fuelling the country's economic growth and development. The purpose of the Energy Price Report is to provide an overview of historical energy price trends and analysis for the major energy carriers in South Africa. Energy prices are significant indicators in the cost of providing services such as transport or heating.

This report covers monthly and annual prices as well as trend analysis of various energy carriers for the past 10 years. In South Africa, electricity prices are changed once a year while petroleum products prices are changed once a month due to fluctuations in international oil prices (quoted in US dollars) and the rand/dollar exchange rate.

The report consists of the following sections:

- Section 2 covers prices of crude oil, and all major petroleum products (petrol, diesel, illuminating paraffin and liquid petroleum gas).
- Section 3 covers natural gas prices.
- Section 4 covers the prices of locally consumed and exported coal.
- Section 5 presents the national Eskom electricity prices. This does not include the prices of electricity sold by individual/various municipalities to end customers.
- Section 6 presents Consumer Price Index (CPI), Production Price Index (PPI) and foreign exchange rates used in energy analysis for convenience when analysing price information and converting to other currencies.

Each section gives a brief introduction followed by a table of information and a figure graphing the prices movements over time. Where possible a brief analysis of likely explanations for price fluctuations is provided.

2 PETROLEUM

This section covers the international crude oil prices as well as a breakdown of prices for petroleum products sold nationally from 2004-2013. The main focus of the analysis in this section is on the major price fluctuations as well as related global and national events that led to the fluctuations.

2.1 Crude Oil

Crude oil prices are set globally through the daily interactions of thousands of buyers and sellers in both physical and futures markets, and reflect participants' knowledge and expectations of demand and supply. In addition to economic growth and geopolitical risks, other factors, including weather events, inventories, exchange rates, investments, spare capacity, OPEC production decisions and non-OPEC supply growth are all factored into the price of crude oil.

The South African liquid fuels market cannot be fully understood without understanding the international oil market. South Africa imports approximately 95% of its crude oil requirements. The major international benchmarks are Dubai in the Arab Gulf Region, West Texas Intermediate (WTI) in North America and Brent in Europe.

South Africa's energy sector is critical to the economy as the country relies heavily on its large-scale, energy-intensive mining industry. South Africa has only small deposits of conventional oil and natural gas and uses its large coal deposits for most of its energy needs, particularly in the electricity sector. Most of the oil consumed in the country, is refined and used mainly in the transportation sector, is imported from large producers in the Middle East and West Africa. South Africa also has a highly developed synthetic fuels industry, producing petrol and diesel fuels from coal and natural gas.

The annual prices of crude oil between 2004 and 2013 are depicted in Table 2.1 with 2012 used as the base year.

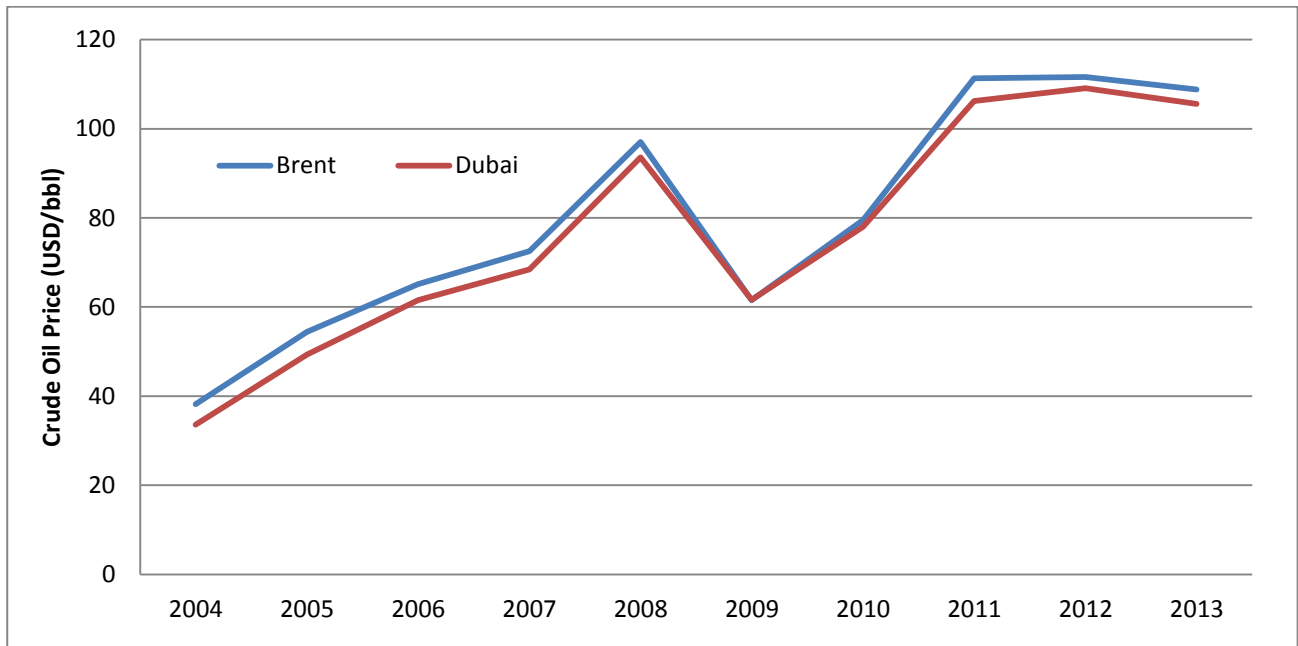
Table 2.1: Average Annual Crude Oil Prices – US\$/bbl

Period	Crude Oil International	
	Brent	Dubai
2004	38.20	33.60
2005	54.40	49.30
2006	65.10	61.50
2007	72.50	68.40
2008	97.00	93.60
2009	61.50	61.60
2010	79.50	78.00
2011	111.30	106.20
2012	111.62	109.10
2013	108.79	105.55

Source: SAPIA

The 2013 annual average Brent crude oil price was R108.79 in 2013 compared to R111.62 in 2012. The decline in average crude oil prices were the reflection of the concerns about global economic growth, slowdown in Chinese growth as well as recent increases in U.S. shale oil and gas production. In 2012, crude oil prices reached the highest level since 2004 with an average of 111.62 US\$/bbl.

Figure 2.1: Average Annual Crude Oil Prices - USD/bbl



Source: SAPIA

The international annual Brent and Dubai crude oil prices between 2004 and 2013 are illustrated in Figure 2.1 above. Political instability in oil producing regions has increased the price of crude oil. The following are some of the developments which have created uncertainty in the supply of crude oil in 2013:

- (a) Heightened geo-political tensions following the renewed unrest in Egypt; and instability in Sudan and Libya;
- (b) The domestic turmoil in Syria which led to a collapse in oil production in that country and the possible impact to foment tensions elsewhere in the region, such as Iraq;
- (c) Nigeria's oil output continues to be negatively affected by pipeline sabotage and theft;
- (d) Yemeni output was constrained by repeated attacks on the main oil pipeline.

The average monthly prices of Brent and Dubai crude oils from 2004 to 2013 are shown in Table 2.2. The crude oil prices are presented in US\$/bbl (i.e. US dollar per barrel). Brent crude is a major trading classification of sweet light crude oil sourced from the North Sea and Dubai crude is a light sour crude oil extracted from Dubai. Dubai crude is used as a price benchmark or oil marker because it is one of only a few Persian Gulf crude oils available.

Table 2.2: Average Monthly Crude Oil – US\$/bbl

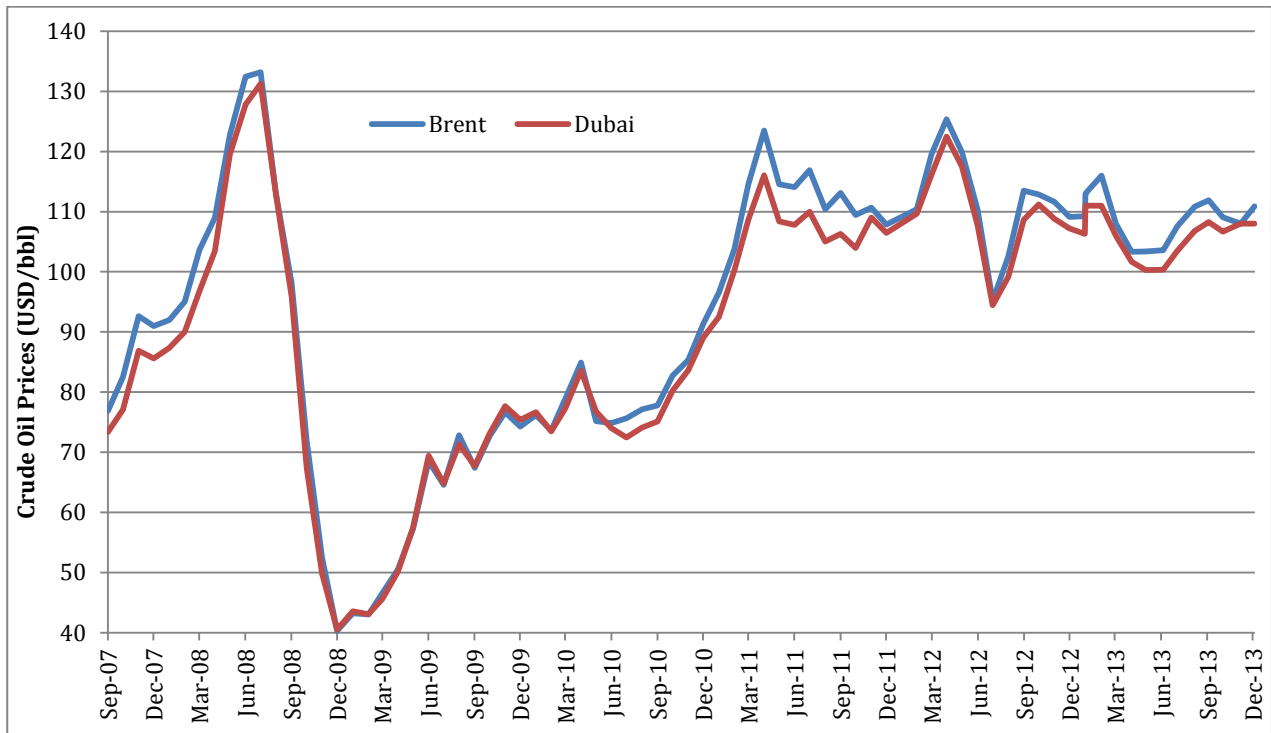
Period	Brent	Dubai
Jan-04	31.20	28.90
Feb-04	30.80	28.60
Mar-04	33.80	30.80
Apr-04	33.20	31.70
May-04	37.80	34.70
Jun-04	35.00	33.40
Jul-04	38.30	34.70
Aug-04	43.00	38.50
Sep-04	43.30	35.60
Oct-04	49.60	37.50
Nov-04	42.80	34.80
Dec-04	39.50	34.10
Jan-05	44.20	37.90
Feb-05	45.50	39.90
Mar-05	52.90	45.80
Apr-05	51.80	47.20
May-05	48.60	45.40
Jun-05	54.50	51.20
Jul-05	57.60	52.80
Aug-05	64.10	56.60
Sep-05	62.90	56.50
Oct-05	58.60	54.00
Nov-05	55.20	51.40
Dec-05	56.90	53.20
Jan-06	63.00	58.40
Feb-06	60.10	57.60
Mar-06	62.10	57.80
Apr-06	70.30	64.10
May-06	69.90	65.00
Jun-06	68.70	65.20
Jul-06	73.70	69.20
Aug-06	73.10	68.80
Sep-06	61.70	59.80
Oct-06	57.80	56.40
Nov-06	58.90	56.70
Dec-06	62.30	58.70
Jan-07	53.68	51.70
Feb-07	57.43	55.80
Mar-07	62.15	58.80
Apr-07	67.51	64.00
May-07	67.23	64.60
Jun-07	71.41	65.74
Jul-07	77.01	69.49
Aug-07	70.73	67.38
Sep-07	76.87	73.36
Oct-07	82.50	77.12
Nov-07	92.61	86.87
Dec-07	90.97	85.58
Jan-08	92.00	87.37
Feb-08	95.04	90.02
Mar-08	103.66	96.76
Apr-08	108.97	103.41
May-08	122.73	119.50
Jun-08	132.44	127.82
Jul-08	133.18	131.27
Aug-08	113.03	112.86
Sep-08	98.13	95.90

Oct-08	71.87	67.42
Nov-08	52.51	49.84
Dec-08	40.35	40.53
Jan-09	43.27	43.59
Feb-09	43.07	43.09
Mar-09	46.54	45.59
Apr-09	50.53	50.19
May-09	57.27	57.48
Jun-09	68.55	69.41
Jul-09	64.61	64.82
Aug-09	72.84	71.36
Sep-09	67.39	67.74
Oct-09	72.75	73.15
Nov-09	76.66	77.70
Dec-09	74.28	75.41
Jan-10	76.19	76.69
Feb-10	73.63	73.48
Mar-10	78.89	77.31
Apr-10	84.89	83.59
May-10	75.16	76.78
Jun-10	74.85	73.99
Jul-10	75.64	72.49
Aug-10	77.15	74.09
Sep-10	77.79	75.12
Oct-10	82.74	80.22
Nov-10	85.33	83.65
Dec-10	91.36	89.05
Jan-11	96.55	92.53
Feb-11	103.77	100.25
Mar-11	114.61	108.72
Apr-11	123.49	116.02
May-11	114.56	108.39

Jun-11	114.05	107.78
Jul-11	116.89	110.00
Aug-11	110.38	105.03
Sep-11	113.13	106.32
Oct-11	109.44	103.96
Nov-11	110.67	109.01
Dec-11	107.84	106.44
Jan-12	110.39	109.66
Feb-12	119.55	116.16
Mar-12	125.33	122.47
Apr-12	119.86	117.47
May-12	110.27	107.71
Jun-12	95.19	94.44
Jul-12	102.59	99.15
Aug-12	113.48	108.62
Sep-12	112.86	111.22
Oct-12	111.60	108.80
Nov-12	109.11	107.22
Dec-12	109.23	106.32
Jan-13	113.00	111.00
Feb-13	116.00	111.00
Mar-13	108.00	106.00
Apr-13	103.30	101.68
May-13	103.40	100.30
Jun-13	103.60	100.32
Jul-13	107.60	103.50
Aug-13	110.80	106.80
Sep-13	111.89	108.28
Oct-13	109.04	106.70
Nov-13	108.00	108.00
Dec-13	110.87	108.00

Source: SAPIA

Figure 2.2: Average Monthly Brent Crude Oil and Dubai Crude Oil Price – US\$/bbl



Source: SAPIA

As shown in Figure 2.2, there is a marginal difference between the price of Brent and Dubai crude oil. Among other things, the oil price is highly affected by the value of the US dollar relative to other currencies as OPEC has been using the US\$ as a trading currency since the early 1970's.

Prior to July 2012, South Africa sourced a significant amount of crude oil imports from Iran. However, since the imposition of sanctions on Iran, South Africa had to find alternative crude oil suppliers. These include those located in Western Africa, particularly in Ghana, Gabon and Equatorial Guinea. The sourcing of crude oil from these countries contributed to an increase in South Africa's trade with countries within the African continent.

Average monthly crude oil prices reached a peak in July 2008 selling at 133.18 US\$/bbl. In 2013, Crude Oil prices were stable with an annual average of 108.79 US\$/bbl and monthly prices reached a ceiling in February 2013 selling at 116.00 US\$/bbl.

2.2 Petroleum Products

This section focuses on the South African liquid fuels market. The Department of Energy regulates the prices of petrol, diesel, paraffin and LPG and is responsible for reviewing these fuel prices every month. Fuel price adjustments are announced on the last Friday of the month and are changed on the first Wednesday of the following month. The mechanism that is used to determine the fuel prices in South Africa is the Basic Fuel Price (BFP) principle. The BFP constitutes approximately 57% of the final pump price; domestic costs and government taxes and levies account for approximately 16% and 27% respectively.

The final pump price of regulated petroleum products is composed of a number of price elements and these can be divided into international and domestic elements. The international element, or Basic Fuel Price (BFP), is based on an import parity principal. The BFP in simple terms is what it would cost a South African importer of a refined petroleum product to buy the product from an international refinery, transport the product from that refinery, insure the product against losses at sea and land the product on South African shores.

The BFP is used by the government as the transfer price between refining and marketing in the price build-up for fuel retail price control. South African refineries are price-takers. Neither the local refineries nor the government has any control over changes in this element, as it is based on international product prices. It also means that South African refineries have to compete with other international refineries, based in Singapore, the Mediterranean and the Arabian Gulf petroleum product prices.

Transport costs changes which include road and pipelines are based on cost recovery principle and such costs are sourced from Road Freight Association (RFA) and NERSA, margins charges are adjusted through the application of Regulatory Accounts System (RAS).

The Basic Fuel Price (BFP) is conceptually an import parity pricing formula and is intended to establish a realistic estimate of what it would cost to import substantial volumes of refined fuel. The BFP formula replaced the In-Bond-Landed-Cost (IBLC) with effect from 2nd April 2003.

The IBLC was first introduced in the 1950's with the establishment of the first refinery in South Africa and was revised in 1995 when a market spot price component was introduced. An investigation by the DME and the oil industry decided that the old formula was no longer relevant because of changes in global markets, and that it was more appropriate to use "spot" prices rather than refinery "posted" prices.

The most important difference between IBLC and BFP is that the latter is based on the spot prices quoted daily in international markets whereas the former was based mainly on certain refinery gate postings which to a large extent have fallen into disuse and are no longer reflective of actual market prices (SAPIA, 2011).

The implementation of Working Rules to administer the price of regulated fuel, originated from recommendations of the Liquid Fuels Industry Task Force (LFITF) and Cabinet approval thereof on the 28th of September 1994.

Petrol 95 Octane Unleaded, Petrol 93 Unleaded, Petrol 95 LRP, Petrol 93 LRP, Diesel 0.05% Sulphur, Diesel 0.005% Sulphur and Illuminating Paraffin are the products covered by the calculation of the basic fuel price.

