

Petrol price expected to rise above R23 in May, a new high for the year

According to unaudited data from the Central Energy Fund (CEF), there will be a significant increase in prices of both grades of petrol, pushing the prices of these fuels above R23 for the first this year. The Automobile Association (AA) said the expected increases will add further pressure on embattled consumers grappling with food inflation which hit record highs in the first quarter of 2023.



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The unaudited data is showing decreases to diesel and illuminating paraffin prices.

According to the latest data from the CEF, ULP95 is expected to climb by around 52c/litre, and ULP93 by around 56c/litre. The wholesale price of diesel is expected to decrease by between 31c/l and 57c/l, while the cost of illuminating paraffin is slated to come down by around 32c/l.

“The decrease to diesel and paraffin prices is certainly good news, especially as the country enters colder months. But the increases to the petrol prices will add more strain to already stretched budgets, and consumers are advised to revise their budgets accordingly. There is no doubt these are difficult times, and petrol price increases will come as bad news for many who will have to dig even deeper in their pockets to keep mobile,” the AA noted.

“The surge in international oil prices is the main driver contributing to the under recovery in petrol while the average Rand/US Dollar exchange rate during April is actually providing some relief, without which the increases could have been higher,” said the AA.

“The silver lining, though, are the expected diesel price reductions. Diesel is a big input cost in major sectors such as agriculture, mining and manufacturing and an increase here often contributes to increased prices of basic commodities. The current increase in the consumer price index (cpi) to 7.1% in March and food inflation hitting a 14-year high of 14.4%, plus an increase in diesel prices would have resulted in very unfavourable conditions for consumers,” the AA concluded.

Officially adjusted fuel prices come into effect on 3 May, the first Wednesday of May. An announcement on the official adjustment is expected by the Department of Mineral Resources and Energy (DMRE) is expected in the next few days.

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