

Diesel motorist to do their own fuel maths

By [Bathandwa Mbola](#)

6 May 2008

Motorists using diesel will now have to do their own mathematics on the amount they have to pay to petrol attendants. This is because some diesel pumps in the country will not be able to handle more than three digits when the cost of fuel increases on Wednesday.

At these older pumps, motorists will have to multiply the amount on the pump by 10 to calculate what is owed for fuel.

Explaining the calculations to *BuaNews*, Department of Minerals and Energy, spokesperson Sputnik Ratau said motorists will have to multiply the reflected pump price by 10 to obtain the amount they have to pay.

He estimated that 30% of the country's pumps, at approximately 1,350 retail sites, would be affected.

"This translates to approximately 18,000 diesel pumps points will be displaying the x10 sticker," he said.

Updating pumps

However he assured motorists that the fuel industry had given its assurances to the department that it would take between four and eight months to update these pumps.

While the forecourt staff were trained, the back office would have extra work producing manual receipts for the amount generated on the pumps, but he believed it would be easy for customers because there will be attendants who will assist them.

"The department and the [petroleum] industry will ensure that there is little disruption," he said, adding that this was only an interim solution and was only applicable to diesel which would cost over R10 per litre.

Motorists are already feeling the pinch of the rising fuel prices and to round of the perfect storm, they are expecting yet another increase on Wednesday.

The Department of Minerals and Energy Affairs last week announced that all grades of petrol would on Wednesday rise by 55 cents, or 6.2%, to R9.46 a litre.

The wholesale price of 0.05% sulphur content diesel would rise by 71 cents a litre.

This means that the diesel price would go up to R10.67 for a litre for high sulphur, and R11.72 for low sulphur.

The price of diesel would go through the R10 per litre-mark for the first time.

Rise in diesel demand

Regarding the significant increase on diesel lately, Ratau said the demand for diesel in South Africa was largely due to economic growth, infrastructure development, and the current power crisis.

According to the South African Petroleum Industry Association; the demand for diesel surged by 12% in 2007.

Diesel demand totalled 9.7-billion litres in 2007, compared to 8.7-billion litres in 2006, and 8.1-billion litres in 2005.

Fuel prices are adjusted monthly on changes in the Rand currency and international oil prices, which increased during April, although the May adjustments included an annual increase in a number of government levies.

Rising fuel and food prices have been the main drivers of higher CPIX consumer inflation, which soared to a more than five-year high of 10.1% year-on-year in March, which is higher than the central bank's 3% to 6% target.

Fuel costs make up about 4.7% of the main CPIX index targeted by the central bank for monetary policy, but the indirect impact is far larger.

Article published courtesy of [BuaNews](#)

For more, visit: <https://www.bizcommunity.com>