The following are the international elements that are included in the final fuel price:

- **International market spot prices:** The largest component of the basic fuels price is the price that one would be paying in international markets when physically importing the product to South Africa. The FOB (free on ship's board) product prices from different locations in the world, based on international product availability and product quality, are used. The petrol FOB price is calculated as 50% of the Mediterranean spot price for premium unleaded petrol and 50% of the Singapore spot price for 95 Octane unleaded petrol. For the FOB price of diesel, the new BFP formula uses spot prices calculated as 50% of the Mediterranean price for gas oil and 50% of the Arab Gulf price for gas oil, plus the quoted spot price market premiums applicable.
- **Freight cost to bring product to South African ports:** The freight component of the BFP reflects the cost of voyages from Augusta (in the Mediterranean), Singapore and Mina-al-Ahmadi (in the Arab Gulf), in 50:50 combinations as appropriate to the international markets used in the FOB calculations of the

products concerned. Tariffs as published by the World Scale Association for transporting refined products via medium range vessels to a weighted average for South African coastal ports, plus demurrage for an average 35 000-ton vessel for 3 days, adjusted with the Average Freight Rate Assessment (AFRA) of the London Tanker Brokers Panel, plus a 15% premium for transporting fuels to South Africa.

- **Insurance costs:** Calculated as 0.15% of the product FOB and freight costs, to cover insurance cost, as well as other costs such as letters of credit, surveyors' and agents' fees, and laboratory costs.
- **Ocean loss allowance:** In international petroleum products trading, shipping and insurance, a loss of 0.3% for products has been accepted as a normal leakage and evaporation loss. Simply put, this means that the "normal" loss is not insurable and has to be accepted by the buyer. The buyer therefore has a financial loss of 0.3% of FOB.
- **Cargo dues (Wharfage):** The South African harbour facilities are utilised to off-load petroleum products from ships into on-shore storage facilities. The cost to utilise these harbour facilities is based on the tariff set by the National Ports Authority of South Africa.
- **Coastal storage:** This is to recover the cost of providing storage and handling facilities at coastal terminals. In 2002, the typical international storage rate was assessed as USD 3 per ton or 2.5 SA cents per litre per month. The BFP only makes provision for 25 days and the initial value when BFP was implemented amounted to 2.083 c/l. This element is adjusted on an annual basis by the increase in the Producer Price Index (PPI).
- **Stock financing cost:** The BFP includes a charge for the financing of 25 days' stock at an interest rate of 2 percentage points below the ruling prime rate of the Standard Bank of South Africa. The BFP as determined above is converted to SA cents per litre by applying the applicable SA Rand/US Dollar exchange rate (four banks selling rates at eleven o' clock averaged over the period 26th of the

previous month to 25th of the month before the price change), and a constant litre per gallon factor of 3.8038 for petrol.

The following are domestic elements that are included in the final fuel price:

- **Transport costs (zone differential):** Keeping in mind the import parity principle used, this element recovers the cost of transporting petroleum products from the nearest coastal harbour (Durban, Port Elizabeth, East London, Mossel Bay or Cape Town) to the inland depot serving the area or zone. Transport to the different pricing zones are determined by using the most economical mode of transport i.e. pipelines (C zones), road (B zones) or rail (A zones). This is the only element whose values differ per pricing zone, and is the reason why the petrol price is not the same for the whole country.
- **Delivery costs (Service differential):** This element compensates marketers for actual depot related costs (storage and handling) and distribution costs from the depot to the end user at service stations. The value is adjusted annually by the Department of Energy.
- **Wholesale (Marketing) margin:** This margin is a fixed maximum monetary margin. The formula used to determine the wholesale margin is based on a set of guidelines, namely the Marketing-of-Petroleum-Activities Return. The level of the margin is calculated on an industry average basis and is aimed at granting these marketers a benchmark return of 15 percent on depreciated book values of assets, with allowance for additional depreciation, but before tax and payment of interest.
- **Retail profit margin:** The retail profit margin is fixed by the Department of Energy and is determined on the basis of the actual costs incurred by the service station operator in selling petrol. In this cost structure, account is taken of all proportionate driveway related costs such as rental, interest, labour, overheads and entrepreneurial compensation.
- **Equalisation fund levy:** This levy is normally a fixed monetary levy, determined by the Minister of Energy in concurrence with the Minister of Finance. The levy income is mainly utilised to equalise fuel prices. The levy is currently zero.

- **Fuel tax:** Tax levied by government annually adjusted by the Minister of Finance effective from the price change in April of each year, announced by the Minister of Finance on his annual budget speech.
- **Customs & excise levy:** A duty collected in terms of the Customs Union agreement.
- **Road Accident Fund (RAF):** The Road Accident Fund receives a fixed value which is used to compensate third party victims in motor accidents. The adjustment in the RAF contribution is announced by the Minister of Finance in the annual budget speech.
- **Slate levy:** A levy paid by the motorists or oil companies recovering money “owed” to consumers or the oil companies under or over recoveries.

Although the cost of crude oil has the most impact on average petroleum prices in the long term, local market conditions, which include the forces of supply, demand, competition, and government regulation, can also have a significant impact on petroleum prices.

Other factors affecting pricing include foreign exchange rates, geopolitics, and demand supply patterns. Generally, price adjustments in the market affect short-term supply-demand imbalances and bring supply and demand back into balance. Whether in a situation of supply tightness or length, price will eventually bring the supply-demand balance into equilibrium by attracting additional supply or influencing demand.

For more information on the basic fuel price determination consult the Department of Energy’s Website, under ***energy sources >> petroleum >> petrol price document >>working rules to administer the basic fuel price methodology.***

2.2.1 Petrol

Petrol prices of ULP 93 and ULP 95 in the coastal and Gauteng (inland) regions are shown in Table 2.3 below. The prices are from 2006 to 2013.

Table 2.3: Monthly Petrol Retail Prices - cents per litre (c/l)

Period	Petrol (ULP) 93		Petrol (ULP) 95	
	Coast	Gauteng	Coast	Gauteng
04-Jan-06	550	536	526	549
01-Feb-06	539	550	540	563
01-Mar-06	539	539	529	552
05-Apr-06	610	559	549	573
03-May-06	646	598	588	612
07-Jun-06	671	634	624	648
05-Jul-06	702	659	649	673
02-Aug-06	702	690	680	704
06-Sep-06	613	654	644	668
04-Oct-06	592	604	594	618
01-Nov-06	592	583	573	597
06-Dec-06	585	576	566	590
03-Jan-07	584	584	574	598
07-Feb-07	561	561	551	575
07-Mar-07	585	585	575	599
04-Apr-07	654	677	643	643
02-May-07	688	687	677	701
06-Jun-07	711	710	700	724
04-Jul-07	703	702	692	716
01-Aug-07	688	687	677	701
05-Sep-07	678	677	667	691
03-Oct-07	687	687	677	701
07-Nov-07	690	690	680	704
05-Dec-07	733	733	723	747
02-Jan-08	733	733	723	747
06-Feb-08	750	750	740	764
05-Mar-08	811	811	801	825
02-Apr-08	878	877	867	891
07-May-08	933	932	922	946
04-Jun-08	983	982	972	996
02-Jul-08	1060	1050	1040	1070
06-Aug-08	1020	1030	1010	1040
03-Sep-08	931	952	942	966
01-Oct-08	941	927	917	941
05-Nov-08	879	882	872	896
03-Dec-08	718	721	711	735
07-Jan-09	582	582	576	601
04-Feb-09	643	643	637	662
04-Mar-09	688	688	682	707

01-Apr-09	724	724	713	738
06-May-09	721	721	710	735
03-Jun-09	736	736	727	750
01-Jul-09	773	773	767	790
05-Aug-09	752	752	746	769
02-Sep-09	788	788	782	805
07-Oct-09	749	749	742	765
04-Nov-09	749	749	742	765
02-Dec-09	776	776	769	792
06-Jan-10	754	767	763	786
03-Feb-10	772	785	781	804
03-Mar-10	778	791	787	810
07-Apr-10	827	840	835	858
05-May-10	840	854	848	872
02-Jun-10	813	827	821	845
07-Jul-10	798	812	803	827
04-Aug-10	788	802	793	817
01-Sep-10	778	792	783	807
06-Oct-10	782	796	788	812
03-Nov-10	802	816	808	832
01-Dec-10	815	829	821	845
05-Jan-11	844	858	849	873
02-Feb-11	870	884	875	899
02-Mar-11	913	927	918	942
06-Apr-11	960	980	966	996
04-May-11	989	1009	995	1025
01-Jun-11	987	1007	993	1023
06-Jul-11	954	974	962	992
03-Aug-11	971	991	979	1009
07-Sep-11	980	1000	988	1018
05-Oct-11	1017	1037	1024	1054
02-Nov-11	1040	1060	1047	1077
07-Dec-11	1029	1049	1036	1066
04-Jan-12	1023	1043	1031	1061
01-Feb-12	1057	1077	1065	1095
07-Mar-12	1085	1105	1093	1123
04-Apr-12	1152	1177	1159	1194
02-May-12	1180	1205	1187	1222
06-Jun-12	1125	1150	1132	1167
04-Jul-12	1036	1061	1047	1082
01-Aug-12	1058	1083	1069	1104
05-Sep-12	1151	1176	1162	1197
03-Oct-12	1172	1197	1185	1220
07-Nov-12	1162	1187	1175	1210
05-Dec-12	1153	1178	1166	1201
02-Jan-13	1140	1165	1151	1186
06-Feb-13	1181	1206	1192	1227
06-Mar-13	1262	1287	1273	1308

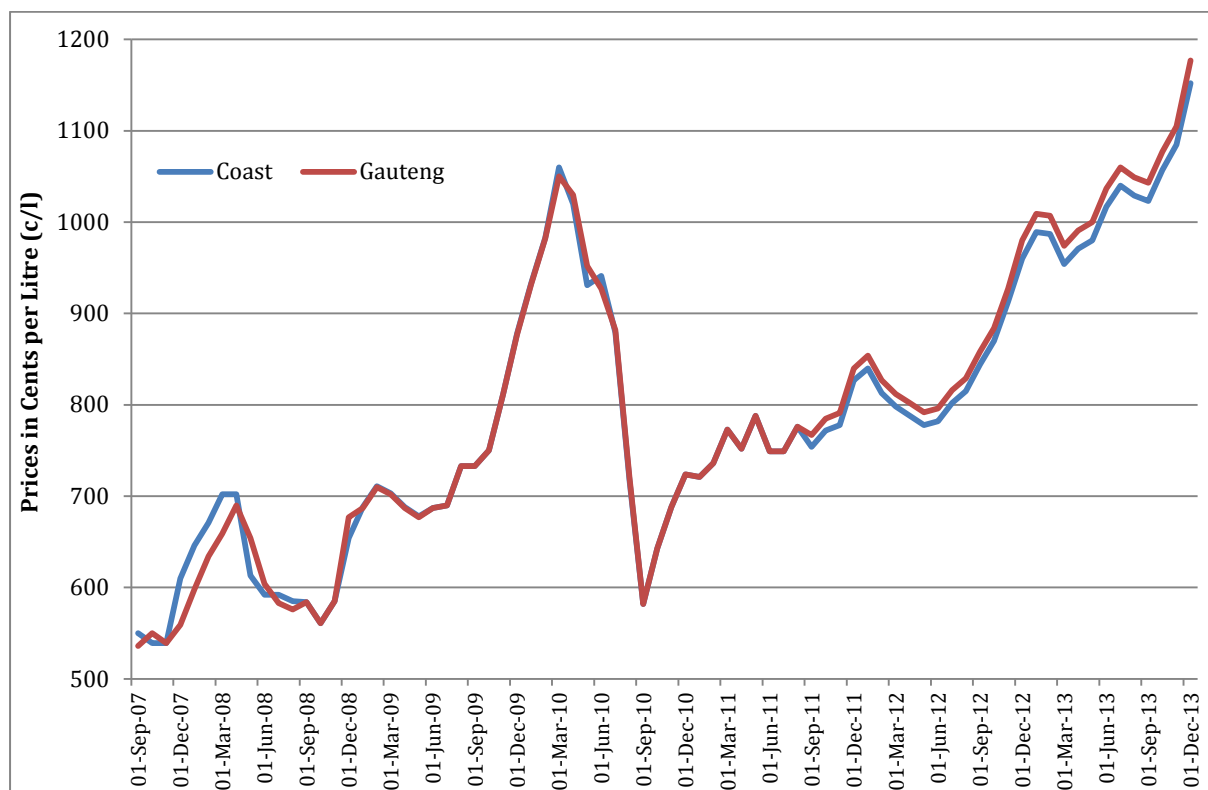
03-Apr-13	1270	1297	1283	1320
01-May-13	1197	1224	1210	1247
05-Jun-13	1189	1216	1202	1239
03-Jul-13	1273	1300	1286	1323
07-Aug-13	1305	1332	1318	1255
04-Sep-13	1300	1327	1313	1350
02-Oct-13	1281	1308	1293	1330
06-Nov-13	1253	1280	1265	1302
04-Dec-13	1270	1297	1282	1319

Source: DoE

Explanatory Notes

1. ULP = Unleaded Petrol.
2. ULP 93 is mainly sold in the inland region.
3. ULP 95 & ULP 93 grades were introduced in February 2006

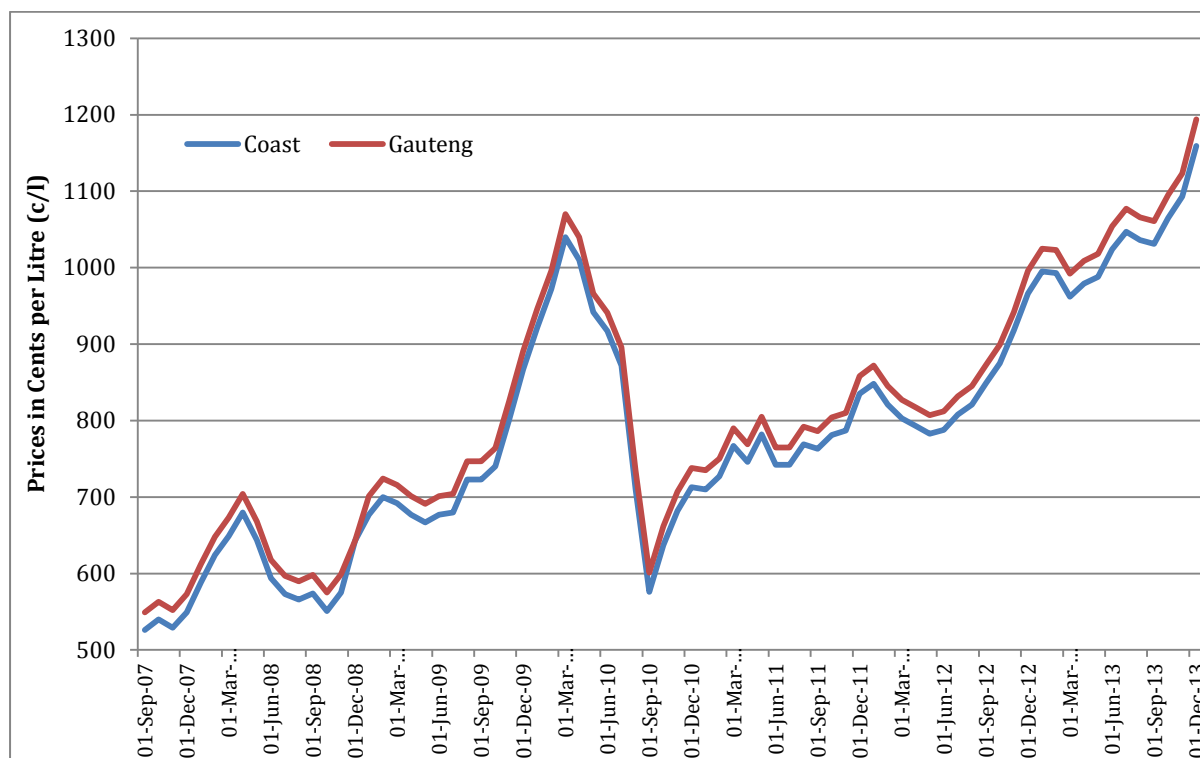
Figure 2.3: Monthly Retail Price (Petrol ULP 93)



Source: DoE

Figure 2.3 shows the coastal and inland prices of petrol ULP 93 from 2007 to 2013. In 2013, ULP 93 reached a peak in August at R13.05 a litre (inland) and R13.32 a litre (coastal) which was the highest in the same year. From then there was a continual slight decline until November due to the strengthening of the Rand against the US dollar.

Figure 2.4: Monthly Retail Price (Petrol ULP 95)



Source: DoE

Figure 2.4 depicts the coastal and inland Petrol ULP 95 prices from 2007 to 2013. In January 2013, inland and coastal prices were R11.86 and R11.51 respectively, which were the lowest in 2013. From then the prices steadily increased until April due to the consistent deterioration of the Rand/Dollar exchange rate that peaked at R9.24 per US Dollar in March. ULP 95 price reached a peak price in August at R9.24 per US Dollar in March. ULP 95 price reached a peak price in August at R13.18 (coastal) and R12.55 (inland) mainly due to the rise in the price of crude oil. The modest appreciation in the Rand/ US dollar exchange could not compensate for the increase in the price of crude oil.

A breakdown of the price of unleaded petrol 93 in the coastal region divided into individual components (customs & excise duty, dealers margin, fuel levy, incremental inland transport recovery levy, petroleum products levy, road accident fund levy, service cost recoveries, slate levy, storage, handling & delivery costs, wholesale margin, zone differential and contribution to the basic fuel price) from 2006 to 2013 is shown in Table 2.4. The difference between the retail price of ULP 93 and ULP 95 in the inland region of around 15 cents per litre on average is mainly due to the 10 cents per litre Demand-Side Management levy charged on ULP 95 as well as quarterly adjustments of octane/grade zone differentials.

