

Possible fuel price relief for May 2021

The AA predicts that if the global fuel price and Rand stay on a similar trajectory until the end of the month, there will be a strong chance of a fuel price decrease for May 2021.



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Despite the Suez Canal incident in late March, fuel prices haven't escalated as much as expected and have begun to stabilise somewhat.

That, together with a stronger Rand that has improved by some 50c to the US Dollar could see a decrease in the price of diesel and illuminating paraffin. Petrol may, however, be in for a slight increase at current levels.

The current data shows the prospect of a 32c-a-litre drop in the price of diesel, and 27c for illuminating paraffin by the end of the month.

"Petrol hasn't fared as well, with a slight increase of six cents a litre predicted," the AA comments.

“However, the exchange rate’s performance is coming very close to nudging petrol into a decline, and if the current trends continue, there may be across-the-board relief from the recent series of price hikes at month-end.”

The fuel price is currently heavily taxed in South Africa, something which the AA is questioning the Parliamentary Portfolio Committee on Mineral Resources and Energy.

“Fuel is one of the most heavily taxed commodities in South Africa. It is right and proper for the government to ensure that the pricing structure is still appropriate,” concludes the AA.

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