

Expect steep increases to all grades of fuel this September - AA

Commenting on unaudited mid-month fuel data from the Central Energy Fund (CEF), the Automobile Association (AA) says petrol is currently facing increases of between R1.41/litre (for ULP93) and R1.45/l (for ULP95), while diesel could climb by as much as R2.60/l and illuminating paraffin by R2.55/l.



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“If realised these increases will mark the highest prices since December last year. For ULP95 users in Gauteng, the increases will result in a price point of around R24.28/l for fuel, and it will cost about R1,335 to fill a 55l car. Filling the same car at the coast will cost around R1,311,” the AA notes.

Fuel prices in South Africa are driven by two main factors: international oil prices, and the exchange rate between the rand and the US dollar, as crude oil is traded in US dollars.

A weaker rand means fuel gets more expensive to buy. Oil prices have risen in recent weeks because, among other reasons, some producers curb output because of weak demand.

“Naturally we are all looking at ways to manage expenses and as fuel remains an integral part of many budgets, it’s difficult to avoid paying the higher prices. Our advice is to ensure your vehicle is in good mechanical condition, and that the tyres of the car are properly inflated. Avoiding heavy traffic, not overloading the vehicle, and minimising driving are other tips that may help,” suggests the AA.

The official announcement of the adjusted fuel price for September by the Department of Mineral Resources and Energy (DMRE) is expected on Monday, 4 September ahead of the adjustment at midnight on Wednesday, 6 September.

“We must also note that this is mid-month data, and the prices may vary before the official adjustments, but the current outlook is certainly pointing to significant increases at that time,” concludes the AA.

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