

MEDIA STATEMENT - FOR RELEASE ON 01 DECEMBER 2023

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY
ENQUIRIES: MR E MULIBANA 082 263 7372 / MR J MOKOBANE 082 766 3674**

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 06 DECEMBER 2023 IN GAUTENG (INCREASE) / DECREASE

Product:

Both grades of Petrol 93 & 95 (ULP & LRP)	65.00	cents per litre decrease in retail price
Diesel 0.05% Sulphur	235.42	cents per litre decrease in wholesale price
Diesel 0.005% Sulphur	241.42	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	171.12	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	228.00	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS (167.00)		cents per kilogram increase in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 27 OCTOBER 2023 TO 30 NOVEMBER 2023

The average international product prices for Petrol, Diesel and Illuminating Paraffin decreased during the period under review. The Rand appreciated against the US Dollar during the period under review, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 27 October 2023 to 30 November 2023 was 18.5756 compared to 19.0797 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 33.11 c/l, 36.49 c/l and 37.68 c/l respectively.

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

In line with the application of the Regulatory Accounts System the Minister of Mineral Resources and Energy has approved a net increase of 60.1 c/l in the annual margin adjustments on petrol and a net increase of 13.88 c/l on diesel and illuminating paraffin wholesale prices, with effect from 06 December 2023.

4. ADJUSTMENTS TO THE PRICING ELEMENTS IN THE MAXIMUM RETAIL PRICE STRUCTURE OF LIQUEFIED PETROLEUM GAS (LPGAS)

The Minister of Mineral Resources and Energy has also approved the adjustments to some of the pricing elements of the maximum retail price structure of liquified petroleum gas (LP Gas) with an adjustment of 179.2 c/kg with effect from 06 December 2023. The new margins are reflected in Paragraph 12 below. However, due to adjustment in the primary transport cost of LP Gas effective 06 December 2023, the LP Gas prices will differ from each zones.

5. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of October 2023 amounted to a negative balance of R 3.100 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 26.32 c/l (decrease of 26.30 c/l) will be implemented into the price structures of petrol and diesel with effect from 06 December 2023.

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

The Single Maximum National Retail Price for the period 06 December 2023 to 02 January 2024 will be 2 105.0 compared to 2 333.0 c/l for the period 01 November 2023 to 05 December 2023.

7. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 14 714.16 per metric ton (816.636 c/l), excluding VAT, for the period 06 December 2023 to 02 January 2024.

8. PRICE ADJUSTMENT

In terms of the agreed mechanism:

- (a) Price changes are adjusted in such a manner that the over- or under-recovery during the prior month will be corrected in the following month; and
- (b) The unit over- or under-recoveries are rounded up or down to the nearest full cent so that the effect of rounding contributes to the clearing of the cumulative balance of the individual products on the slate.
- (c) In order to manage a negative balance in the Cumulative over/(under) recovery account (the Slate), a Self-Adjusting Slate Levy Mechanism (SLM) was implemented with effect from 7 January 2009 and slate ranges adjusted with effected from 7 September 2022 (the SLM is available on the website of the Department of Energy). A Slate levy will only be applicable on all petrol and diesel grades if the Slate balance is negative (cumulative under recovery) by more than R500.0 million.

9. ANALYSIS OF THE ELEMENTS THAT RESULTED IN THE BFP OVER/(UNDER)-RECOVERIES

The over/(under)-recoveries for the period under review were affected by the factors set out below, which can be quantified as follows:

	Petrol 95 ULP c/l	Diesel 0.05% c/l	Diesel 0.005% c/l	Illuminating Paraffin c/l
Movements in external factors				
Movement in International Product Prices	66.151	187.275	192.985	147.461
Movement in Exchange Rate	33.110	36.492	36.950	37.684
BFP Over/(under)-recovery for the period 27/10/2023 to 30/11/2023	99.261	223.767	229.935	185.145

10. BREAKDOWN OF PRICE ADJUSTMENT

Petrol 95 ULP & LRP	Diesel 0.05 (%) Sulphur	Diesel 0.005 (%) Sulphur	Illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
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The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 25 days from 27/10/2023 to 30/11/2023 (cents / litre) as detailed below

