

Fuel prices rise on back of higher global oil costs and weaker rand

By [Lindsey Schutters](#)

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Minister Gwede Mantashe has announced an increase in fuel prices, citing rising global oil prices and a weaker rand currency. The adjustments will take effect on Wednesday, 6 March 2024. The Department of Mineral Resources and Energy said the price hikes reflect current market realities. South Africa imports all its crude oil and refined fuels, making it vulnerable to global price fluctuations.



Mantashe attributed the higher oil prices to several factors, including ongoing production cuts by the OPEC+ oil cartel and severe weather disruptions in North America. Additionally, tensions in the Red Sea are raising concerns about shipping costs.



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The rand also depreciated against the US dollar during the review period. This currency movement further contributes to the rise in fuel prices, as oil is priced in dollars.

Breakdown of price Increases

- Petrol (both 93 and 95 octane): 121c/l increase
- Diesel (500ppm sulphur): 105.7c/l increase
- Diesel (50ppm sulphur): 118.7c/l increase
- Illuminating Paraffin (wholesale): 64c/l increase
- Liquefied Petroleum Gas (LPG): 41c/kg increase

The department noted a positive balance in the fuel levy scheme, allowing them to avoid additional charges for petrol and diesel.

Decommissioning of the Kroonstad pipeline in December 2023 has necessitated adjustments to transport tariffs for certain regions.

These adjustments range from a decrease of 5.7c/l to an increase of 0.9c/l, depending on the location.

Temporary dye levy increase

The government also announced a temporary increase in the tracer dye levy for illuminating paraffin – used to combat misuse. This levy will rise from 0.1c/l to 1c/l until 5 March 2025, before being reduced to 0.5c/l.

The fuel price hike is expected to put a strain on South African consumers already facing rising living costs

ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity

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