Table 2.4: Monthly Individual Components Mogas 93 - Coast Price - cents per litre (c/l)

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
01-Feb-06	280.23	4.00	43.60	116.00	0.00	0.00	0.00	31.50	7.00	15.00	39.27	13.40	0.00	0.00	0.00	550.00
01-Mar-06	269.23	4.00	43.60	116.00	0.00	0.00	0.00	31.50	7.00	15.00	39.27	13.40	0.00	0.00	0.00	539.00
03-May-06	334.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	600.00
07-Jun-06	370.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	636.00
05-Jul-06	395.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	661.00
02-Aug-06	426.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	692.00
06-Sep-06	426.63	4.00	43.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	692.00
04-Oct-06	337.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	606.00
01-Nov-06	316.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	585.00
06-Dec-06	309.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	578.00
03-Jan-07	315.63	4.00	46.90	116.00	0.00	0.00	0.00	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	584.00
07-Feb-07	292.63	4.00	46.90	116.00	0.00	0.00	0.19	36.50	7.00	5.00	39.27	13.70	0.00	0.00	0.00	561.00
07-Mar-07	315.53	4.00	48.00	116.00	0.00	0.00	0.19	36.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	585.00
04-Apr-07	374.53	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	654.00
02-May-07	408.53	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.70	0.00	0.00	0.00	688.00
06-Jun-07	431.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	711.00

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
04-Jul-07	423.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	703.00
01-Aug-07	408.33	4.00	48.00	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	688.00
05-Sep-07	386.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	678.00
03-Oct-07	395.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	687.00
07-Nov-07	398.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	690.00
05-Dec-07	441.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	733.00
02-Jan-08	441.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	733.00
06-Feb-08	458.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	750.00
05-Mar-08	519.63	4.00	59.70	121.00	0.00	0.00	0.19	41.50	7.00	4.81	39.27	13.90	0.00	0.00	0.00	811.00
02-Apr-08	575.63	4.00	59.70	127.00	0.00	0.00	0.19	46.50	7.00	4.85	39.27	13.90	0.00	0.00	0.00	878.00
07-May-08	606.63	4.00	59.70	127.00	1.50	0.00	0.15	46.50	7.00	24.85	39.27	13.90	0.00	0.00	0.00	933.00
04-Jun-08	651.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	39.27	13.90	0.00	0.00	0.00	983.00
02-Jul-08	723.23	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	44.67	13.90	0.00	0.00	0.00	1060.00
06-Aug-08	682.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	24.85	44.67	14.50	0.00	0.00	0.00	1017.00
03-Sep-08	593.63	4.00	64.70	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	951.00
05-Nov-08	519.03	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	879.00
03-Dec-08	358.03	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	44.85	44.67	14.50	0.00	0.00	0.00	718.00
02-Jan-09	265.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	582.00
07-Feb-09	326.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	643.00
04-Mar-09	371.98	4.00	67.30	127.00	1.50	0.00	0.15	46.50	9.50	0.00	44.67	15.40	0.00	0.00	0.00	688.00
04-Apr-09	367.48	4.00	67.30	150.00	1.50	0.00	0.15	64.00	9.50	0.00	44.67	15.40	0.00	0.00	0.00	724.00
01-May-09	364.48	4.00	67.30	150.00	1.50	0.00	0.15	64.00	9.50	0.00	44.67	15.40	0.00	0.00	0.00	721.00
06-Jun-09	379.38	4.00	67.30	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	736.00
03-Jul-09	416.38	4.00	67.30	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	773.00
01-Aug-09	389.98	4.00	72.70	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	752.00
05-Sep-09	425.98	4.00	72.70	150.00	3.00	0.00	0.15	64.00	9.50	0.00	44.67	14.00	0.00	0.00	0.00	788.00
02-Oct-09	379.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	749.00

Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund Levy	Pump Rounding	Retail Price
07-Nov-09	379.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	749.00
04-Dec-09	406.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	776.00
07-Jan-10	397.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	767.00
02-Feb-10	415.48	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	0.00	785.00
06-Mar-10	421.78	4.00	72.70	150.00	3.00	0.00	0.15	64.00	10.80	0.00	50.87	14.00	0.00	0.00	-0.30	791.00
03-Apr-10	445.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	14.00	0.00	0.00	-0.30	840.00
03-May-10	457.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	854.00
07-Jun-10	445.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	842.00
05-Jul-10	457.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	854.00
02-Aug-10	405.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	802.00
07-Sep-10	395.28	4.00	72.70	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	792.00
04-Oct-10	390.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	796.00
01-Nov-10	410.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	816.00
06-Dec-10	423.78	4.00	81.20	167.50	3.00	0.00	0.15	72.00	10.80	0.00	50.87	15.50	0.00	0.00	0.20	829.00
03-Jan-11	449.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	858.00
01-Feb-11	475.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	884.00
05-Mar-11	518.18	4.00	81.20	167.50	3.00	0.00	0.15	72.00	11.40	0.00	53.87	15.50	0.00	0.00	0.20	927.00
02-Apr-11	546.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	980.00
02-May-11	575.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1009.00
06-Jun-11	573.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1007.00
04-Jul-11	540.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	974.00
01-Aug-11	557.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	991.00
06-Sep-11	566.38	4.00	81.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1000.00
03-Oct-11	599.38	4.00	85.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1037.00
07-Nov-11	622.38	4.00	85.20	177.50	3.00	0.00	0.15	80.00	11.40	0.00	53.87	22.90	0.00	0.00	-0.40	1060.00
05-Dec-11	596.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1049.00
04-Jan-12	590.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1043.00

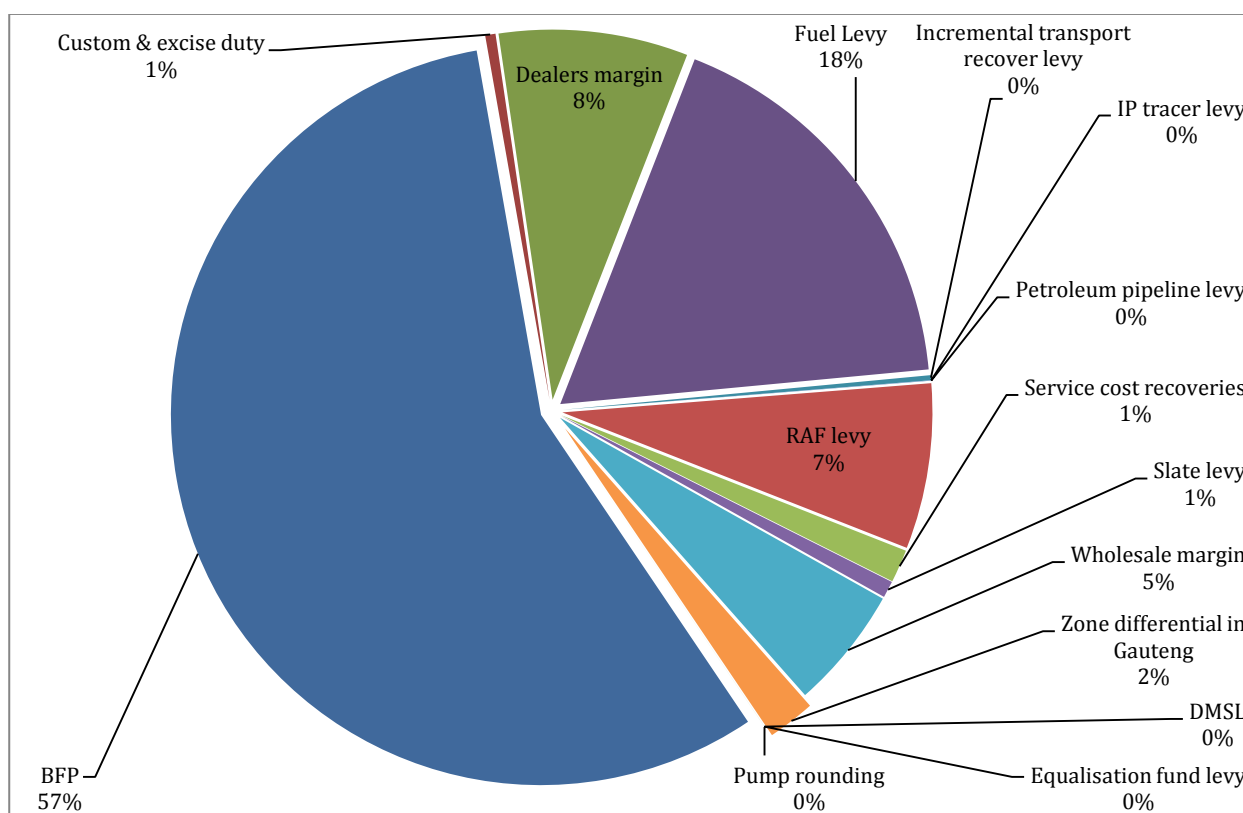
Period	BFP	Custom & Excise duty	Dealers margin	Fuel Levy	Incremental transport recover levy	IP Tracer levy	Petroleum Pipeline levy	RAF levy	Service cost recoveries	Slate levy	Wholesale Margin	Zone differential in Gauteng	DMSL	Equalisation Fund levy	Pump Rounding	Retail Price
01-Feb-12	624.55	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	0.00	52.50	22.90	0.00	0.00	-0.40	1077.00
07-Mar-12	648.17	4.00	91.80	177.50	3.00	0.00	0.15	80.00	21.00	4.38	52.50	22.90	0.00	0.00	-0.40	1105.00
04-Apr-12	687.57	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	4.38	52.50	26.80	0.00	0.00	0.30	1177.00
02-May-12	711.17	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	8.78	52.50	26.80	0.00	0.00	0.30	1205.00
06-Jun-12	653.99	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	10.96	52.50	26.80	0.00	0.00	0.30	1150.00
04-Jul-12	571.57	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	4.38	52.50	26.80	0.00	0.00	0.30	1061.00
01-Aug-12	597.95	4.00	91.80	197.50	3.00	0.00	0.15	88.00	21.00	0.00	52.50	26.80	0.00	0.00	0.30	1083.00
05-Sep-12	687.45	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	0.00	52.50	26.80	0.00	0.00	0.30	1176.00
03-Oct-12	695.29	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	13.16	52.50	26.80	0.00	0.00	0.30	1197.00
07-Nov-12	683.09	4.00	95.30	197.50	3.00	0.00	0.15	88.00	21.00	15.36	52.50	26.80	0.00	0.00	0.30	1187.00
05-Dec-12	660.19	4.00	99.20	197.50	3.00	0.00	0.15	88.00	25.50	15.36	58.00	26.80	0.00	0.00	0.30	1178.00
02-Jan-13	653.77	4.00	99.20	197.50	3.00	0.00	0.15	88.00	25.50	8.78	58.00	26.80	0.00	0.00	0.30	1165.00
01-Feb-13	696.97	4.00	99.20	197.50	3.00	0.00	0.15	88.00	25.50	6.58	58.00	26.80	0.00	0.00	0.30	1206.00
06-Mar-13	773.59	4.00	99.20	197.50	3.00	0.00	0.15	88.00	25.50	10.96	58.00	26.80	0.00	0.00	0.30	1287.00
03-Apr-13	747.43	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	21.92	58.00	28.90	0.00	0.00	0.40	1297.00
01-May-13	680.99	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	15.36	58.00	28.90	0.00	0.00	0.40	1224.00
05-Jun-13	683.97	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	4.38	58.00	28.90	0.00	0.00	0.40	1216.00
03-Jul-13	765.77	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	6.58	58.00	28.90	0.00	0.00	0.40	1300.00
07-Aug-13	786.81	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	17.54	58.00	28.90	0.00	0.00	0.40	1332.00
04-Sep-13	783.99	4.00	99.20	212.50	3.00	0.00	0.15	96.00	25.50	15.36	58.00	28.90	0.00	0.00	0.40	1327.00
02-Oct-13	760.09	4.00	104.10	212.50	3.00	0.00	0.15	96.00	25.50	15.36	58.00	28.90	0.00	0.00	0.40	1308.00
06-Nov-13	734.29	4.00	104.10	212.50	3.00	0.00	0.15	96.00	25.50	13.16	58.00	28.90	0.00	0.00	0.40	1280.00
04-Dec-13	744.37	4.00	139.10	212.50	3.00	0.00	0.15	96.00	17.10	8.78	31.00	28.90	0.00	0.00	0.40	1297.00

Source: DoE

To identify the contribution of each component to the final retail price of petrol, all the components are illustrated in Figure 2.5 with their percentage contributions. The BFP and fuel levy had a larger share in the final retail price of Petrol ULP 93 in 2013, contributing 57% and 18% respectively. The dealer's margin and Road Accident Fund (RAF) contributed 8% and 7% respectively.

In 2013/2014 budget, the Minister of Finance announced an increase of the fuel levy by 8c/l and the RAF on petrol by 15 c/l effective on 03 April 2013. The fuel levy and the RAF on petrol amounted to 212c/l and 96.0c/l respectively.

Figure 2.5: Retail Petrol Prices - Individual Components 2013 (ULP 93 - c/l)



Source: DoE

Petrol margins are adjusted on an annual basis in December. The margins are adjusted in accordance with the wholly implemented Regulatory Accounting System as approved. The margins increased from 182.7c/l in the previous year to 198.9c/l which amounts to 5.6% after taking into account the 4.9c/l salary adjustment for petrol attendants effected in the petrol price in October 2013. The overall margins adjustment increased the petrol price by 11.2 cents per litre which is 0.9% of the total pump price.

2.2.2 Diesel

The coast and inland prices from 2006 to 2013 of 0.05% sulphur diesel are provided in Table 2.5.

Table 2.5: Monthly Diesel Wholesale Prices - cents per litre (c/l)

Period	Diesel 0.05% Sulphur	
	Coast	Inland
04-Jan-06	504.50	517.80
01-Feb-06	504.50	517.80
01-Mar-06	504.50	517.80
05-Apr-06	530.50	544.10
03-May-06	557.50	571.10
07-Jun-06	586.50	600.10
05-Jul-06	618.50	632.10
02-Aug-06	640.50	654.10
06-Sep-06	615.50	629.10
04-Oct-06	581.50	595.10
01-Nov-06	579.50	593.10
06-Dec-06	554.50	568.10
03-Jan-07	537.50	551.10
07-Feb-07	528.50	542.10
07-Mar-07	538.50	552.10
04-Apr-07	576.50	590.10
02-May-07	606.50	620.30
06-Jun-07	611.50	625.30
04-Jul-07	622.50	636.30
01-Aug-07	637.50	651.30
05-Sep-07	642.50	656.30
03-Oct-07	665.50	679.30
07-Nov-07	659.50	673.30
05-Dec-07	710.50	724.30
02-Jan-08	711.50	725.30
06-Feb-08	718.50	732.30
05-Mar-08	796.50	810.30
02-Apr-08	924.50	938.30
07-May-08	995.50	1009.30
04-Jun-08	1066.50	1080.30
02-Jul-08	1129.50	1143.30
06-Aug-08	1113.50	1127.30
03-Sep-08	969.50	983.30
01-Oct-08	913.50	927.30
05-Nov-08	889.50	903.30
03-Dec-08	808.50	822.30
07-Jan-09	639.65	654.35
04-Feb-09	634.65	649.35
04-Mar-09	596.65	611.35

Period	Diesel 0.05% Sulphur	
	Coast	Inland
01-Apr-09	636.15	650.85
06-May-09	644.15	658.85
03-Jun-09	632.65	645.95
01-Jul-09	672.65	685.95
05-Aug-09	652.65	665.95
02-Sep-09	687.65	700.95
07-Oct-09	655.15	668.45
04-Nov-09	665.15	678.45
02-Dec-09	690.15	703.45
06-Jan-10	676.15	689.45
03-Feb-10	686.15	699.45
03-Mar-10	690.15	703.45
07-Apr-10	738.65	751.95
05-May-10	767.65	781.45
02-Jun-10	752.65	766.45
07-Jul-10	737.65	751.45
04-Aug-10	724.65	738.45
01-Sep-10	724.65	738.45
06-Oct-10	721.65	735.45
03-Nov-10	732.65	746.45
01-Dec-10	746.65	760.45
05-Jan-11	770.25	789.45
02-Feb-11	800.25	814.05
02-Mar-11	864.25	878.05
06-Apr-11	928.05	948.45
04-May-11	944.05	964.45
01-Jun-11	906.05	926.45
06-Jul-11	895.05	915.45
03-Aug-11	910.05	930.45
07-Sep-11	910.05	930.45
05-Oct-11	945.05	965.45
02-Nov-11	981.05	1001.45
07-Dec-11	1028.29	1048.69
04-Jan-12	1007.29	1027.69
01-Feb-12	1006.29	1026.69
07-Mar-12	1016.67	1037.07
04-Apr-12	1064.27	1088.97
02-May-12	1073.67	1098.37
06-Jun-12	1048.85	1073.55
04-Jul-12	986.27	1010.97
01-Aug-12	1000.89	1025.59
05-Sep-12	1069.89	1094.59
03-Oct-12	1109.05	1133.75
07-Nov-12	1119.25	1143.95
05-Dec-12	1114.25	1138.95
02-Jan-13	1086.67	1111.37

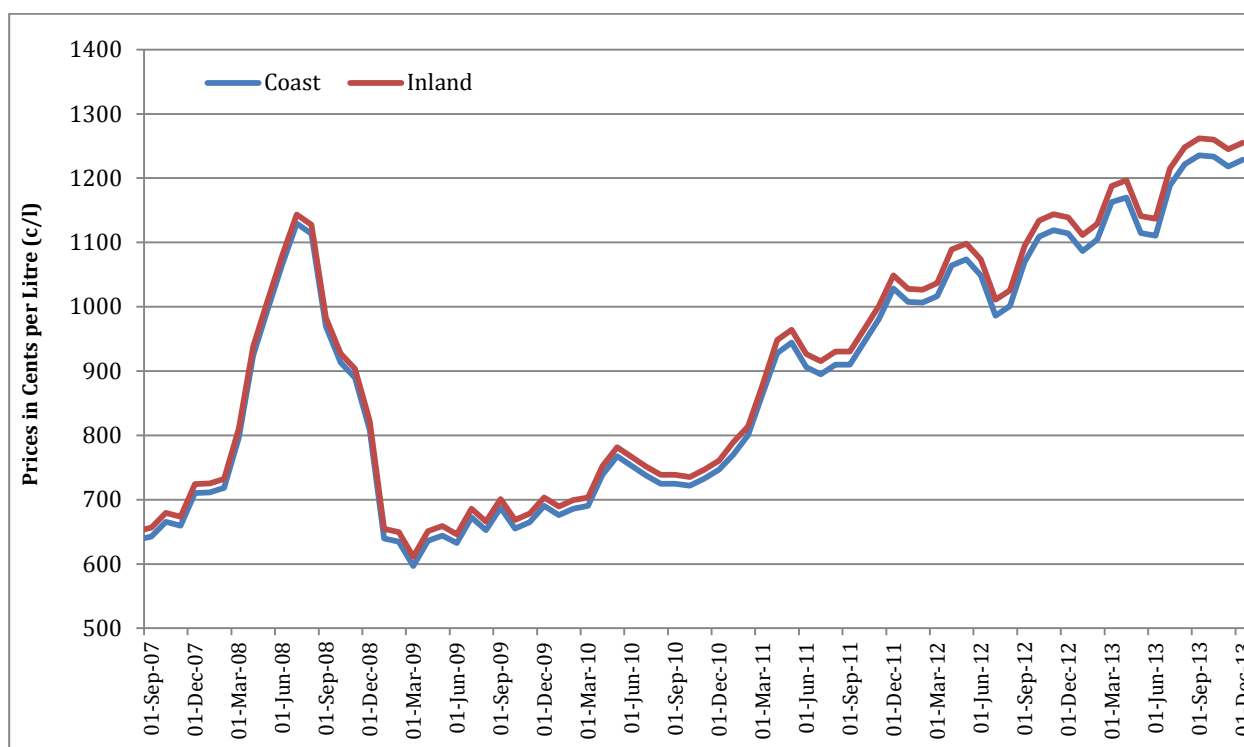
Period	Diesel 0.05% Sulphur	
	Coast	Inland
06-Feb-13	1104.47	1129.17
06-Mar-13	1162.85	1187.55
03-Apr-13	1170.01	1196.61
01-May-13	1114.45	1141.05
05-Jun-13	1110.47	1137.07
03-Jul-13	1188.67	1215.27
07-Aug-13	1221.63	1248.23
04-Sep-13	1235.45	1262.05
02-Oct-13	1233.45	1260.05
06-Nov-13	1218.25	1244.85
04-Dec-13	1228.37	1254.97

Source: DoE

Explanatory Notes

1. As from March 1998 the wholesale price of diesel but not the retail price is regulated.
2. Diesel grades: With effect from 2nd January 2002 the current 0.5% sulphur content diesel grade was replaced by 0.3% sulphur content diesel grade; on 4th January 2006 0.3% sulphur was replaced with 0.05% sulphur.
3. The Department of Energy started to report prices of diesel with 0.05% sulphur in 2006.

