

Petrol price expected to drop by R1 a litre in October 2022

Diesel users could face an increase in price in October while petrol users could see another sizable reduction, says the Automobile Association (AA). Petrol is expected to decrease by between R1.14 and R1.24 a litre while diesel is expected to increase by between 43c and 50c a litre, according to unaudited mid-month data of the Central Energy Fund (CEF).



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“At this mid-month stage, the outlook for petrol is positive. But the expected price increases to diesel are concerning as this is the fuel mainly used in the mining, manufacturing and agricultural sectors. An increase here will lead to increased product prices down the line. Of course, this is only mid-month data so the picture could change before the official adjustments for October are made,” says the AA.

According to the CEF’s data, average lower international oil prices play a significant role in the expected decreases in petrol but less so in the case of diesel.

“Unfortunately, these lower oil prices are being offset by a weaker rand since the start of September. At the end of August, the rand was trading at R16.95 to the US dollar but is trading in a band of around R17.45 to R17.50 to the US currency. This is taking some shine off the impact of lower oil prices,” notes the AA.

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