

Good news for motorists as fuel price drops

The Automobile Association (AA) commented on data from the Central Energy Fund (CEF), saying both grades of petrol, diesel and illuminating paraffin prices are showing substantial decreases which will come into effect when the official adjustment for January is made on Wednesday, 4 January 2023.



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“According to the data, petrol (both grades) will decrease by around R1.85/litre, diesel will decrease by between R2.47/l and R2.59/l and illuminating paraffin will decrease by around R1.93/l. These reductions will bring the price of 95ULP inland to around R21.57/l and R20.92/l at the coast, both prices close to those last seen in March 2022. The forecast reduction in the wholesale price of diesel will bring this fuel cost down to around R21.47/l. These reductions are certainly good news for all consumers and signal positive start to fuel pricing for the new year,” says the AA.

According to the CEF, the reductions are a result of a stronger average Rand/US Dollar exchange rate and significant decreases in international product prices. While the stronger Rand is contributing to the decreases, the data shows the movement to international product prices is playing the most substantial role in the forecast fuel price reductions.

“These decreases will not take fuel prices to levels seen in January 2022 but will, nonetheless, go a long way to alleviating the fuel price burden – and its associated impact on other prices – felt by millions of South Africans. For many travellers who are currently on vacation this is also good news as it will undoubtedly reduce expenses on the return leg of their journeys,” concludes the association.