Figure 2.6: Monthly Wholesale Prices (0.05% Sulphur Diesel) - cents per litre (c/l)



Source: DoE

As shown in Figure 2.6, Diesel prices peaked in September 2008 selling at R12.35 (coastal) and R12.62 (inland) mainly due to the increase in Brent crude oil price from USD 108.50 per barrel to around US\$ 110.00 per barrel. The upward price movement in Brent crude oil prices were mainly driven by the tensions in the Middle East, the violence in Egypt threatened the disruption of flow of crude oil to the Suez Canal, which is an important supply route for the Middle Eastern crude oil and production of crude oil fell due to disruptions in some fields in Libya due to labour unrest.

The Rand/Dollar exchange rate deteriorated and peaked at R9.06 per US Dollar in January 2013 which in turn contributed to an increase in diesel prices in that period. During the first quarter of 2013, the price of diesel per litre increased continually as a result of the continual increase of Brent crude oil price during the same period. During February crude oil prices traded between US\$112.0/barrel (bbl) and US\$119.0/bbl before easing to around US\$114.5/bbl. Since South Africa is a net importer of crude oil, increases in crude oil prices leads to corresponding increases in petroleum products prices. Hence the continual increase of diesel prices during the first quarter.

Table 2.6: Monthly wholesale diesel prices - individual components - cents per litre (c/l)

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
Diesel 0.05% Sulphur												
01-Feb-06	307.63	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	517.80
01-Mar-06	307.63	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	517.80
03-May-06	369.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	574.50
07-Jun-06	401.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	606.50
05-Jul-06	432.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	637.50
02-Aug-06	457.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.50
06-Sep-06	457.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.50
04-Oct-06	391.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	596.50
01-Nov-06	390.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	595.50
06-Dec-06	364.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	569.50
03-Jan-07	345.63	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	551.10
07-Feb-07	336.63	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	542.10
07-Mar-07	346.63	4.00	100.00	0.00	0.01	0.19	36.50	7.00	4.81	39.26	13.70	552.10
04-Apr-07	374.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	590.10
02-May-07	404.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	620.10
06-Jun-07	409.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	625.30
04-Jul-07	420.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	636.30
05-Sep-07	440.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	656.30
03-Oct-07	463.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	679.30
07-Nov-07	457.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	673.30
05-Dec-07	508.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	724.30
02-Jan-08	509.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	725.30
06-Feb-08	516.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	732.30
05-Mar-08	594.63	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	810.30
02-Apr-08	711.63	4.00	111.00	0.00	0.01	0.15	46.50	7.00	4.85	39.26	13.90	938.30

Period	BFP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
07-May-08	758.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1009.30
04-Jun-08	829.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1080.30
02-Jul-08	892.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	13.90	1148.70
06-Aug-08	870.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	1127.30
03-Sep-08	706.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	983.30
05-Nov-08	626.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	903.30
03-Dec-08	545.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	822.30
02-Jan-09	421.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	654.35
04-Feb-09	416.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	649.35
04-Mar-09	378.63	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	611.35
01-Apr-09	376.63	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	650.85
06-May-09	384.63	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	658.85
03-Jun-09	371.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	645.95
01-Jul-09	411.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	685.95
05-Aug-09	391.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	665.95
02-Sep-09	426.63	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	700.95
07-Oct-09	386.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	668.45
07-Nov-09	396.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	678.45
02-Dec-09	421.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	703.45
06-Jan-10	407.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	689.45
03-Feb-10	417.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	699.45
03-Mar-10	421.63	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	703.45
07-Apr-10	444.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	14.00	751.95
05-May-10	472.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	781.45
02-Jun-10	457.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	766.54
07-Jul-10	442.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	751.45
04-Aug-10	429.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.45

Period	BPP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
01-Sep-10	429.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.45
06-Oct-10	426.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	735.45
03-Nov-10	437.63	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	746.45
01-Dec-10	451.63	4.00	152.50	3.00	0.05	0.15	72.00	10.80	0.00	50.86	15.50	760.45
05-Jan-11	471.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	784.05
02-Feb-11	501.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	814.05
02-Mar-11	565.63	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	878.05
06-Apr-11	610.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	948.45
04-May-11	626.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	964.45
01-Jun-11	588.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	926.45
06-Jul-11	577.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	915.45
03-Aug-11	592.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	930.45
07-Sep-11	592.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	930.45
05-Oct-11	627.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	965.45
02-Nov-11	663.63	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	1001.45
07-Dec-11	702.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1048.69
04-Jan-12	681.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1027.69
01-Feb-12	680.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1026.69
07-Mar-12	686.63	4.00	162.50	3.00	0.01	0.15	80.00	21.00	4.38	52.50	22.90	1037.07
04-Apr-12	706.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1088.97
02-May-12	711.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	8.78	52.50	26.80	1098.37
06-Jun-12	684.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	10.96	52.50	26.80	1073.55
04-Jul-12	628.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1010.97
01-Aug-12	647.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1025.59
05-Sep-12	716.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1094.59
03-Oct-12	742.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	13.16	52.50	26.80	1133.75
07-Nov-12	750.63	4.00	182.50	3.00	0.01	0.15	88.00	21.00	15.36	52.50	26.80	1143.95

Period	BPP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
05-Dec-12	735.63	4.00	182.50	3.00	0.01	0.15	88.00	25.50	15.36	58.00	26.80	1138.95
02-Jan-13	714.63	4.00	182.50	3.00	0.01	0.15	88.00	25.50	8.78	58.00	26.80	1111.37
01-Feb-13	734.63	4.00	182.50	3.00	0.01	0.15	88.00	25.50	6.58	58.00	26.80	1129.17
06-Mar-13	788.63	4.00	182.50	3.00	0.01	0.15	88.00	25.50	10.96	58.00	26.80	1187.55
03-Apr-13	761.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	21.92	58.00	28.90	1196.61
01-May-13	712.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1141.05
05-Jun-13	719.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	4.38	58.00	28.90	1137.07
03-Jul-13	795.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	6.58	58.00	28.90	1215.27
07-Aug-13	817.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	17.54	58.00	28.90	1248.23
04-Sep-13	833.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1262.05
02-Oct-13	831.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1260.05
06-Nov-13	818.63	4.00	197.50	3.00	0.01	0.15	96.00	25.50	13.16	58.00	28.90	1244.85
04-Dec-13	826.63	4.00	197.50	3.00	0.01	0.15	96.00	17.10	8.78	61.20	28.90	1254.97
Diesel 0.005% Sulphur												
01-Feb-06	314.03	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	524.20
01-Mar-06	312.03	4.00	100.00	0.00	0.01	0.00	31.50	7.00	15.00	39.26	13.40	522.20
03-May-06	369.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	574.77
07-Jun-06	401.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	606.50
05-Jul-06	432.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	637.77
02-Aug-06	457.13	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	662.60
06-Sep-06	427.13	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	632.60
04-Oct-06	391.30	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	596.77
01-Nov-06	390.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	595.50
06-Dec-06	364.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	5.00	39.26	13.70	569.50
02-Jan-07	347.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	4.81	39.26	13.70	552.31
07-Feb-07	341.03	4.00	100.00	0.00	0.01	0.00	36.50	7.00	4.81	39.26	13.70	546.31
07-Mar-07	349.03	4.00	100.00	0.00	0.01	0.19	36.50	7.00	4.81	39.26	13.70	554.50

Period	BPP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
04-Apr-07	376.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	591.50
02-May-07	406.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.70	621.50
06-Jun-07	413.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	628.70
04-Jul-07	424.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	639.70
01-Aug-07	439.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	654.70
05-Sep-07	444.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	659.70
03-Oct-07	467.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	682.70
07-Nov-07	461.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	676.70
05-Dec-07	513.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	728.70
02-Jan-08	513.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	728.70
06-Feb-08	520.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	735.70
05-Mar-08	598.03	4.00	105.00	0.00	0.01	0.19	41.50	7.00	4.81	39.26	13.90	813.70
02-Apr-08	717.03	4.00	111.00	0.00	0.01	0.15	46.50	7.00	4.85	39.26	13.90	943.70
07-May-08	765.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1015.70
04-Jun-08	835.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	39.26	13.90	1085.70
02-Jul-08	898.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	13.90	1154.10
06-Aug-08	875.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	1131.70
03-Sep-08	709.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	24.85	44.66	14.50	965.70
05-Nov-08	633.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	909.70
03-Dec-08	553.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	44.85	44.66	14.50	829.70
02-Jan-09	431.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	663.75
04-Feb-09	424.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	656.75
04-Mar-09	386.03	4.00	111.00	1.50	0.01	0.15	46.50	9.50	0.00	44.66	15.40	618.75
01-Apr-09	384.03	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	658.25
06-May-09	390.03	4.00	135.00	1.50	0.01	0.15	64.00	9.50	0.00	44.66	15.40	664.25
03-Jun-09	376.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	650.35
01-Jul-09	416.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	690.35

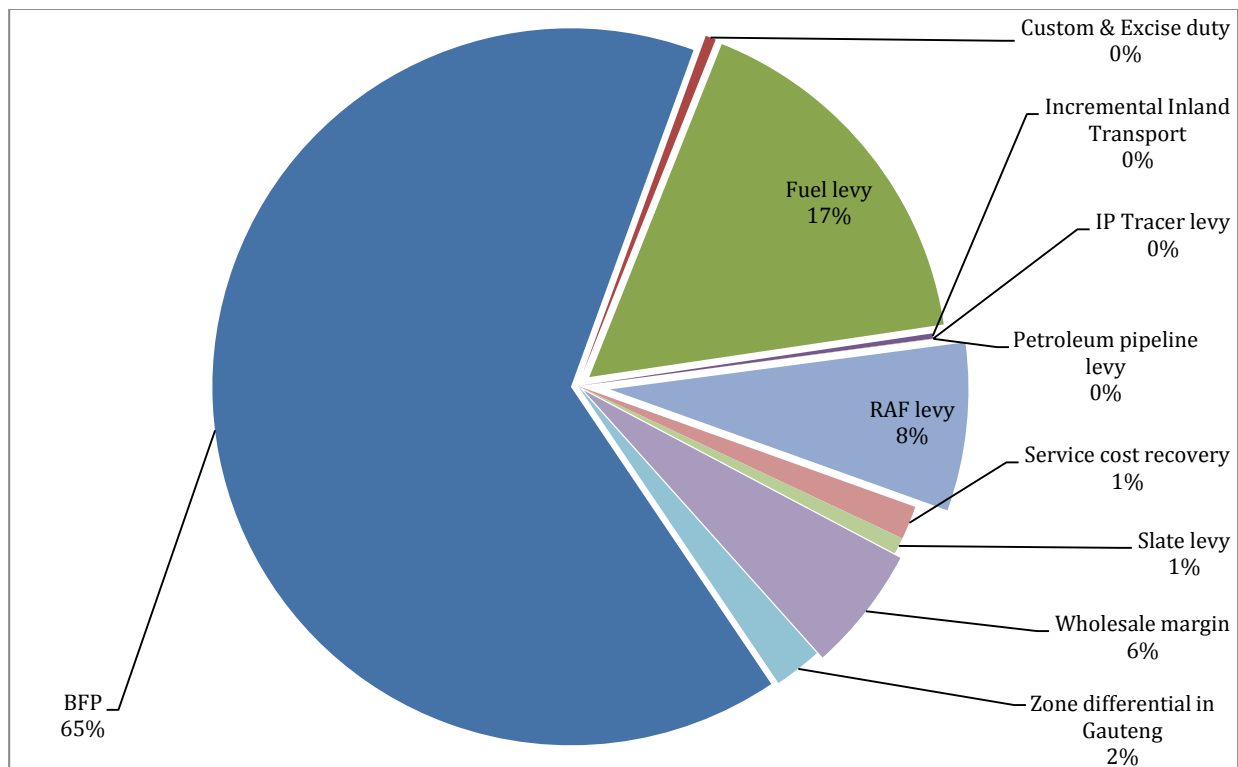
Period	BPP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
05-Aug-09	395.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	669.35
02-Sep-09	431.03	4.00	135.00	3.00	0.01	0.15	64.00	9.50	0.00	44.66	14.00	705.35
07-Oct-09	390.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	671.85
07-Nov-09	398.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	679.85
02-Dec-09	424.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	705.85
06-Jan-10	410.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	691.85
03-Feb-10	420.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	701.85
03-Mar-10	420.03	4.00	135.00	3.00	0.01	0.15	64.00	10.80	0.00	50.86	14.00	701.85
07-Apr-10	447.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	14.00	754.35
05-May-10	475.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	783.85
02-Jun-10	460.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	768.85
07-Jul-10	444.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	752.85
04-Aug-10	413.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	739.85
01-Sep-10	433.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	741.85
06-Oct-10	430.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	738.85
03-Nov-10	442.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	750.85
01-Dec-10	457.03	4.00	152.50	3.00	0.01	0.15	72.00	10.80	0.00	50.86	15.50	765.85
05-Jan-11	477.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	789.45
02-Feb-11	509.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	821.45
02-Mar-11	572.03	4.00	152.50	3.00	0.01	0.15	72.00	11.40	0.00	53.86	15.50	884.45
06-Apr-11	616.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	953.85
04-May-11	632.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	969.85
01-Jun-11	595.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	932.85
06-Jul-11	583.03	4.00	162.50	3.00	0.01	0.29	80.00	11.40	0.00	53.86	22.90	920.85
03-Aug-11	598.03	4.00	162.50	3.00	0.01	0.29	80.00	11.40	0.00	53.86	22.90	935.85
07-Sep-11	598.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	935.85
05-Oct-11	635.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	972.85

Period	BPP	Custom & Excise duty	Fuel levy	Incremental Inland Transport	IP Tracer levy	Petroleum pipeline levy	RAF levy	Service cost recovery	Slate levy	Wholesale margin	Zone differential in Gauteng	Wholesale price
02-Nov-11	671.03	4.00	162.50	3.00	0.01	0.15	80.00	11.40	0.00	53.86	22.90	1008.85
07-Dec-11	707.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1053.09
04-Jan-12	687.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1033.09
01-Feb-12	685.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	0.00	52.50	22.90	1031.09
07-Mar-12	690.03	4.00	162.50	3.00	0.01	0.15	80.00	21.00	4.38	52.50	22.90	1040.47
04-Apr-12	712.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1094.37
02-May-12	716.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	8.78	52.50	26.80	1102.77
06-Jun-12	689.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	10.96	52.50	26.80	1077.95
04-Jul-12	634.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	4.38	52.50	26.80	1016.37
01-Aug-12	654.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1031.99
05-Sep-12	723.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	0.00	52.50	26.80	1100.99
03-Oct-12	750.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	13.16	52.50	26.80	1141.15
07-Nov-12	757.03	4.00	182.50	3.00	0.01	0.15	88.00	21.00	15.36	52.50	26.80	1150.35
05-Dec-12	741.03	4.00	182.50	3.00	0.01	0.15	88.00	25.50	15.36	58.00	26.80	1144.35
02-Jan-13	719.03	4.00	182.50	3.00	0.01	0.15	88.00	25.50	8.78	58.00	26.80	1115.77
01-Feb-13	739.03	4.00	182.50	3.00	0.01	0.15	88.00	25.50	6.58	58.00	26.80	1133.57
06-Mar-13	793.03	4.00	182.50	3.00	0.01	0.15	88.00	25.50	10.96	58.00	26.80	1191.95
03-Apr-13	767.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	21.92	58.00	28.90	1202.01
01-May-13	717.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1145.45
05-Jun-13	724.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	4.38	58.00	28.90	1141.47
03-Jul-13	800.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	6.58	58.00	28.90	1219.67
07-Aug-13	822.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	17.54	58.00	28.90	1252.63
04-Sep-13	839.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1267.45
02-Oct-13	837.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	15.36	58.00	28.90	1265.45
06-Nov-13	822.03	4.00	197.50	3.00	0.01	0.15	96.00	25.50	13.16	58.00	28.90	1248.25
04-Dec-13	830.03	4.00	197.50	3.00	0.01	0.15	96.00	17.10	8.78	61.20	28.90	1258.37

Source: DoE

To identify the contribution of each component to the diesel wholesale price, all the components are shown in Figure 2.7. In 2013 the BFP was the largest contributor to the total wholesale price of diesel with 65%. The second largest contributor to diesel wholesale price was fuel levy contributing 17%, followed by Road Accident Fund (RAF) levy 8%, and wholesale margin 6%. In 2013/2014 budget, the Minister of Finance announced the increase of the fuel levy on diesel to 202.5 c/l. The RAF on diesel amounted to 96.0 c/l.

Figure 2.7: Annual Wholesale Diesel Prices 2013 - Individual Components-cents per litre (c/l)



Source: DoE

2.2.3 Illuminating Paraffin

The historical prices in the coastal and inland areas of illuminating paraffin from 2006 to 2013 are shown in Table 2.7 below.

