

Petrol price agony for March 2021

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Another month of price increases awaits for SA motorists as the international oil price has caused some upsets.



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The Automobile Association (AA) says that despite the Rand's performance against the US Dollar during the month of February 2021, it wasn't enough to offset the oil price.

"The international oil price seems unstoppable. We are in an eight-week streak of price climbs with no sign yet of a ceiling," notes the AA.

It said increased economic activity caused by the rollout of the Covid-19 vaccine was resulting in more demand. Saudi Arabia also announced a surprise cut of one million barrels of oil per day from its production targets above and beyond its OPEC commitments.

"On top of this, the USA's domestic oil production tailed off in the wake of the petroleum glut at the height of the Covid-19

first wave in 2020, but information from the US Energy Information Administration (EIA) is showing that US inventories have dropped back into a normal range," the AA says.

South African motorists can expect to see petrol climb by around 66c a litre, diesel up by 57c, and illuminating paraffin up by 49c.

"Until oil supply and demand settle into stability, more hikes are likely. And, we cannot forget that April will already start with a significant addition of 26c a litre to fuel prices because of increases to the General Fuel and Road Accident Fund levies – inflicting further blows to already battered South African consumers," the AA concludes.

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