99.261	223.767	229.935	185.145	-
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Cumulative positive/(negative) slate balances end of October 2023 (R-million)

(654.893)	(2,445.502)	(2,445.502)	(431.693)	-
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The price adjustments consist of the following elements:

	c/l	c/l	c/l	c/l	
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	99.000	223.000	229.000	185.000	(167.000)
Increase in Retail Margin	(38.800)	-	-	-	-
Increase in Wholesale Margin	(13.200)	(5.780)	(5.780)	(5.780)	-
Increase in Secondary Storage	(7.800)	(7.800)	(7.800)	(7.800)	-
Increase in Secondary Distribution	(0.300)	(0.300)	(0.300)	(0.300)	-
Decrease in Slate Levy	26.300	26.300	26.300	-	-
Pump rounding	(0.200)	-	-	-	-
Total price (increase) / decrease	65.000	235.420	241.420	171.120	(167.000)

11. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

12.

**COMPOSITION OF THE MAXIMUM RETAIL PRICES FOR LPGAS AT THE COAST (ZONE 1A)
AND IN THE INLAND AREA (ZONE 9C) IN CENTS PER KILOGRAM
FOR THE PERIOD 06/12/2023 TO 02/01/2024 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 471.416	1 471.416
Primary transport costs	59.822	283.575
Operating expenses	536.315	536.315
Working capital	40.653	40.653
Depreciation	218.290	218.290
Gross margin: Cylinder-filling plant	278.924	278.924
Sub-total (1)	2 605.421	2 829.173
Retail Margin: (15% of Subtotal (1))	390.813	424.376
Sub-total (2)	2 996.234	3 253.549
Value Added Tax (15% Sub-total (2))	449.435	488.032
Maximum Retail Price (Rounded to full cents)	3 446.000	3 742.000

13. The annexure attached contains details of the composition of product prices as well as history of the price changes.

ANNEXURE 1

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG
FOR THE PERIOD 06/12/2023 TO 02/01/2024 WILL BE AS FOLLOWS:**

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel 0.05% S c/l	Diesel 0.005% S c/l	Illumi- nating Paraffin c/l
Wholesale margin	69.800	69.800	89.610	89.610	89.610
Secondary Storage	36.600	36.600	36.600	36.600	36.600
Secondary Distribution	17.200	17.200	17.200	17.200	17.200
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	285.700	285.700	0.000	0.000	0.000
Zone differential in Gauteng	75.700	75.700	75.700	75.700	96.000
IP Tracer levy	0.000	0.000	0.100	0.100	0.000
Fuel levy	395.000	395.000	381.000	381.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	218.000	218.000	218.000	218.000	0.000
Petroleum Products levy	0.330	0.330	0.330	0.330	0.000
Slate levy	26.320	26.320	26.320	26.320	0.000
Pump Rounding	(0.200)	(0.200)	0.000	0.000	0.000
Sub-total	1 128.450	1 128.450	848.860	848.860	246.810
<u>Contribution to the Basic Fuel Price</u>	1 196.550	1 150.550	1 332.630	1 350.030	1 377.128
<u>Retail Price</u>	<u>2,325.00</u>	<u>2,279.00</u>			
<u>Wholesale price</u>			<u>2,181.490</u>	<u>2,198.890</u>	<u>1,623.938</u>