Table 2.7: Monthly Illuminating Paraffin Prices (c/l)

Period	Illuminating Paraffin	
	Coast	Gauteng
04-Jan-06	376.20	398.60
01-Feb-06	380.20	402.60
01-Mar-06	384.20	402.60
05-Apr-06	389.20	412.20
03-May-06	409.20	432.20
07-Jun-06	429.20	452.20
05-Jul-06	465.20	488.20
02-Aug-06	486.20	509.20
06-Sep-06	481.20	504.20
04-Oct-06	459.20	482.20
01-Nov-06	446.20	469.20
06-Dec-06	421.20	444.20
03-Jan-07	424.20	447.20
07-Feb-07	398.20	421.20
07-Mar-07	408.20	431.20
04-Apr-07	438.20	462.10
02-May-07	456.20	480.10
06-Jun-07	458.20	482.10
04-Jul-07	475.20	499.10
01-Aug-07	482.20	506.10
05-Sep-07	482.20	506.10
03-Oct-07	495.20	519.10
07-Nov-07	505.20	529.10
05-Dec-07	563.20	587.10
02-Jan-08	554.20	578.10
06-Feb-08	556.20	580.10
05-Mar-08	632.20	656.10
02-Apr-08	750.20	774.10
07-May-08	805.70	829.60
04-Jun-08	876.70	900.60
02-Jul-08	925.70	949.60
06-Aug-08	929.10	953.00
03-Sep-08	783.10	807.00
01-Oct-08	718.10	742.00
05-Nov-08	679.10	703.00
03-Dec-08	604.10	628.00
07-Jan-09	467.60	496.70
04-Feb-09	453.60	482.70
04-Mar-09	427.60	456.70
01-Apr-09	422.60	451.70

Period	Illuminating Paraffin	
	Coast	Gauteng
06-May-09	435.60	464.70
03-Jun-09	426.60	455.70
01-Jul-09	472.60	501.70
05-Aug-09	458.60	487.70
02-Sep-09	479.60	508.70
07-Oct-09	452.10	481.20
04-Nov-09	466.10	495.20
02-Dec-09	495.10	524.20
06-Jan-10	483.10	512.20
03-Feb-10	488.10	517.20
03-Mar-10	486.10	515.20
07-Apr-10	507.10	536.20
05-May-10	538.10	566.20
02-Jun-10	525.10	553.20
07-Jul-10	513.10	541.20
04-Aug-10	498.10	526.20
01-Sep-10	493.10	521.20
06-Oct-10	492.10	520.20
03-Nov-10	506.10	534.20
01-Dec-10	520.10	548.20
05-Jan-11	541.71	569.81
02-Feb-11	573.71	601.81
02-Mar-11	643.71	671.81
06-Apr-11	684.51	720.41
04-May-11	699.51	735.41
01-Jun-11	667.51	703.41
06-Jul-11	655.51	691.41
03-Aug-11	665.51	701.41
07-Sep-11	663.51	699.41
05-Oct-11	693.51	729.41
02-Nov-11	734.53	770.41
07-Dec-11	777.53	770.41
04-Jan-12	752.53	788.43
01-Feb-12	749.53	785.43
07-Mar-12	753.53	789.43
04-Apr-12	774.13	816.03
02-May-12	783.13	825.03
06-Jun-12	762.13	804.03
04-Jul-12	704.13	746.03
01-Aug-12	719.13	761.03
05-Sep-12	792.13	834.03
03-Oct-12	825.13	867.03
07-Nov-12	828.13	870.03
05-Dec-12	824.13	866.03
02-Jan-13	807.13	849.03
06-Feb-13	833.13	875.03
06-Mar-13	890.13	932.03

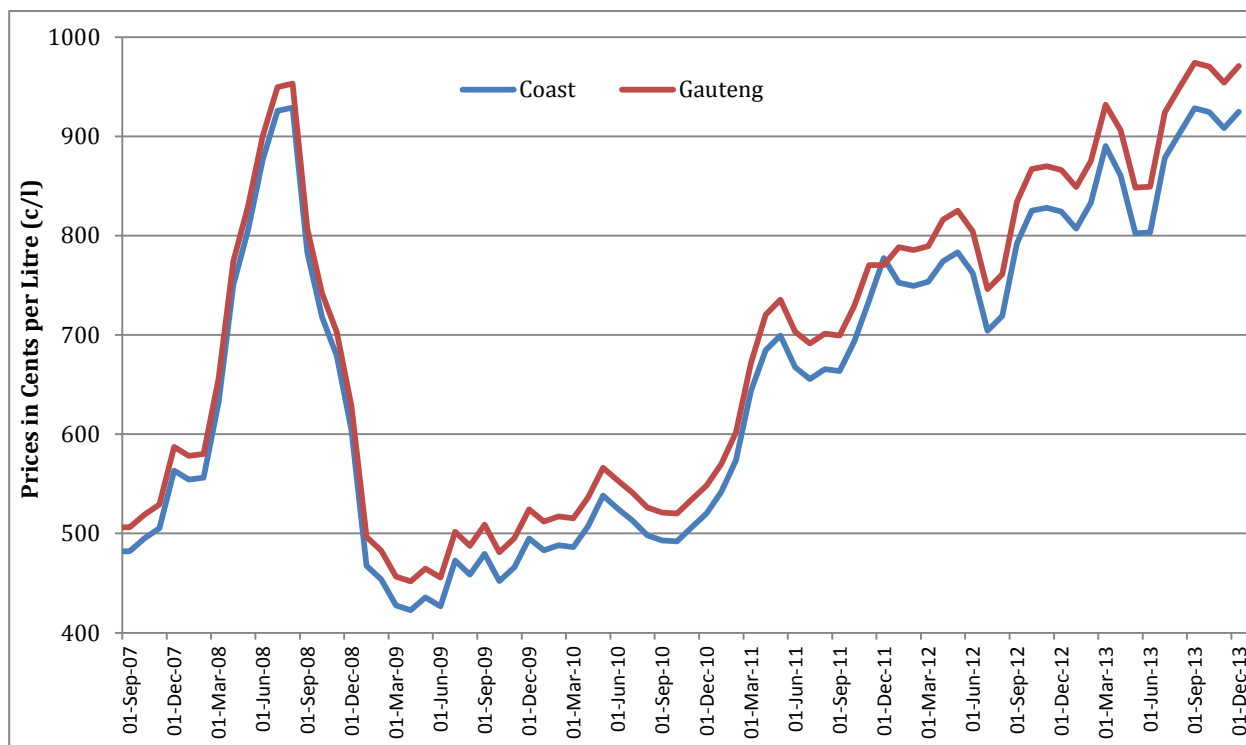
Period	Illuminating Paraffin	
	Coast	Gauteng
03-Apr-13	860.33	906.23
01-May-13	802.33	848.23
05-Jun-13	803.33	849.23
03-Jul-13	878.33	924.22
07-Aug-13	903.33	949.23
04-Sep-13	928.33	974.23
02-Oct-13	924.33	970.23
06-Nov-13	908.33	954.23
04-Dec-13	924.83	970.73

Source: DoE

Explanatory Notes:

1. Data until 2009 was sourced from SAPIA and the Department of Minerals and Energy (DME).
2. From 2010 the data is sourced from the Department of Energy.
3. The bulk prices are list prices and exclude a controlled maximum retail margin of 33.3%.
4. The prices are exclusive of VAT

Figure 2.8: Monthly Illuminating Paraffin Price - cents per litre (c/l)



Source: DoE

As one of the cheapest forms of energy, paraffin is used by millions of people in South Africa as well as Botswana, Namibia, Mozambique, Lesotho and Swaziland. Although mostly used for domestic purposes, such as cooking and heating, paraffin also plays a role in industrial environments. The Department of Energy started to regulate the maximum retail price for illuminating paraffin, excluding the price of any form of packaging since January 2010.

As shown in Figure 2.8 above, the price of illuminating paraffin recorded the highest level ever in September 2013 costing R9.74 per litre in the inland region and R9.24 in the coastal region which was mainly pushed by the weaker Rand/US Dollar exchange rate that moved from US\$=R9.93 to US\$ =R10.08.

2.2.4 Liquid Petroleum Gas (LPG)

LPG in South Africa is manufactured by all local refineries (including CTL and GTL). LPG is not a by-product of the refining process, but a primary product in its own right. Once produced, LPG is sold and distributed either in bulk or in cylinders along a supply chain. End users of LPG vary across the spectrum from industrial users and farmers, who mainly use LPG for space and process heating and certain machinery operations, to hotels, restaurants and resorts for operating a range of appliances such as geysers, ovens, hobs and water heaters, and in the households for which it is often used as a main energy source for cooking, lighting, refrigeration and space heating. The refinery gate prices of LPG from 2004 to 2013 are shown in Table 2.8 below. These prices are presented in different units including cents per kilogram, cents per litre, Rand per gigajoule, Rand per kilogram and Rand per ton.

Table 2.8: Monthly Regulated Maximum Refinery Gate Price for Liquefied Petroleum Gas (LPG)

Period	Cents per kilogram	cents per litre	Rand per Gigajoule	Rand per kilogram	Rand per ton
01-Jan-04	248.79	138.08	50.32	2.49	2487.93
01-Feb-04	240.62	133.54	48.66	2.41	2406.19
01-Mar-04	258.76	143.61	52.33	2.59	2587.61
01-Apr-04	259.87	144.23	52.56	2.60	2598.71
01-May-04	311.73	173.01	63.05	3.12	3117.35
01-Jun-04	270.02	149.86	54.61	2.70	2700.25
01-Jul-04	256.53	142.37	51.88	2.56	2565.32
01-Aug-04	288.48	160.11	58.34	2.88	2884.80
01-Sep-04	288.51	160.12	58.35	2.88	2885.13
01-Oct-04	311.53	172.90	63.01	3.11	3115.28
01-Nov-04	282.91	157.02	57.22	2.83	2829.14
01-Dec-04	234.41	130.10	47.41	2.34	2344.14
01-Jan-05	248.90	138.14	50.34	2.49	2489.05
01-Feb-05	286.35	158.92	57.91	2.86	2863.49
01-Mar-05	317.72	176.34	64.26	3.18	3177.23
01-Apr-05	340.90	189.20	68.95	3.41	3409.05
01-May-05	312.92	173.67	63.29	3.13	3129.20
01-Jun-05	364.12	202.08	73.64	3.64	3641.16
01-Jul-05	389.62	216.24	78.80	3.90	3896.22
01-Aug-05	429.12	238.16	86.79	4.29	4291.23
01-Sep-05	442.68	245.69	89.53	4.43	4426.85
01-Oct-05	402.77	223.54	81.46	4.03	4027.68
01-Nov-05	362.28	201.07	73.27	3.62	3622.84
01-Dec-05	357.84	198.60	72.37	3.58	3578.44
01-Jan-06	369.85	205.27	74.81	3.70	3698.50
01-Feb-06	352.34	195.55	71.27	3.52	3523.42
01-Mar-06	395.64	219.58	80.03	3.96	3956.44

Period	Cents per kilogram	cents per litre	Rand per Gigajoule	Rand per kilogram	Rand per ton
01-Apr-06	436.88	242.47	88.37	4.37	4368.78
01-May-06	481.25	267.09	97.34	4.81	4812.47
01-Jun-06	518.49	287.76	104.87	5.18	5184.86
01-Jul-06	560.85	311.27	113.44	5.61	5608.46
01-Aug-06	512.24	284.29	103.61	5.12	5122.37
01-Sep-06	438.99	243.64	88.79	4.39	4389.92
01-Oct-06	431.72	239.60	87.31	4.32	4317.15
01-Nov-06	414.30	229.94	83.79	4.14	4143.03
01-Dec-06	422.50	234.49	85.45	4.23	4225.02
01-Jan-07	387.83	215.25	78.45	3.88	3878.34
01-Feb-07	427.20	237.09	86.41	4.27	4272.00
01-Mar-07	495.33	274.91	100.19	4.95	4953.32
01-Apr-07	530.06	294.18	107.21	5.30	5300.61
01-May-07	565.79	314.01	114.44	5.66	5657.85
01-Jun-07	557.50	309.41	112.76	5.58	5575.00
01-Jul-07	543.76	301.79	109.98	5.44	5437.59
01-Aug-07	514.02	285.28	103.97	5.14	5140.23
01-Sep-07	529.75	294.01	107.15	5.30	5297.52
01-Oct-07	527.73	292.89	106.74	5.28	5277.30
01-Nov-07	586.91	325.73	118.71	5.87	5869.08
01-Dec-07	578.45	321.04	117.00	5.78	5784.46
01-Jan-08	612.16	339.75	123.82	6.12	6121.61
01-Feb-08	689.78	382.82	139.52	6.90	6897.77
01-Mar-08	756.74	419.99	153.06	7.57	7567.43
01-Apr-08	756.81	420.02	153.06	7.57	7568.07
01-May-08	788.60	437.67	159.51	7.89	7885.97
01-Jun-08	849.07	471.24	171.74	8.49	8490.73
01-Jul-08	946.61	525.37	191.47	9.47	9466.13
01-Aug-08	904.16	501.81	182.88	9.04	9041.62
01-Sep-08	789.15	437.98	159.62	7.89	7891.48
01-Oct-08	761.67	422.73	154.06	7.62	7616.74
01-Nov-08	684.30	379.79	138.41	6.84	6843.00
01-Dec-08	480.70	266.79	97.23	4.81	4806.97
01-Jan-09	373.97	207.56	75.64	3.74	3739.74
01-Feb-09	439.66	244.01	88.93	4.40	4396.58
01-Mar-09	473.76	262.94	95.82	4.74	4737.58
01-Apr-09	473.81	262.96	95.83	4.74	4812.06
01-May-09	475.89	264.12	96.26	4.76	4758.95
01-Jun-09	492.11	273.12	99.54	4.92	4995.13
01-Jul-09	545.75	302.89	110.39	5.46	5457.53
01-Aug-09	507.72	281.79	102.69	5.08	5077.22
01-Sep-09	566.98	314.68	114.68	5.67	5669.84
01-Oct-09	493.70	274.00	99.86	4.94	4936.95
01-Nov-09	510.38	283.26	103.23	5.10	5103.85
01-Dec-09	534.95	296.90	108.20	5.35	5349.53
01-Jan-10	520.57	288.92	105.29	5.21	5205.70
01-Feb-10	548.47	304.40	110.94	5.48	5484.74
01-Mar-10	550.82	305.71	111.41	5.51	5508.21
01-Apr-10	586.72	325.63	271.75	5.87	5867.21

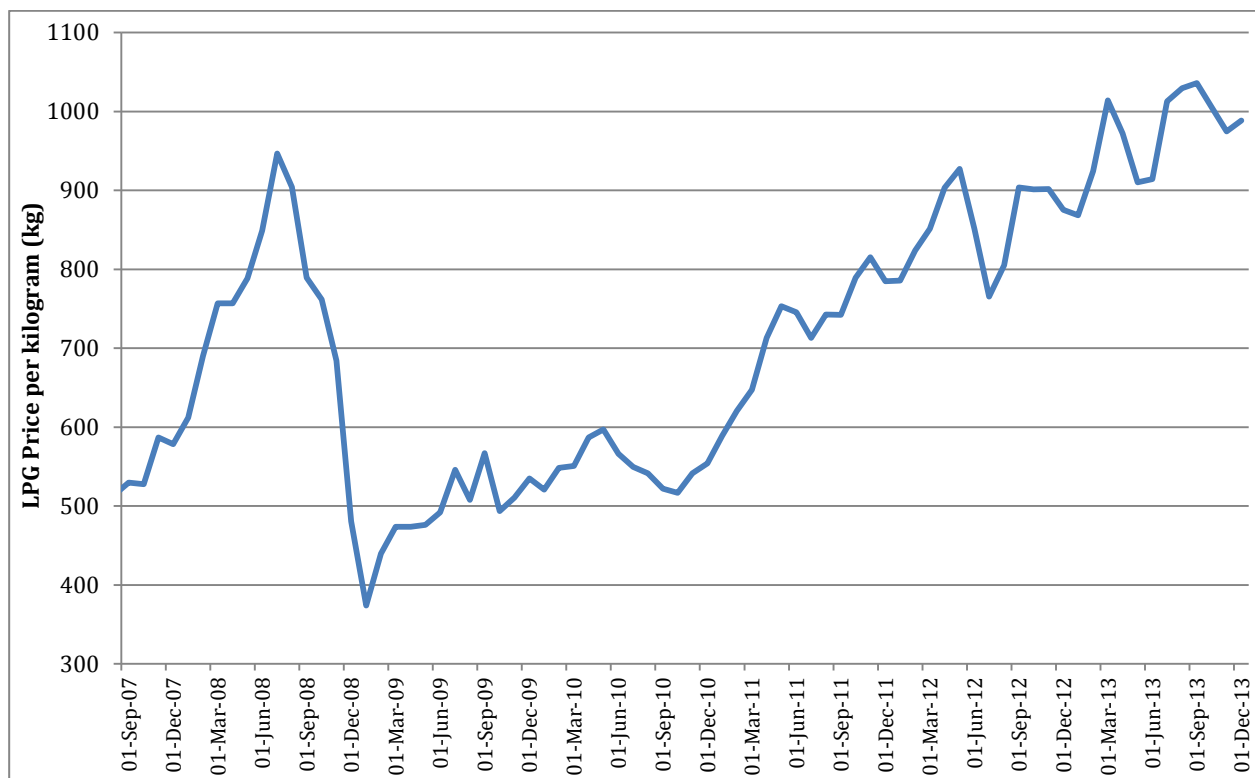
Period	Cents per kilogram	cents per litre	Rand per Gigajoule	Rand per kilogram	Rand per ton
01-May-10	597.13	331.41	120.78	5.97	5971.28
01-Jun-10	566.06	314.16	114.49	5.66	5660.60
01-Jul-10	549.45	304.94	111.13	5.49	5494.46
01-Aug-10	541.57	300.57	109.54	5.42	5415.68
01-Sep-10	521.87	289.64	105.56	5.22	5218.72
01-Oct-10	516.70	286.77	104.51	5.17	5166.97
01-Nov-10	541.42	300.49	109.51	5.41	5414.20
01-Dec-10	553.87	307.40	112.03	5.54	5538.71
01-Jan-11	588.84	326.81	119.09	5.89	5888.41
01-Feb-11	620.66	344.47	125.53	6.21	6206.59
01-Mar-11	647.18	374.17	130.89	6.47	6471.80
01-Apr-11	712.97	395.70	144.20	7.13	7129.72
01-May-11	753.33	418.10	152.36	7.53	7533.31
01-Jun-11	745.53	413.77	150.78	7.45	7455.34
01-Jul-11	713.14	395.79	144.23	7.13	7131.37
01-Aug-11	742.76	412.23	150.22	7.43	7427.60
01-Sep-11	742.44	412.05	150.16	7.42	7424.40
01-Oct-11	789.50	438.17	159.63	7.89	7895.03
01-Nov-11	815.33	452.52	164.90	8.15	8153.50
01-Dec-11	784.71	435.51	158.71	7.84	7847.10
01-Jan-12	785.76	436.10	158.92	7.86	16094.70
01-Feb-12	823.71	457.16	166.60	8.24	8237.10
01-Mar-12	851.41	472.54	172.20	8.51	8514.14
01-Apr-12	903.40	501.39	182.71	9.03	9033.98
01-May-12	927.27	514.63	187.54	9.27	9272.68
01-Jun-12	851.40	472.53	172.20	8.51	8514.01
01-Jul-12	765.42	424.81	154.81	7.65	7654.21
01-Aug-12	805.14	446.85	162.84	8.05	8051.41
01-Sep-12	903.61	501.50	182.75	9.04	9036.11
03-Oct-12	901.11	500.11	182.25	9.01	9011.10
07-Nov-12	901.88	500.54	182.40	9.02	9018.80
05-Dec-12	875.42	485.86	177.05	8.75	8754.21
01-Jan-13	868.54	482.04	175.66	8.69	8685.40
06-Feb-13	924.28	512.98	186.94	9.24	9242.85
06-Mar-13	1014.23	562.91	205.13	10.14	10142.25
03-Apr-13	972.22	539.58	196.63	9.72	9722.21
01-May-13	910.44	505.29	184.13	9.10	9104.35
05-Jun-13	914.40	507.49	184.94	9.14	9144.01
03-Jul-13	1012.79	562.10	204.83	10.13	10127.85
07-Aug-13	1029.34	571.28	208.18	10.29	10293.42
03-Sep-13	1035.82	574.88	209.49	10.36	10358.19
04-Oct-13	1005.70	558.16	203.40	10.06	10056.99
02-Nov-13	974.66	558.16	203.40	9.75	9746.58
04-Dec-13	988.41	548.57	399.82	9.88	9884.10

Source: CEF (Pty) Ltd

The Department of Energy started regulating LPG prices from the 14th of July 2010, by putting a cap on what retailers could charge. This was effected with the objective of making the product more accessible to low-income households, who generally use wood and paraffin for cooking and heating and to encourage fuel switching from electricity. Since the 14th of July 2010, the Department of Energy has been publishing the maximum prices on the first Wednesday of every month.

