

March fuel price hike will hurt all South Africans - AA

The Automobile Association (AA) has said that the big fuel price increase announced by the Department of Mineral Resources and Energy will have a sharp and immediate effect on the poor, and a long-term impact on inflation. The increases are above expectations and will hurt all South Africans, according to the AA.



Source: [Unsplash](#)

Fuel prices across the board will be adjusted at midnight 2 March. Both grades of petrol will increase by R1.46/ per litre, diesel will increase between R1.44/l and R1.48/l and illuminating paraffin will increase by R1.21/l.

For the first time in history, 95 octane petrol inland will rise above R21 a litre, and by a significant margin.

As of Wednesday, this fuel will cost R21.60/l while at the coast it will cost R20.88/l, the first time it has breached the R20/l level.

Significantly, the price of illuminating paraffin will also rise to new highs with this fuel costing R13.18/l inland and R12.36/l at the coast.

This fuel is used extensively in poorer communities for heating, cooking and lighting, and will be in higher demand as the country moves from a hot summer into more moderate autumn over the next few weeks.

“These increases will certainly impact on every single South African given the reliance the country has on fuels for transportation, manufacturing and in the agricultural sector,” noted the AA.

The increases for March are mainly attributable to rising international petroleum prices as a result of Russia’s invasion of Ukraine and would have been more severe had the Rand not stabilised against the US dollar in the last few weeks.

The Rand showed positive movement against the US currency and shaved some negativity off the final adjusted prices.

The AA says the outlook for April remains unclear but Russia’s military action in Ukraine could push international oil prices higher which will again impact locally.

“For now, it’s a question of wait and see how these prices move in the next few weeks. One silver lining, though, is that any potential increases will not be combined with increases to fuel taxes as the Minister of Finance earlier this week announced the General Fuel and Road Accident Fund levies will not increase this year. This is good news, but must be tempered by what happens in the next few weeks to the overall pricing of fuel,” concluded the AA.

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