

The festive season is over as petrol price increase is announced

The Central Energy Fund (CEF) has released unaudited fuel data predicting a significant price hike for all fuel grades in February. The Automobile Association (AA) has commented on the data, stating that the brief respite South African motorists have enjoyed over the past three months is now at an end.



Fuel price increase will affect cost of living. Source: Tahir Osman/Pexels

According to the data, both 93ULP and 95ULP are projected to rise by between 64c and 66c/l respectively, while diesel is set to increase by approximately 63c/l. Illuminating paraffin is expected to be 47c/l more expensive.

The AA has attributed a large portion of these increases to fluctuations in international oil prices, while the weaker average exchange rate between the rand and the US dollar is also contributing, albeit to a lesser extent.



Pick n Pay recalls 3 peanut butter brands

5 Feb 2024



Based on these figures, a litre of 95ULP inland is set to rise from its current price of R22.49 to R23.15, while the price of 93ULP inland will increase from R22.17 to R22.81.

The AA has warned that these petrol price increases will have a negative impact on household budgets early in the year, a time when many consumers are still recovering from festive season spending and are dealing with stretched budgets.

Personal finance implications

The knock-on effect on personal finances will be a further reduction in disposable income, which will be compounded by increases in the cost of goods and services as they adjust to higher fuel input costs.

The AA has urged consumers to monitor their fuel usage carefully and to budget according to the new fuel prices, which come into effect this Wednesday.

They also suggested that motorists can ensure better fuel consumption by maintaining their vehicles well, planning routes carefully, and avoiding heavy traffic where possible.

[Update: 06/02/2024, 13h15]

Minister of Mineral Resources and Energy, Gwede Mantashe, announced that fuel prices will increase across the board from Wednesday 7 February 2024, due to higher crude oil prices and a weaker rand.

The price of petrol will go up by 75c/l, diesel by 73c/l, illuminating paraffin by 53c/l, and LPGas by 37c/kg.

The minister said the fuel price adjustments are based on current local and international factors, and are revised monthly. He cited the impact of geopolitical risks in the Middle East, the cold weather affecting production in the USA, and the depreciation of the Rand against the US Dollar as the main reasons for the higher fuel prices.

He also said there will be no slate levy implemented in the price structures of petrol and diesel, as the cumulative slate balance had a positive balance of R1,1m at the end of December 2023

For more, visit: <https://www.bizcommunity.com>