Planned and unplanned refinery shutdowns take place throughout the year. With planned shutdowns prerequisite steps can be taken to minimise the impact on the production output of petroleum products, whereas unplanned shutdowns tend to have adverse effect on production. There was one planned refinery shut down scheduled to take place during the 2013 winter season. The South African Petroleum Refineries (SAPREF), planned to be on a shutdown from the 26th April 2013 to 1st July 2013. Unplanned shutdown of Engen refinery took place in June which had direct impact on the production of LPG. There is usually an increased demand for LPG during winter season versus limited supply, which causes shortages almost every year. In 2013, LPG prices which lasted from May through to September, from R9.10 per kilogram to R10.35 per kilogram respectively, as depicted in figure 2.9 below.

Figure 2.9: Monthly LPG Prices (c/kg) - Regulated Maximum Refinery Gate Prices



Source: DoE

3 NATURAL GAS

Natural gas is globally accepted as an important source of energy and is considered to be a cleaner burning fossil fuel due to its low emissions. Until now, the use of natural gas in South Africa has been largely limited to applications in the industrial, residential and refining markets. Natural gas is the fastest growing fossil fuel, with global natural gas consumption increasing by 1.7% per year. Natural gas currently makes up only 3% of the total primary energy mix in South Africa, but this is expected to grow to around 10% over the next decade (Price Waterhouse Africa Gas Report, 2012).

In South Africa the natural gas industry is still at a very early stage of development with limited competition. South Africa had proven natural gas reserves of 0.7 Tcf in 2011 (Business Monitor International, 2011) and majority of current and future supplies of natural imports from Mozambique are committed to petrochemicals production.

South Africa has very limited and declining conventional natural gas reserves, but potentially large shale gas resources. According to the International Energy Agency, the resource base in Karoo basin is the eighth largest shale gas resource in the world. The IEA has estimated this resource base to be around 390 Tcf and the Petroleum Agency of South Africa (PetroSA) estimated the resource between 23 and 47 Tcf. This is a significant amount of reserves given that a refinery like PetroSA gas-to-liquid plant consumes about 1 Tcf in twenty years of operation (Mike de Pontes, 2013).

In October 2013, a draft regulation was released for public comments to govern exploration for shale gas, providing measures for protection of water resources and wildlife. The regulations prescribe good international petroleum industry practices and standards, which enhance safe exploration and production of all petroleum (including, but not limited to, shale gas), and will further ensure that petroleum exploration is conducted in a socially and environmentally balanced manner.

Table 3.1 presents the South African historical natural gas tariffs supplied by Sasol Gas from 2004 to 2013. The tariffs are grouped into six customer categories of average annual consumption measured in GJ/a.

Table 3.1: Annual Natural Gas Tariffs - Rand per GigaJoule(R/GJ)

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
01-Jan-04	73.68	72.85	65.75	65.75	56.28	36.63
01-Feb-04	82.44	81.50	73.43	73.43	62.77	40.53
01-Mar-04	79.56	78.56	71.07	71.07	61.01	40.34
01-Apr-04	78.44	77.41	69.85	69.85	59.82	39.07
01-May-04	77.94	77.12	69.65	69.65	59.63	38.86
01-Jun-04	87.60	87.03	78.60	78.60	67.19	43.34
01-Jul-04	81.23	80.54	72.83	72.83	62.38	40.70
01-Aug-04	79.19	78.66	70.78	70.78	60.30	38.15
01-Sep-04	85.79	85.32	76.68	76.68	65.22	40.87
01-Oct-04	90.37	89.85	80.20	80.20	67.80	40.96
01-Nov-04	94.67	94.51	84.60	84.60	71.57	43.40
01-Dec-04	87.28	86.98	77.87	77.87	65.94	40.22
01-Jan-05	76.45	75.84	67.92	67.92	57.64	35.70
01-Feb-05	79.19	78.64	70.48	70.48	59.84	37.12
01-Mar-05	83.24	82.78	74.44	74.44	63.35	39.83
01-Apr-05	89.42	89.32	80.08	80.08	67.84	41.43
01-May-05	100.54	101.03	91.13	91.13	77.46	48.12
01-Jun-05	96.53	96.92	88.00	88.00	75.27	48.53
01-Jul-05	110.13	110.35	99.76	99.76	85.06	53.89
01-Aug-05	109.98	110.17	99.76	99.76	85.20	54.50
01-Sep-05	108.66	109.28	99.14	99.14	84.69	54.14
01-Oct-05	111.79	112.64	103.04	103.04	88.63	58.81
01-Nov-05	114.59	115.42	105.19	105.19	90.17	58.77
01-Dec-05	108.27	108.88	100.14	100.14	86.62	59.26
01-Jan-06	102.48	103.22	94.48	94.48	81.30	54.12
01-Feb-06	104.59	105.47	96.28	96.28	82.61	54.12
01-Mar-06	104.79	106.01	97.66	97.66	84.40	57.35
01-Apr-06	109.35	110.29	101.56	101.56	87.84	60.03
01-May-06	111.88	112.83	103.37	103.37	88.99	59.33
01-Jun-06	115.97	117.01	107.09	107.09	92.09	61.00
01-Jul-06	130.07	130.92	118.89	118.89	101.61	65.13
01-Aug-06	135.67	136.78	124.77	124.77	106.99	69.84
01-Sep-06	132.01	133.25	121.31	121.31	103.79	66.86
01-Oct-06	131.48	132.36	119.40	119.40	101.42	62.70
01-Nov-06	132.28	132.97	120.79	120.79	103.33	66.55
01-Dec-06	121.60	122.11	110.55	110.55	94.31	59.85
01-Jan-07	120.25	121.14	109.56	109.56	93.25	58.32
01-Feb-07	116.79	117.31	106.45	106.45	91.00	58.41
01-Mar-07	119.62	120.14	109.65	109.65	94.24	62.32
01-Apr-07	126.26	126.92	115.79	115.79	99.43	65.43
01-May-07	129.15	130.18	119.41	119.41	102.94	69.13
01-Jun-07	127.28	128.35	117.85	117.85	101.67	68.51
01-Jul-07	134.02	135.21	124.13	124.13	107.05	72.00
01-Aug-07	134.24	135.63	124.90	124.90	107.95	73.44
01-Sep-07	136.12	137.50	126.83	126.83	109.80	75.32
01-Oct-07	141.11	142.55	131.24	131.24	113.43	77.12

Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
01-Nov-07	139.64	141.43	130.91	130.91	113.56	78.67
01-Dec-07	152.70	155.64	144.92	144.92	126.08	88.45
01-Jan-08	152.97	155.53	144.13	144.13	124.99	86.32
01-Feb-08	155.11	157.63	146.29	146.29	127.04	88.39
01-Mar-08	172.95	175.52	161.96	161.96	140.01	95.17
01-Apr-08	195.72	198.84	182.70	182.70	157.26	104.44
01-May-08	205.30	208.91	192.01	192.01	165.21	109.45
01-Jun-08	221.35	225.78	207.41	207.41	178.20	117.00
01-Jul-08	241.70	246.61	226.35	226.35	194.29	126.92
01-Aug-08	251.69	257.67	239.66	239.66	207.93	143.66
01-Sep-08	207.51	212.54	199.69	199.69	174.80	126.25
01-Oct-08	197.34	201.52	189.15	189.15	165.60	119.80
01-Nov-08	196.02	199.34	185.39	185.39	161.26	113.13
01-Dec-08	171.45	172.29	154.40	154.40	130.42	78.06
01-Jan-09	152.34	152.12	137.39	137.39	117.22	74.58
01-Feb-09	148.87	148.81	135.02	135.02	115.65	75.17
01-Mar-09	144.07	144.35	132.66	132.66	114.84	78.96
01-Apr-09	138.18	137.78	126.31	126.31	109.32	75.19
01-May-09	137.99	138.38	127.68	127.68	110.88	77.46
01-Jun-09	135.77	136.61	127.28	127.28	111.34	80.61
01-Jul-09	145.26	146.76	137.13	137.13	120.08	87.23
01-Aug-09	139.99	141.54	132.95	132.95	116.92	86.67
01-Sep-09	149.28	151.13	142.09	142.09	124.99	92.77
01-Oct-09	138.12	139.79	131.84	131.84	116.32	87.50
01-Nov-09	137.66	139.49	131.35	131.35	115.65	86.21
01-Dec-09	149.16	151.35	142.58	142.58	125.52	93.46
01-Jan-10	144.07	146.34	138.33	138.33	122.11	92.01
01-Feb-10	148.71	151.26	143.14	143.14	126.41	95.41
01-Mar-10	145.14	147.23	139.06	139.06	122.72	92.43
01-Apr-10	147.57	149.75	140.93	140.93	123.98	91.96
01-May-10	153.42	155.84	146.19	146.19	128.19	93.59
01-Jun-10	155.98	158.36	148.72	148.72	130.56	95.86
01-Jul-10	149.02	151.02	141.22	141.22	123.60	89.49
01-Aug-10	146.94	148.90	139.49	139.49	122.29	89.24
01-Sep-10	146.15	148.28	139.07	139.07	121.98	89.19
01-Oct-10	142.19	144.14	134.73	134.73	117.85	85.09
01-Nov-10	143.95	146.22	136.85	136.85	119.75	86.57
01-Dec-10	148.54	151.01	141.57	141.57	124.03	90.15
01-Jan-11	151.97	154.57	144.65	144.65	126.51	91.17
01-Feb-11	156.91	159.76	149.53	149.53	130.73	94.04
01-Mar-11	175.41	179.12	168.65	168.65	148.06	108.57
01-Apr-11	182.93	187.09	176.02	176.02	154.33	112.42
01-May-11	187.22	191.56	180.29	180.29	158.11	115.27
01-Jun-11	180.86	185.01	174.37	174.37	153.12	112.34
01-Jul-11	177.45	181.57	171.60	171.60	151.04	112.04
01-Aug-11	179.78	183.91	173.77	173.77	152.93	113.39
01-Sep-11	183.72	187.96	177.88	177.88	156.76	116.97
01-Oct-11	190.57	194.89	184.53	184.53	162.70	121.73

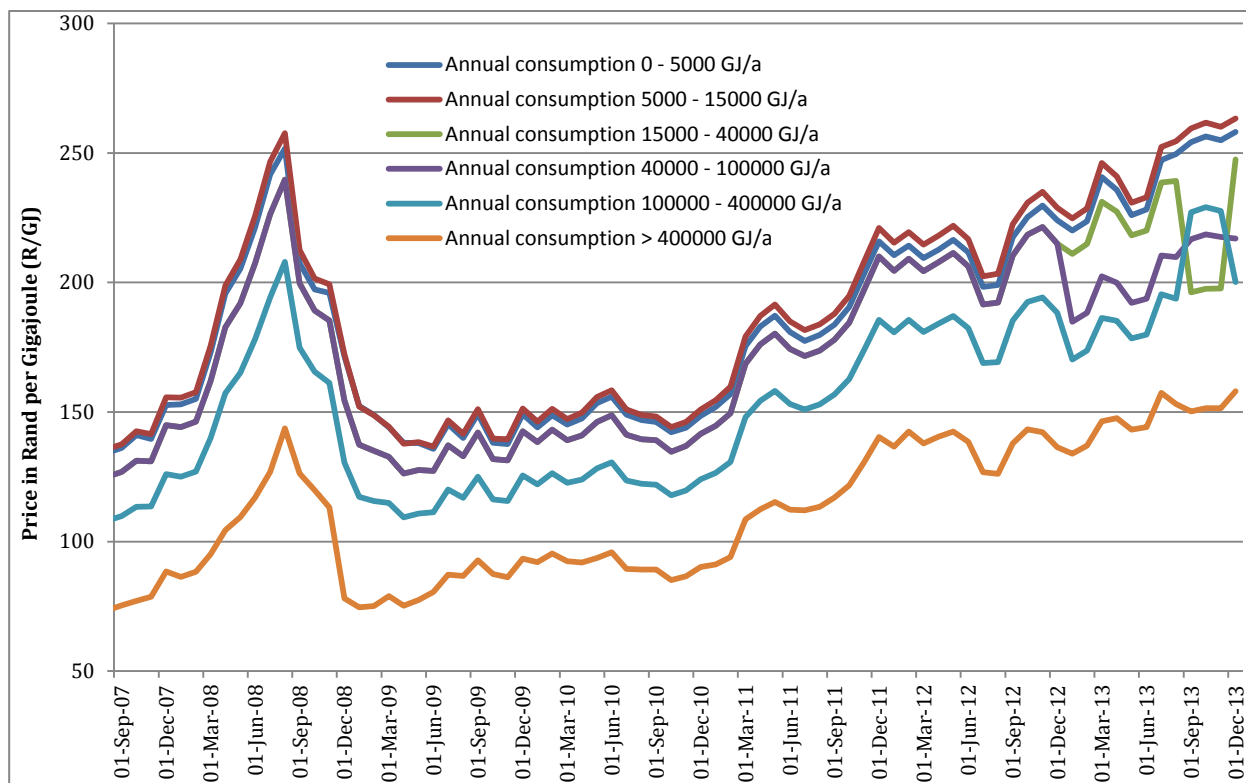
Gas price effective	Annual consumption 0 - 5000 GJ/a	Annual consumption 5000 - 15000 GJ/a	Annual consumption 15000 - 40000 GJ/a	Annual consumption 40000 - 100000 GJ/a	Annual consumption 100000 - 400000 GJ/a	Annual consumption > 400000 GJ/a
01-Nov-11	203.51	208.21	197.33	197.33	174.11	130.66
01-Dec-11	215.88	221.06	209.99	209.99	185.58	140.30
01-Jan-12	210.60	215.39	204.49	204.49	180.73	136.71
01-Feb-12	214.31	219.42	209.23	209.23	185.53	142.42
01-Mar-12	209.43	214.58	204.31	204.31	180.90	137.90
01-Apr-12	212.62	218.03	207.77	207.77	184.04	140.43
01-May-12	216.45	221.96	211.37	211.37	187.10	142.47
01-Jun-12	211.63	216.77	206.17	206.17	182.40	138.52
01-Jul-12	198.25	202.34	191.51	191.51	168.93	126.73
01-Aug-12	199.09	203.32	192.20	192.20	169.32	126.20
01-Sep-12	217.49	222.51	210.42	210.42	185.31	137.83
01-Oct-12	225.29	230.80	218.46	218.46	192.45	143.32
01-Nov-12	229.64	234.96	221.36	221.36	194.28	142.22
01-Dec-12	224.07	228.89	214.96	214.96	188.27	136.45
01-Jan-13	220.05	224.70	210.98	184.79	170.27	133.97
01-Feb-13	223.67	228.59	214.90	188.35	173.67	136.97
01-Mar-13	240.66	246.11	231.15	202.38	186.32	146.40
01-Apr-13	235.75	240.96	227.38	199.94	185.16	147.70
01-May-13	225.93	230.77	218.16	192.18	178.42	143.22
01-Jun-13	228.19	232.89	220.00	193.75	179.84	144.21
01-Jul-13	247.20	252.29	238.62	210.36	195.53	157.35
01-Aug-13	249.60	254.53	239.21	209.78	193.69	153.10
01-Sep-13	254.21	259.49	196.16	216.77	227.07	150.30
01-Oct-13	256.42	261.76	197.63	218.57	229.04	151.43
01-Nov-13	254.87	260.08	197.65	217.63	227.58	151.44
01-Dec-13	258.06	263.32	247.46	216.95	200.21	158.08

Source: SASOL

Explanatory Notes:

1. According to the Regulatory Agreement, in terms of Section 36 of the Gas Bill, Sasol Gas has to comply to the Market Value Pricing principle which are defined as follows:
 - a). The cost of the alternative fuel delivered to the customer's premises or anticipated place of use (in the case of Greenfields customers) plus;
 - b). The difference between all the operating costs of the customer's use of the alternative fuel and all the operating costs of using natural gas; plus
 - c). The difference between the Net Present Value (NPV) of the capital costs of the customer's continued use of the alternative fuel and the NPV of the capital costs involved in switching to natural gas, as would be reflected in the customer's accounts.
2. Gas prices are negotiated with customers individually. The prices above are indicative of pipeline gas sold by Sasol Gas.
3. The prices above are exclusive of VAT.
4. The above-mentioned indicative gas prices are subject to monthly adjustment in accordance with the applicable adjustment formula

Figure 3.1: Monthly Natural Gas Tariff - Rand per gigajoule (R/GJ)



Source: Sasol

The National Energy Regulator of South Africa (NERSA) regulates piped-gas maximum prices in terms of the Gas Act of 2001. In 2011, NERSA approved the methodology to approve maximum prices of piped-gas; the methodology came into effect on 01 July 2012.