STATISTICS OF PRICE CHANGES

Effective from:	Petrol 95 ULP		Diesel		Illuminating Paraffin		LPGAS	
	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/Kg	Coast SA c/Kg
06-Jan-21	1,486.00	1,416.00	1,300.420	1,240.120	739.688	658.588	2,708.00	2,472.00
03-Feb-21	1,567.00	1,497.00	1,358.420	1,298.120	798.688	717.588	2,901.00	2,666.00
03-Mar-21	1,632.00	1,562.00	1,412.420	1,352.120	845.688	764.588	2,988.00	2,752.00
07-Apr-21	1,732.00	1,661.00	1,477.620	1,416.120	880.488	798.588	3,036.00	2,801.00
05-May-21	1,723.00	1,651.00	1,446.620	1,385.120	857.488	775.588	2,864.00	2,628.00
02-Jun-21	1,713.00	1,641.00	1,466.620	1,405.120	877.488	795.588	2,721.00	2,486.00
07-Jul-21	1,739.00	1,667.00	1,508.620	1,447.120	913.488	831.588	2,784.00	2,549.00
04-Aug-21	1,830.00	1,758.00	1,564.200	1,502.700	963.488	881.588	3,010.00	2,775.00
01-Sep-21	1,834.00	1,762.00	1,548.980	1,487.480	948.488	866.588	3,104.00	2,869.00
06-Oct-21	1,833.00	1,761.00	1,571.780	1,510.280	980.488	898.588	3,097.00	2,861.00
03-Nov-21	1,954.00	1,882.00	1,719.980	1,658.480	1,125.488	1,043.588	3,387.00	3,151.00
01-Dec-21	2,029.00	1,957.00	1,792.480	1,730.980	1,167.688	1,085.788	3,570.00	3,335.00
05-Jan-22	1,961.00	1,889.00	1,724.680	1,663.180	1,096.688	1,014.788	3,500.00	3,259.00
02-Feb-22	2,014.00	1,942.00	1,804.520	1,743.020	1,197.688	1,115.788	3,376.00	3,134.00
02-Mar-22	2,160.00	2,088.00	1,948.880	1,887.380	1,318.688	1,236.788	3,446.00	3,204.00
06-Apr-22	2,196.00	2,124.00	2,101.440	2,039.940	1,584.688	1,502.788	3,696.00	3,454.00
04-May-22	2,184.00	2,109.00	2,199.440	2,134.240	1,664.288	1,585.088	3,765.00	3,523.00
01-Jun-22	2,417.00	2,352.00	2,309.440	2,244.240	1,820.288	1,741.088	3,714.00	3,472.00
06-Jul-22	2,674.00	2,609.00	2,540.440	2,475.240	1,986.288	1,907.088	3,496.00	3,255.00
03-Aug-22	2,542.00	2,477.00	2,452.440	2,387.240	1,842.288	1,763.088	3,553.00	3,311.00
07-Sep-22	2,338.00	2,273.00	2,396.100	2,330.900	1,760.288	1,681.088	3,388.00	3,146.00
05-Oct-22	2,236.00	2,171.00	2,406.100	2,340.900	1,699.288	1,620.088	3,407.00	3,166.00
02-Nov-22	2,287.00	2,222.00	2,548.960	2,483.760	1,776.288	1,697.088	3,309.00	3,068.00
07-Dec-22	2,346.00	2,281.00	2,391.770	2,326.570	1,718.958	1,639.758	3,404.00	3,146.00
04-Jan-23	2,140.00	2,075.00	2,122.870	2,057.670	1,525.958	1,446.758	3,486.00	3,227.00
01-Feb-23	2,168.00	2,103.00	2,132.030	2,066.830	1,583.958	1,504.758	3,346.00	3,087.00
01-Mar-23	2,295.00	2,230.00	2,162.410	2,097.210	1,596.958	1,517.758	3,868.00	3,610.00
05-Apr-23	2,297.00	2,225.00	2,088.830	2,016.630	1,472.058	1,379.558	3,776.00	3,517.00
03-May-23	2,334.00	2,262.00	2,015.290	1,943.090	1,439.058	1,346.558	3,332.00	3,073.00
07-Jun-23	2,263.00	2,191.00	1,931.290	1,859.090	1,396.058	1,303.558	3,407.00	3,148.00
05-Jul-23	2,246.00	2,174.00	1,949.290	1,877.090	1,392.058	1,299.558	3,111.00	2,853.00
02-Aug-23	2,283.00	2,211.00	2,021.290	1,949.090	1,463.058	1,370.558	2,950.00	2,691.00
06-Sep-23	2,454.00	2,382.00	2,305.290	2,233.090	1,741.058	1,648.558	3,176.00	2,917.00
04-Oct-23	2,568.00	2,496.00	2,501.990	2,429.790	1,892.058	1,799.558	3,426.00	3,167.00
01-Nov-23	2,390.00	2,318.00	2,416.910	2,344.710	1,795.058	1,702.558	3,575.00	3,316.00
06-Dec-23	2,325.00	2,253.00	2,181.490	2,109.290	1,623.938	1,531.438	3,742.00	3,446.00