ECONOMY

Fuel hikes 'foreshadow more shocks'

MWANGI GITHAHU

CASH-strapped consumers will have to dig deeper into their pockets with the rise in petrol, diesel and illuminating paraffin prices, and experts have warned that the hikes foreshadow further shocks to the economy.

On Monday, Mineral Resources and Energy Minister Gwede Mantashe announced the adjustment of fuel prices effective from today.

South Africa's fuel prices are adjusted on a monthly basis, informed by international factors such as the fact that South Africa imports both crude oil and finished products at a price set internationally. This includes importation and shipping costs.

Mantashe said: "The price of 93 octane petrol sold inland will rise 43c a litre and f95 petrol will increase 40c. Diesel prices will rise by between 54c and 55c depending on the sulphur content. A litre of 93 will retail for R14.69 and 95 for R14.86."

The AA said: "While South African fuel prices are well off their record highs, the economy is in a fragile state, and any shocks to international oil prices or the rand/dollar exchange rate could hurt fuel users badly."

Chief executive of debt counselling service Debt Rescue, Neil Roets, said: "This has a nasty knock-on effect as the cost of goods shoots up, thanks to more expensive transport. The poor are worst hit when the price at the pumps goes up and there is a possibility consumers, already affected by Covid-19, will be reduced to buying food on credit."