Figure 3.1 depicts the prices of pipeline natural gas sold by Sasol to various customer categories. The annual gas prices for different quantities consumed were fluctuating throughout 2013 due to the volatility of oil and commodity prices. The more quantity consumed, the cheaper the price paid as depicted. The price of natural gas sold by Sasol is charged based on the annual consumption categories.

Sasol Gas maximum price application is made in terms of the Price Indicators Approach which is one of two options provided for the Maximum Prices Methodology of 2011. The Price Indicators Approach entails a two-stage process where a single maximum price is determined where specific (lower) maximum prices are proposed and approved for different volume customer classes as prescribed by the Regulations.

NERSA approved Sasol Gas’s application for the maximum prices of gas at R117.69/GJ as at 26 March 2013; to be effective and implemented on 26 March 2014. The gas prices

set are maximum not actual prices therefore customers negotiate actual prices that are below the maximum levels. NERSA has also approved transmission tariffs and a trading margin for Sasol Gas which must be added on the actual price offered to the customer.

In terms of the Gas Act, there is a difference between a tariff and a price. A 'tariff' refers to a charge related to gas services to any customer. On the other hand, a 'price' refers to a charge for gas to a distributor, reticulator or final customer.

4 COAL

South Africa's economy is heavily dependent on coal, and nearly 70 % of the country's total primary energy supply is derived from coal. Coal plays an important role in the South African economy, and is the primary energy source for electricity generation. The country has the 8th largest coal reserves in the world, and is the world's 5th largest coal exporter (IEA, 2011). South Africa is also a major consumer of coal, mainly for electricity production. According to the 2014 BP Statistical Review, South African proven coal reserves were estimated at 30.2 billion tons by the end of 2013, accounting for 3.4 percent of the total world coal reserves.

South Africa's coal industry is a relatively low cost producer (along with Indonesia and Colombia), has the world's largest coal export terminal, and is positioned conveniently between Atlantic and Pacific coal markets. It is a potential swing producer, able to export competitively to either Europe or the East. The South African mines supply both the export and domestic markets, delivering thermal coal domestically to Eskom, the state-owned power utility and Sasol, a coal to liquids producer.

South Africa produces an average of 224 million tonnes of marketable coal annually, making it the fifth largest coal producing country in the world. 25% of our production is exported internationally, making South Africa the third largest coal exporting country. The remainder of South Africa's coal production feeds the various local industries, with 53% used for electricity generation. The key role played by our coal reserves in the economy is illustrated by the fact that Eskom is the 7th largest electricity generator in the world, and Sasol the largest coal to chemicals producer. (http://www.eskom.co.za/AboutElectricity/ElectricityTechnologies/Pages/Coal_Power.aspx)

The following section provides the prices of thermal coal sold locally and exported.

4.1 Local and export coal prices

Table 4.1 below shows the average local and export prices of anthracite and bituminous coal from 2004 to 2013.

Table 4.1: Annual average local and export coal prices - Rand per ton (R/t)

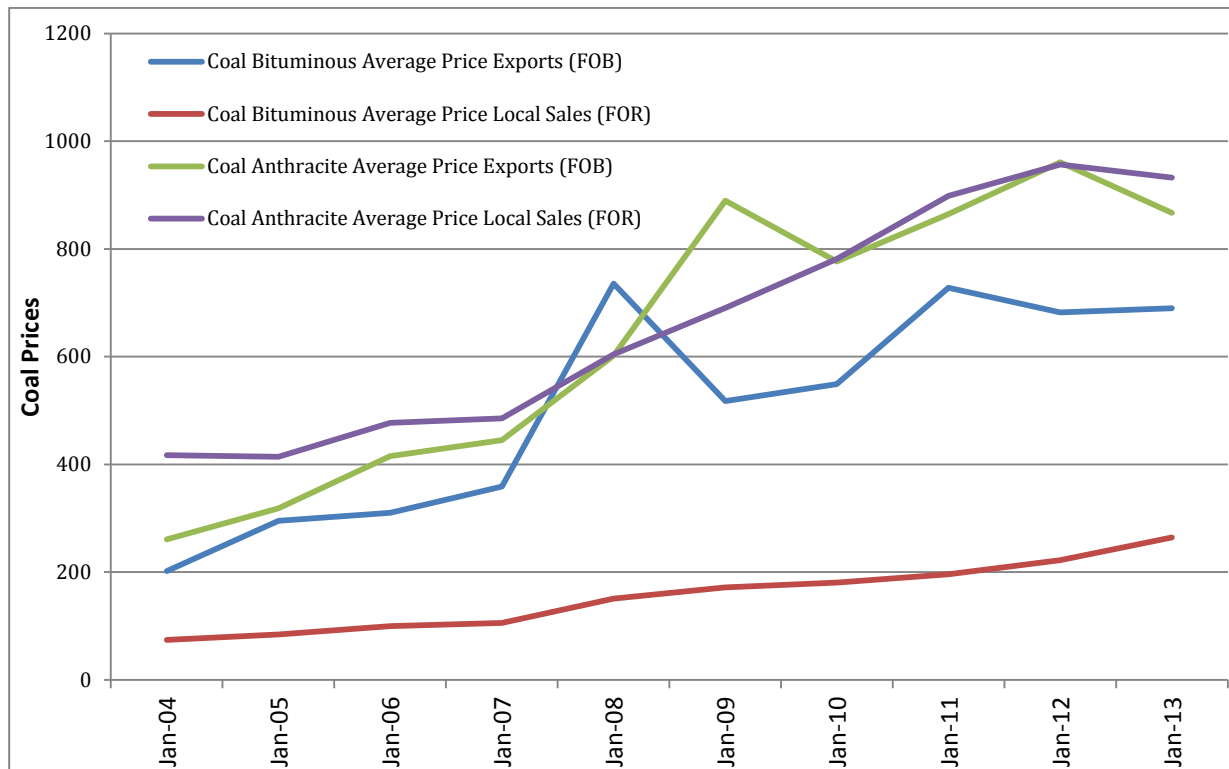
Date	Coal Bituminous		Coal Anthracite	
	Average Price Exports (FOB)	Average Price Local Sales (FOR)	Average Price Exports (FOB)	Average Price Local Sales (FOR)
Jan-04	202.09	74.29	260.92	417.25
Jan-05	295.58	84.42	318.58	414.33
Jan-07	358.83	105.86	444.93	485.67
Jan-08	735.64	150.68	602.11	604.24
Jan-09	517.91	171.63	889.64	690.36
Jan-10	549.33	180.50	776.83	781.75
Jan-11	727.85	196.02	864.65	898.90
Jan-12	682.00	222.00	961.00	957.00
Jan-13	689.75	264.42	867.166	932.33

Source: Department of Mineral Resources

Explanatory Notes:

1. FOB: Free On Board.
2. FOR: Free On Road.
3. The prices are exclusive of VAT

Figure 4.1: Annual Average Local (FOR) and Exports Prices (FOB) - Rand per ton (R/t)



Source: Department of Mineral Resources (DMR)

Anthracite coal generally costs two to three times more than bituminous coal. Bituminous coal is of poorer quality compared to anthracite. Anthracite is categorized under standard grade, which is used mainly in power generation; and high grade (HG) and ultra high grade (UHG), which are mainly used in the metallurgy sector.

Year on year, 2013 average local and export anthracite coal prices declined from R957 in 2012 to R932 and R961 in 2012 to R867 per ton respectively whereas local and export bituminous coal prices increased from R222 in 2012 to R264 and R682 to R699 per ton respectively.

The increase in the price of bituminous coal could be partly attributed to an increased demand for South African lower quality coal by India. The demand for bituminous coal is expected to continue to grow as a result of a rapid economic growth in India. More shipments of lower quality coal from Richards Bay are expected to continue to head for India.

Export prices are captured in the API3 index, which is the average of the weekly Argus FOB Richards Bay 5,500 kcal/kg National Assessment Resource (NAR) and the weekly IHS McCloskey South African 5,500 kcal/kg NAR fob marker, both published each Friday. (published by Argus/McCloskey). The API 3 index is used as an outright reference for a lower grade of South African coal. The API 3 index was created in response to sustained increase for lower quality coal towards India and China. The Argus/IHS McCloskey coal indexes are used as the settlement prices in 90% of the world's coal derivative contracts. (<http://www.argusmccloskeycoal.com/products-and-services.html>)

5 ELECTRICITY

South Africa supplies two-thirds of Africa's electricity and is one of the four cheapest electricity producers in the world. Generation is dominated by Eskom, which also owns and operates the national electricity grid. Eskom supplies about 95 percent of South Africa's electricity. Globally, the utility is among the top seven in generating capacity and among the top nine in terms of sales.

The regulation and determination of electricity prices is performed by the National Energy Regulator of South Africa (NERSA). The electricity pricing scheme employed by NERSA is based on the multi-year pricing determination (MYPD). The MYPD was implemented, based on Eskom's cost recovery requirements, such that the utility remains functioning and sustains itself economically.

The South African electricity industry has seen a dramatic increase in prices over the past few years. These increases have been blanket across all sectors and are based on a number of factors such as sector, usage and, in the case of domestic pricing, suburb. The cost of electricity in South Africa, particularly to the industrial sector, has been among the lowest in the world.

Over the past two decades, economic growth (income) has proven to have been the main driver of electricity consumption in South Africa and by contrast electricity prices have minimal effect on electricity consumption. That means electricity consumption is typically more responsive to changes in income than it is to changes in price.

The non-ferrous metals (aluminium) and gold mining industries are the single largest consumers of electricity in South Africa and as such are important drivers of the overall demand for electricity. According to data from Statistics South Africa, gold and non-ferrous metals account for just under a quarter of total electricity consumption in South Africa. Electricity, wholesale and retail trade, other mining and petroleum sectors are the next four largest consumers of electricity, and together account for another 25% of South Africa's total electricity consumption. Although the direct contribution of electricity, gas and water sector to the GDP is relatively small at 2.1%, the sector plays a significant enabling role in that it serves as a critical input for all the other sectors of the economy.

The revenue generated by Eskom per kWh for various customer categories between 2001 and 2013 from different uses are shown in Table 5.1. These prices vary according to their uses and the demand thereof.

Table 5.1: Annual Electricity Price by Customer Category (nominal prices) - cents per kilowatt per hour (c/kWh)

Period	Bulk	Domestic and Street Lighting	Commercial	Industrial	Mining	Rural / Farming	Traction	International	Average for all Categories
2004/2005	15.19	38.70	21.88	13.97	15.36	30.83	19.37	8.63	16.04
2006/2007	16.13	40.08	22.69	14.75	16.19	32.86	20.25	9.83	17.05
2007/2008	18.21	44.56	24.85	17.28	17.99	35.91	23.31	14.17	19.60
2008/2009	23.29	53.43	31.61	21.69	23.12	45.78	29.78	18.45	24.97
2009/2010	30.84	63.98	40.97	27.03	30.25	58.96	38.23	22.47	32.00
2010/2011	39.53	66.45	52.63	34.34	39.78	72.72	48.55	31.04	40.31
2011/2012	49.96	79.52	65.92	42.13	50.11	89.22	58.23	37.53	50.27
2012/2013	54.59	87.05	73.24	45.56	55.74	99.75	68.66	42.72	55.50
2013/2014	60.67	92.41	82.67	51.79	64.66	108.75	70.65	47.56	62.22

Source: Eskom

Explanatory Notes:

1. The data in this table is from various Eskom Statistical Yearbooks and Annual Reports.
2. The price data in this table is only applicable to Eskom's direct sales to the categories as listed. Sales by local authorities to the Domestic, Commercial and Industry categories are not included in this table.
3. The prices are in c/kWh for each of a number of sales categories.
4. Prices are exclusive of VAT

Eskom generates its revenue from different electricity users; Table 5.2 shows various types of electricity users from 2001 to 2013. The electricity usage includes electricity used for domestic and street lighting, commercial, industrial, international, mining and farming.

Table 5.2: Annual Electricity Eskom Prices by Customer Category (real prices) - cents per kilowatt per hour (c/kWh)

Year	Bulk	Domestic and Street Lighting	Commercial	Industrial	Mining	Rural / Farming	Traction	International	Average for all Categories
2004/2005	12.27	31.26	17.67	11.28	12.41	24.90	15.65	6.97	12.96
2006/2007	12.04	29.91	16.93	11.01	12.08	24.52	15.11	7.19	12.72
2007/2008	12.69	31.05	17.32	12.04	12.54	25.02	16.24	9.87	13.66
2008/2009	21.75	49.88	29.51	20.25	21.59	42.74	27.81	17.23	23.31
2009/2010	28.79	59.74	38.26	25.24	28.24	55.05	35.69	20.98	29.88
2010/2011	35.39	59.49	47.12	30.74	35.61	65.10	43.47	27.79	36.09
2011/2012	42.59	67.79	56.20	35.92	42.72	76.06	49.64	31.99	42.86
2012/2013	44.06	70.25	59.11	36.77	44.99	80.51	55.41	34.48	44.80
2013/2014	58.68	89.37	79.95	50.08	62.53	105.17	0.00	46.00	60.17

Source: Eskom

Explanatory Notes:

1. The data in this table is from various Eskom Statistical Yearbooks and Annual Reports.
2. The price data in this table is only applicable to Eskom's direct sales to the categories as listed. Sales by local authorities to the Domestic, Commercial and Industry categories are not included in this table.
3. The prices are c/kWh for each of a number of sales categories.
4. The real price was calculated by using the annual CPI with 2000 = 100 from 1970 till 2008 and 2008 = 100 from 2009 till 2011.
5. Prices are exclusive of VAT

Eskom's tariffs are adjusted on an annual basis, coinciding with Eskom's financial year price adjustments on 1st April every year. The average tariff adjustments for the past 10 years are indicated in Table 5.3.

Table 5.3: Eskom's average price adjustment

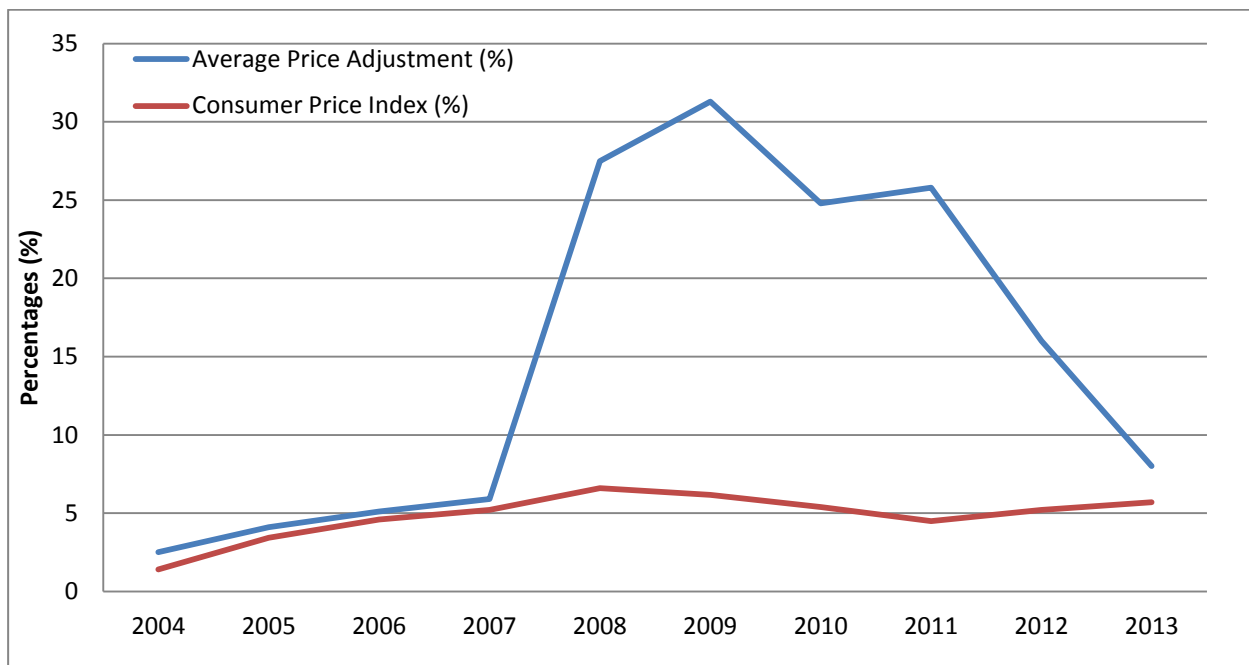
Period	Average Price Adjustment (%)	Consumer Price Index (%)
2004	2.5	1.4
2005	4.1	3.42
2006	5.1	4.6
2007	5.9	5.2
2008	27.5	6.6
2009	31.3	6.16
2010	24.8	5.4
2011	25.8	4.5
2012	16	5.2
2013	8	5.7

Source: Eskom

Explanatory Notes:

1. Eskom's average price tariffs were adjusted annually (calendar period: January to December) from 2002 to 2005
2. Eskom's average price tariffs are adjusted at the end of the financial year (end of April) from 2005 to 2012
3. Eskom's average tariff adjustment figures are published on Eskom's website.
4. The adjustments are according to Eskom's financial year end, which is end of the March.

Figure 5.1: Annual Eskom Average Price Adjustment



Source: Eskom

The demand for electricity is based on a number of factors that differ in terms of both their levels of significance and complexity. At a microeconomic level the two main influences on electricity consumption are the changing structure of the economy or 'structural effect' and the influence of new technologies or the 'efficiency effect'. But at a macroeconomic level, the key drivers of electricity consumption are income, price and technology (Platchkov & Pollitt, 2011). Rising levels of national income (or GDP) drive increased demand for electricity while increasing electricity prices reduce consumption.

South Africa's electricity utility has been forced to increase prices significantly to recoup monetary resources to invest in the ever-increasing demand for electricity. These increases have taken place across the board for all sectors and are not synchronised with the increases seen internationally. The average projected prices, based on the MYPD4, are R52.30 c/kWh for 2011/2012 and R65.85 c/kWh for 2012/2013. These prices are averaged across all consumer sectors.

In 2013, Eskom had applied for a 16% increase in electricity prices in each of the next five years. However, NERSA approved total revenue of R863 billion over the next five years; against applied revenue of R1 088 billion resulting in an average annual increase of 8% in

electricity tariffs (this includes 2% for Independent Power Producers). The new tariffs took effect on 1 April 2013 for Eskom customers and from 1 July 2013 for municipal customers.

