

## The official fuel price for April 2022

The fuel price increases for April announced by the Department of Mineral Resources and Energy (DMRE) will keep fuel prices at record high levels despite the R1.50 reduction on the General Fuel Levy (GFL).



Source: Unsplash

"The R1.50 decrease to the GFL will mean this tax now stands at R2.44/I, down from its current R3.94/I. This levy will change for April and May only. However, the price of all fuels is still increasing across the board and could have been worse were it not for the reduction in the GFL," the Automobile Association (AA) said.

The DMRE announced that 93 octane petrol will increase by 28c a litre and 95 octane by 36c/l. Diesel is set for staggering increases with this fuel climbing by between R1.52/l and R1.69/l/. The wholesale price of illuminating paraffin is set for the steepest increase with this fuel set to increase by R2.66/l.

The only driver behind these increases is the rising price of international petroleum which contributed 100% to the increases seen locally. The recent strong run of the Rand against the US dollar contributed to shaving some of this increase off the final adjustment for April, without which the increases would have been more significant.

Given these increases, 95ULP will now cost R21.96/I in Gauteng and R21.24 at the coast. The price cap for diesel in Gauteng is now set at R21.01/I and R20.39 at the coast. And, as the country heads closer to winter, illuminating paraffin will now cost R15.84/I in Gauteng and R15.02 at the coast dealing yet another blow to the poorest of the poor who use this fuel for heating, cooking, and lighting.

"These are record fuel prices across the board and while government's intervention has cushioned the blow somewhat, it hasn't entirely taken the pain away," noted the AA.

The AA said it appreciates that there is no quick-fix solution to mitigating rising fuel costs and that the current high prices cannot be sustained by a consumer base already reeling from increased rates to, among others, electricity costs, food prices, and public transport fares.



Finance minister cuts sharply rising fuel prices by a sliver

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"The intervention to cut the GFL is significant as it shows the government is taking the issue of rising fuel costs seriously, which is to be welcomed. It also has indicated that it is looking at several proposals to deal with rising fuel costs in the future. Whatever plans the government is considering, though, these should be fast-tracked as the trend of increasing fuel prices is likely to continue in the short- to mid-term, especially as the situation in Ukraine remains unresolved, which is adding pressure to the international petroleum product price, and, in turn, to local prices. Our concern, as always, is the impact of all of this on consumers and for that reason, a sustainable, long-term solution should be found sooner rather than later," concluded the AA.

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