

MEDIA STATEMENT - FOR RELEASE ON 27 MARCH 2024

**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 03 APRIL 2024 IN GAUTENG AND COAST (INCREASE) / DECREASE

	Gauteng	Coast
Petrol 93 (LRP & ULP)	(65.00)	(58.00)
Petrol 95 (LRP & ULP)	(67.00)	(60.00)
Diesel 0.05% Sulphur	(3.22)	3.78
Diesel 0.005% Sulphur	1.78	8.78
Illuminating Paraffin (Wholesale)	29.00	35.70

cents per litre **increase** in retail price
cents per litre **increase** in retail price
cents per litre **(increase)/decrease** in wholesale price
cents per litre **decrease** in wholesale price
cents per litre **decrease** in wholesale price

Illuminating Paraffin (SMNRP)	58.00
Maximum Retail Price for LPGAS	19.00

cents per litre **decrease** in the Single Maximum National Retail price (SMNRP) (Country Wide)
cents per kilogram **decrease** in the maximum retail price

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

2. FUEL AND ROAD ACCIDENT FUND LEVIES

The Minister of Finance, in his Budget Speech on 21 February 2024, announced that the Carbon Fuel levy will increase by 1.0 c/l on petrol and 3.0 c/l on diesel. No increases will be made to the General Fuel and Road Accident Fund levy on both petrol and diesel. With effect from 03 April 2024, the Fuel Levy in the price structure of petrol and diesel will increase to 396.0 c/l and 384.0 c/l respectively and the Road Accident Fund Levy in the price structure of both petrol and diesel will remain at 218.0 c/l.

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

In line with the Ministerial approval, the annual adjustments to road transport tariffs applicable in petrol and diesel structures will range from 0.3 c/l (Zone 1A) to 14.2 c/l (Zone 17C). The IP transport tariffs will range from a decrease of 14.8 c/l (Zone 17C) to an increase of 14.8 c/l (Zone 14C). The primary transport tariffs applicable to the transport of petrol and diesel by means of the pipeline network and road network has increased. As a result of the different transport tariff adjustments to be implemented on 03 April 2024, price changes to similar products will differ in the 54 Magisterial District Pricing Zones.

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

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

5. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 01 MARCH 2024 TO 26 MARCH 2024

The average international product prices for Petrol increased whilst 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 01 March 2024 to 26 March 2024 was 18.8689 compared to 19.0186 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 10.78 c/l, 10.88 c/l and 10.74 c/l respectively.

6. SLATE LEVY

The combined cumulative petrol and diesel Slate balances at the end of February 2024 amounted to a negative balance of R 2.657 billion. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, a Slate Levy of 21.92 c/l will be implemented into the price structures of petrol and diesel with effect from 03 April 2024.

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

The Single Maximum National Retail Price for the period 03 April 2024 to 30 April 2024 will be 2 079.0 c/l compared to 2 137.0 c/l for the period 06 March 2024 to 02 April 2024.

8. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 15 244.23 per metric ton (846.055 c/l), excluding VAT, for the period 03 April 2024 to 30 April 2024.

9. 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 effect 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.

10. 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	(47.399)	18.593	23.544	25.881
Movement in Exchange Rate	10.784	10.882	10.979	10.741
BFP Over/(under)-recovery for the period 01/03/2024 to 26/03/2024	(36.615)	29.475	34.523	36.622

11. 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 18 days from 01/03/2024 to 26/03/2024 (cents / litre) as detailed below

	(36.615)	29.475	34.523	36.622	-
Cumulative positive/(negative) slate balances end of February 2024 (R-million)	(1 234.951)	(1 422.044)	(1 422.044)	(166.449)	-

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	(37.000)	29.000	34.000	36.000	19.000
Increase in fuel levy (carbon)	(1.000)	(3.000)	(3.000)	-	-
Increase in transport tariff (9C)	(7.300)	(7.300)	(7.300)	(7.000)	-
Increase slate levy	(21.920)	(21.920)	(21.920)	-	-
Pump rounding	0.220	-	-	-	-
Total price (increase) / decrease	(67.000)	(3.220)	1.780	29.000	19.000

12. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

13.

**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 03/04/2024 TO 30/04/2024 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 524.423	1 524.423
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)	2 658.427	2 882.180
Retail Margin: (15% of Subtotal (1))	398.764	432.327
Sub-total (2)	3 057.191	3 314.507
Value Added Tax (15% Sub-total (2))	458.579	497.176
Maximum Retail Price (Rounded to full cents)	3 516.000	3 812.000

14. 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 03/04/2024 TO 30/04/2024 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	82.800	82.800	82.800	82.800	103.000
IP Tracer levy	0.000	0.000	1.000	1.000	0.000
Fuel levy	396.000	396.000	384.000	384.000	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	21.920	21.920	21.920	21.920	0.000
Pump Rounding	0.000	0.000	0.000	0.000	0.000
Sub-total	1 132.350	1 132.350	855.460	855.460	253.810
 <u>Contribution to the Basic Fuel Price</u>	1 379.650	1 345.650	1 389.630	1 404.030	1 365.128
 <u>Retail Price</u>	<u>2,512.00</u>	<u>2,478.00</u>			
 <u>Wholesale price</u>			<u>2,245.090</u>	<u>2,259.490</u>	<u>1,618.938</u>

STATISTICS OF PRICE CHANGES

	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
Effective from:								
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
03-Jan-24	2,249.00	2,177.00	2,063.170	1,990.970	1,530.938	1,438.438	3,753.00	3,457.00
07-Feb-24	2,324.00	2,252.00	2,136.170	2,063.970	1,583.938	1,491.438	3,790.00	3,494.00
06-Mar-24	2,445.00	2,373.00	2,241.870	2,169.870	1,647.938	1,555.438	3,831.00	3,535.00
03-Apr-24	2,512.00	2,433.00	2,245.090	2,166.090	1,618.938	1,519.738	3,812.00	3,516.00