6 ECONOMIC INDICATORS

The purpose of this section is to give an overview and analysis of the economic indicators such as consumer price index, producer price index, exchange rates and foreign exchange rates. These economic indicators are published by the Reserve Bank of South Africa and Statistics South Africa. Table A.1 includes monthly consumer price index and producer price index data from 2004 to 2013.

The PPI indicates changes in producer prices of locally produced commodities including exports. The PPI is defined as “*a measure of the change in the prices of goods either as they leave their place of production or as they enter the production process (OECD).*” The consumer price index (CPI) is the benchmark inflation guide for the economy. It uses a “basket of goods” approach that aims to compare a consistent base of products from year to year, focusing on products that are bought and used by consumers on a daily basis i.e. price of milk, eggs, toothpaste and haircuts etc. are all captured in the CPI.

The South African PPI, prior to 2013 consisted of three parts namely domestic output of South African industry groups, exported commodities and imported commodities. Domestic output included the value of all products produced within the boundaries of South Africa, irrespective of whether they are exported or used in the domestic market. Imports were not in this index. For the domestic output and import tables respectively, prices were measured, at the first supply phase, by South African producers, and at the first purchasing phase, where the goods enter South Africa. Within the domestic output PPI structure the high-level groups were:

- Agriculture, fishing, forestry
- Manufacturing
- Mining, electricity, gas, steam and water

Table A.1: Annual consumer price index (CPI) and Production Price Index (PPI)

Period	CPI Index Numbers	CPI Rates	PPI Index Numbers	PPI Rates
	Dec 2012=100	Dec 2012=100	2000=100	2012=100
01-Jan-04	60.40	0.20	124.60	
01-Feb-04	60.70	0.70	125.20	
01-Mar-04	61.10	0.40	125.00	
01-Apr-04	61.20	0.20	126.30	
01-May-04	61.20	0.60	126.30	
01-Jun-04	61.40	1.20	128.30	
01-Jul-04	61.60	1.60	128.00	
01-Aug-04	61.60	1.00	127.90	
01-Sep-04	61.60	1.30	126.80	
01-Oct-04	61.80	2.40	127.40	
01-Nov-04	62.10	3.70	62.10	
01-Dec-04	62.00	3.40	62.00	
01-Jan-05	62.20	3.00	126.40	
01-Feb-05	62.30	2.60	126.70	
01-Mar-05	62.90	3.00	127.40	
01-Apr-05	63.20	3.40	128.60	
01-May-05	63.20	3.30	129.30	
01-Jun-05	63.10	2.80	131.20	
01-Jul-05	63.70	3.40	132.60	
01-Aug-05	63.90	3.90	133.30	
01-Sep-05	64.20	4.40	132.60	
01-Oct-05	64.20	4.00	132.70	
01-Nov-05	64.20	3.40	133.40	
01-Dec-05	64.20	3.60	133.50	
01-Jan-06	64.60	4.00	134.80	
01-Feb-06	64.70	3.90	134.90	
01-Mar-06	65.00	3.40	135.60	
01-Apr-06	65.40	3.30	136.90	
01-May-06	65.70	3.90	138.70	
01-Jun-06	66.20	4.90	142.60	
01-Jul-06	66.90	5.00	145.10	
01-Aug-06	67.40	5.40	148.30	
01-Sep-06	67.60	5.30	147.20	
01-Oct-06	67.70	5.40	148.30	
01-Nov-06	67.60	5.40	149.50	
01-Dec-06	68.00	5.80	149.10	
01-Jan-07	68.50	6.00	149.30	
01-Feb-07	68.40	5.70	150.20	
01-Mar-07	69.00	6.10	152.50	
01-Apr-07	69.90	7.00	154.90	
01-May-07	70.30	6.90	157.00	
01-Jun-07	70.90	7.00	160.50	

Period	CPI Index Numbers	CPI Rates	PPI Index Numbers	PPI Rates
	Dec 2012=100	Dec 2012=100	2000=100	2012=100
01-Jul-07	71.60	7.00	161.90	
01-Aug-07	71.90	6.70	160.90	
01-Sep-07	72.50	7.20	162.30	
01-Oct-07	73.10	7.90	162.90	
01-Nov-07	73.40	8.40	163.30	
01-Dec-07	74.00	9.00	158.10	
01-Jan-08	74.80	9.30	164.90	
01-Feb-08	75.10	9.80	167.20	
01-Mar-08	76.30	10.60	170.60	
01-Apr-08	77.70	11.10	174.10	
01-May-08	78.50	11.70	182.70	
01-Jun-08	79.60	12.20	187.50	
01-Jul-08	81.20	13.40	192.50	
01-Aug-08	81.80	13.70	193.50	
01-Sep-08	81.80	13.10	186.70	
01-Oct-08	81.90	12.10	185.80	
01-Nov-08	82.00	11.80	183.40	
01-Dec-08	81.10	9.50	181.30	
01-Jan-09	81.40	8.10	180.00	
01-Feb-09	82.30	8.60	179.40	
01-Mar-09	83.40	8.50	179.60	
01-Apr-09	83.80	8.40	179.20	
01-May-09	84.10	8.00	177.20	
01-Jun-09	84.50	6.90	179.90	
01-Jul-09	85.40	6.70	185.20	
01-Aug-09	85.60	6.40	185.80	
01-Sep-09	86.00	6.10	179.80	
01-Oct-09	86.00	5.90	179.70	
01-Nov-09	86.00	5.80	181.20	
01-Dec-09	86.20	6.30	184.90	
01-Jan-10	86.40	6.20	185.60	
01-Feb-10	87.00	5.70	185.60	
01-Mar-10	87.70	5.10	186.20	
01-Apr-10	87.80	4.80	189.00	
01-May-10	88.00	4.60	189.30	
01-Jun-10	88.00	4.10	196.80	
01-Jul-10	88.60	3.70	199.40	
01-Aug-10	88.60	3.50	200.20	
01-Sep-10	88.70	3.20	192.00	
01-Oct-10	88.90	3.40	191.20	
01-Nov-10	89.00	3.60	192.50	
01-Dec-10	89.20	3.50	193.00	
01-Jan-11	89.60	3.70	195.10	
01-Feb-11	90.20	3.70	198.00	

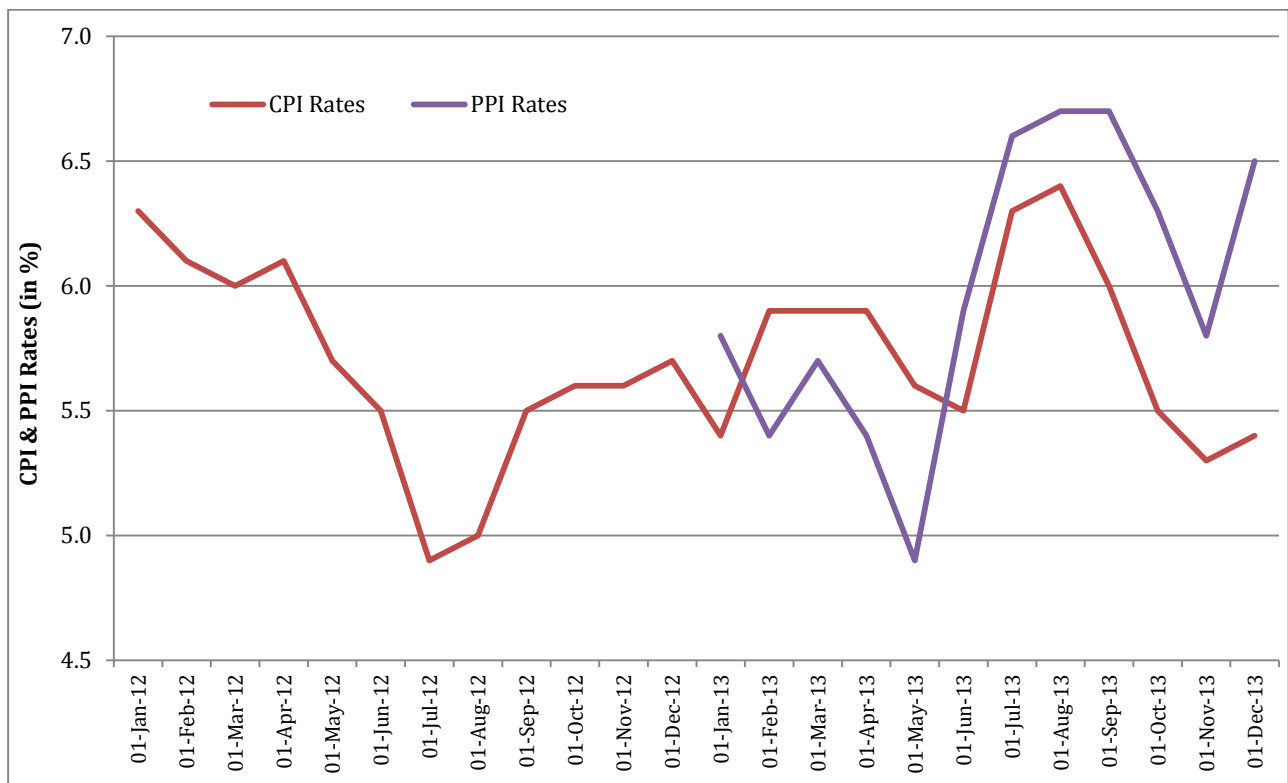
Period	CPI Index Numbers	CPI Rates	PPI Index Numbers	PPI Rates
	Dec 2012=100	Dec 2012=100	2000=100	2012=100
01-Mar-11	91.30	4.10	199.70	
01-Apr-11	91.60	4.20	201.50	
01-May-11	92.00	4.60	202.40	
01-Jun-11	92.40	5.00	211.40	
01-Jul-11	93.20	5.30	217.20	
01-Aug-11	93.40	5.30	219.40	
01-Sep-11	93.80	5.70	212.20	
01-Oct-11	94.20	6.00	211.50	
01-Nov-11	94.50	6.10	212.00	
01-Dec-11	94.60	6.10	211.90	
			2012=100	2012=100
01-Jan-12	95.20	6.30	97.10	
01-Feb-12	95.70	6.10	98.00	
01-Mar-12	86.80	6.00	98.60	
01-Apr-12	97.20	6.10	99.20	
01-May-12	97.20	5.70	100.00	
01-Jun-12	97.50	5.50	99.80	
01-Jul-12	97.80	4.90	99.80	
01-Aug-12	98.00	5.00	100.50	
01-Sep-12	98.90	5.50	100.80	
01-Oct-12	99.50	5.60	101.70	
01-Nov-12	99.80	5.60	102.40	
01-Dec-12	100.00	5.70	102.20	
01-Jan-13	100.30	5.40	102.70	5.80
01-Feb-13	101.30	5.90	103.30	5.40
01-Mar-13	102.50	5.90	104.20	5.70
01-Apr-13	102.90	5.90	104.60	5.40
01-May-13	102.60	5.60	104.90	4.90
01-Jun-13	102.90	5.50	105.70	5.90
01-Jul-13	104.00	6.30	106.40	6.60
01-Aug-13	104.30	6.40	107.20	6.70
01-Sep-13	104.80	6.00	108.10	6.70
01-Oct-13	105.00	5.50	108.10	6.30
01-Nov-13	105.10	5.30	108.30	5.80
01-Dec-13	105.40	5.40	108.80	6.50

Source: Statistics SA

Explanatory Notes

1. The base year for PPI changed from 2000 to 2012 (2012=100).
2. The PPI for domestic output was replaced with 5 stages of production PPI's and the weights for the stages of production changed.
3. For the CPI, all indices were rebased so that December 2012 equals 100.
4. New weights and basket came into effect in January 2013 for the CPI.

Figure 6.1: Consumer Price Index and Producer Price Index



Source: Statistics SA

As depicted in Figure 6.1 above, producer price inflation is more volatile than the consumer price inflation. The notable rise in international food and crude oil prices since the middle of 2010 spilled over to the domestic consumer price, which accelerated steadily from October 2010. Targeted year-on-year headline consumer price inflation accelerated gradually from a recent low of 3.2% in September 2010 to 6% in October 2011, remaining within the inflation target range of 3% to 6% for 21 consecutive months. It breached the upper limit of the inflation target of range and increased to 6.3% on the year January 2012 before moderating to 5.7% in the year to May 2012.

Against a backdrop of subdued global economic growth in the second half of 2012 and the opening months of 2013, international inflationary pressures remained modest, particularly in advanced economies. The slowdown in global output growth resulted in generally lower international commodity prices in especially the second half of 2012. In addition, international food prices remained fairly stable at a high level throughout 2012, before increasing marginally in the first half of 2013. Despite the benign international inflation environment, domestic consumer price inflation has accelerated gradually since the middle

of 2012. Factors that have and could possibly add to domestic inflationary pressure include the depreciation in the exchange value of the rand, high administered price inflation and wage increases in excess of inflation.

Following the decline in international commodity prices (in Rand terms), headline producer price inflation moderated from a peak of 10.6 % in October 2011 to 5.2 % in December 2012. With the release of the January 2013 producer price inflation data, Stats SA applied a new methodology to calculate the producer price index. Producer price inflation for final manufactured goods – the new headline measure – moderated further in the opening months of 2013, amounting to 4.9 % in May 2013. Likewise, producer price inflation for electricity and water, as well as for agriculture, forestry and fishing decelerated to 11.4 % and 0.4 % respectively in March 2013. Subsequently, both measures of producer price inflation quickened somewhat in May 2013. Producer price inflation for mining accelerated notably in the final months of 2012 and the opening months of 2013, before moderating to 5.7 per cent in May on account of lower mining commodity prices.

In February 2013 Stats SA published a reweighted and rebased headline consumer price index, which was statistically linked to the previous headline consumer price index. For the first time since the inception of the consumer price index, the weight of services within the consumer price basket now exceeds that of goods.

Consumer services price inflation roughly approximated the upper limit of the inflation target range throughout 2012 before it quickened to 6.7 % in February 2013 and remained around that level up to May. The acceleration in headline consumer services price inflation resulted largely from a marked acceleration in price inflation in the miscellaneous services category and, to a lesser extent, in recreation and cultural services. Assisted by technology, price inflation of communication services remained fairly muted throughout 2012 and in the opening months of 2013, accelerating to 1.5 % in May 2013. Conversely, transport services price inflation moderated somewhat in the opening months of 2013, but nonetheless remained at an elevated level of 12.2 % in May 2012.

When excluding the impact of the more volatile food and petrol prices from the calculation of targeted headline consumer price inflation, underlying inflation accelerated gradually to

5.4 % in May 2013. Similarly, when also excluding the impact of electricity prices from the calculation, inflation accelerated steadily to 5.3 % over the same period. (Annual Economic Report 2013, SARB)

6.1 Exchange Rates

In simple terms, exchange rate is the price of one country's currency expressed in another country's currency. Exchange rates are mainly used to facilitate international trade and international investment. The historical foreign exchange rate of South African Rand compared to the US dollar is shown in Table A.2. This exchange rates ranges from 2001 to 2013.

Table A.2: Average Annual Foreign Currency Exchange Rates

Period	SA c/USD
2001	861.87
2002	1145.45
2003	756.47
2004	644.99
2005	634.81
2006	674.66
2007	709.38
2008	705.44
2009	843.72
2010	732.22
2011	725.31
2012	820.93
2013	965.02

Source: SARB

According to the table above, South Africa experienced the weakest currency in 2002, with the average annual Rand of R11.45 against the US Dollar. The flexible exchange rate system and liquidity in the domestic market for foreign exchange allowed some degree of volatility in the domestic currency. The heightened volatility in the exchange rate of the Rand was noted during the period leading up to the global financial crisis in 2008 and part of 2009. The level of volatility in the domestic currency moderated somewhat as the uncertainty in the global financial market subsided in 2010. The resurgence of the financial crisis in the Euro area and risk association with investment in emerging-market economies affected the exchange rate of the Rand in 2011. Alongside the impact of the banking sector crisis in Cyprus during the first half of 2013, unfavourable developments in the domestic economy added to the volatility of the domestic currency over the period. In general, since 2008, the volatility of the exchange rate of the Rand seems to be more pronounced during periods of domestic currency depreciation.

The movements in the exchange rate of the Rand to a large extent tracked that of the Euro, especially after the global financial crisis. However, this relationship weakened during the second half of 2012 as domestic factors weighed on the Rand. The nominal effective exchange rate of the Rand reached a four-year low in May and June 2013 following the release of worse-than-expected domestic economic growth data, a decline in the international prices of gold and platinum, and labour turmoil which raised concerns about the export potential of the South African mining sector. (Annual Economic Report 2013, SARB)

APPENDIX A: FUEL PROPERTIES

Table B.1: Calorific Values of Various Fuels

Carrier	Calorific Value	Calorific Value Unit	Density
LPG	26.7	MJ/l	0.54
Paraffin Power	37.5	MJ/l	0.81
Gas SASOL	18.0	MJ/m ³	
Diesel	38.1	MJ/l	0.84
Electricity	3.6	MJ/kWh	
Gas	41.0	MJ/m ³	
Heavy Fuel Oil	41.6	MJ/l	0.98
Petrol	34.2	MJ/l	0.72
Paraffin Illuminating CSS (StatsSA) Data	37.0	MJ/l	0.79
Aviation Gas	33.9	MJ/l	0.73
Jet Fuel	34.3	MJ/l	0.79
Coal Eskom Average	20.1	MJ/kg	
Coal (General purpose)	24.3	MJ/kg	
Coal (Coking)	30.1	MJ/kg	
Coke	27.9	MJ/kg	
Coke oven gas	17.3	MJ/m ³	
Blast furnace gas	3.1	MJ/m ³	
Bagasse (wet)	7.0	MJ/kg	
Bagasse fibre (dry)	14.0	MJ/kg	
Biomass (wood dry typical)	17.0	MJ/kg	
Gas Sasol - methane rich	35.0	MJ/m ³	

APPENDIX B: UNIT CONVERSIONS

Table C.1: Energy Unit Conversion Factors

From \ To	J	kWh	toe	Btu
1 J	1	0.278×10^{-6}	0.2388×10^{-6}	0.948×10^{-3}
1 kWh	3.6×10^6	1	0.86×10^{-6}	3.412×10^3
1 toe	42×10^9	11630	1	39.68×10^6
1 Btu	1.055×10^3	0.293×10^{-3}	0.252×10^{-9}	1

Note: toe = ton oil equivalent

Table C.2: Unit Prefixes

Prefix	Symbol	Power
Kilo	k	10^3
Mega	M	10^6
Giga	G	10^9
Tera	T	10^{12}
Peta	P	10^{15}
Exa	E	10^{18}

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