

MEDIA STATEMENT - FOR RELEASE ON 01 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 06 MARCH 2024 IN GAUTENG (INCREASE) / DECREASE

Product:

Both Grades of Petrol 93 & 95 (ULP & LRP)	(121.00)	cents per litre increase in retail price
Diesel 0.05% Sulphur	(105.70)	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	(118.70)	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	(64.00)	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	(85.00)	cents per litre increase in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	(41.00)	cents per kilogram increase in the maximum retail price

2. ADJUSTMENTS TO THE ROAD AND PIPELINE TRANSPORT TARIFFS (4 ZONES DIFFERENTIAL)

Transnet Pipelines (TPL) has decommissioned the Kroonstad pipeline on 31 December 2023. This has affected the 4 Magisterial District Zones (MDZ) which are 8C, 9C, 10C and 11C. In line with the Ministerial approval, the transport tariffs adjustments that are applicable to petrol and diesel price structures will range from a decrease of 5.7 c/l (8C) to an increase of 0.9 c/l (10C). As a result, the different transport tariff adjustments for the 4 MDZ will be implemented with effect from 06 March 2024.

3. ILLUMINATING PARAFFIN DYE LEVY INCREASE

The Minister of Mineral Resources and Energy with the concurrence Minister of Finance, approved an increase from 0.1 c/l to 1.0 c/l in the IP Tracer Dye Levy that is applicable to Diesel with effect from 06 March 2024. This increase is temporary until the 05 March 2025. The IP Tracer Dye levy will decrease to 0.5 c/l thereafter.

4. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 02 FEBRUARY 2024 TO 29 FEBRUARY 2024

The average international product prices for Petrol, Diesel and Illuminating Paraffin increased during the period under review.

The Rand depreciated against the US Dollar during the period under review, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 02 February 2024 to 29 February 2024 was 19.0186 compared to 18.7655 during the previous period. This led to a higher contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 17.71 c/l, 18.74 c/l and 18.53 c/l respectively.

5. SLATE LEVY

In line with the provisions of the Self-Adjusting Slate Levy Mechanism, the Slate Levy on petrol and diesel will remain at 0.00 c/l with effect from 06 March 2024.

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

The Single Maximum National Retail Price for the period 06 March 2024 to 02 April 2024 will be 2 137.0 c/l compared to 2 052.0 c/l for the period 07 February 2024 to 05 March 2024.

7. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 15 387.93 per metric ton (854.030 c/l), excluding VAT, for the period 06 March 2024 to 02 April 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	(102.714)	(86.747)	(99.333)	(44.802)
Movement in Exchange Rate	(17.714)	(18.740)	(19.002)	(18.532)
BFP Over/(under)-recovery for the period 02/02/2024 to 29/02/2024	(120.428)	(105.487)	(118.335)	(63.334)

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 20 days from 02/02/2024 to 29/02/2024 (cents / litre) as detailed below

(120.428) (105.487) (118.335) (63.334) -

Cumulative positive/(negative) slate balances end of January 2024 (R-million)

(288.865) 49.180 49.180 (97.267) -

The price adjustments consist of the following elements:

	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	(121.000)	(105.000)	(118.000)	(64.000)	(41.000)
Decrease in transport tariff (9C)	0.200	0.200	0.200	-	-
Increase in Illuminating Paraffin Dye Levy	-	(0.900)	(0.900)	-	-
Pump rounding	(0.200)	-	-	-	-
Total price (increase) / decrease	(121.000)	(105.700)	(118.700)	(64.000)	(41.000)

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 06/03/2024 TO 02/04/2024 WILL BE AS FOLLOWS:**

Price element	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	1 538.793	1 538.793
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)	2 672.798	2 896.550
Retail Margin: (15% of Subtotal (1))	400.920	434.483
Sub-total (2)	3 073.717	3 331.033
Value Added Tax (15% Sub-total (2))	461.058	499.655
Maximum Retail Price (Rounded to full cents)	3 535.000	3 831.000

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 06/03/2024 TO 02/04/2024 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	75.500	75.500	75.500	75.500	96.000
IP Tracer levy	0.000	0.000	1.000	1.000	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	0.000	0.000	0.000	0.000	0.000
Pump Rounding	0.000	0.000	0.000	0.000	0.000
Sub-total	1 102.130	1 102.130	823.240	823.240	246.810
<u>Contribution to the Basic Fuel Price</u>	1 342.870	1 310.870	1 418.630	1 438.030	1 401.128
<u>Retail Price</u>	<u>2,445.00</u>	<u>2,413.00</u>			
<u>Wholesale price</u>			<u>2,241.870</u>	<u>2,261.270</u>	<u>1,647.938</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
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