

No relief for commuters as fuel price plummets

Eastern and Southern Cape motorists and taxi and bus commuters, who hope they may benefit from last night's fuel price drop will be disappointed. Consumers too, will be disappointed as food prices seem unlikely to fall in the wake of a lower fuel price.

By [Dineo Matomela and Thabo Jijana](#) 7 Jan 2009

Eastern and Southern Cape motorists and taxi and bus commuters, who hope they may benefit from last night's fuel price drop - down a dramatic R4 a litre compared with last July - will be sorely disappointed as they are unlikely to feel any relief in their pockets.

Food shops, airlines, bus and taxi operators told *The Herald* on Tuesday that the petrol price cut - down R1.35/l at midnight last night - would have no immediate effect for motorists or public transport users.

Cosatu said this week it would consider putting pressure on taxi associations to review their fares.

"If the price of fuel goes down, taxi fares should go down as well," said spokesman Patrick Craven.

Last year, taxi associations joined hands with Cosatu in calling on the government to do something about the high fuel price that had risen to more than R10/l.

A different tune

But SA Taxi Council secretary general Philip Taaibosch was singing a different tune this week.

"Our fare increases have never been motivated by petrol price increases," he said.

Taaibosch would not be drawn to comment on what the R4/l decrease in the petrol price since July last year meant to taxi operators.

Meanwhile, SA Consumer Union (Sancu) chairman Lillibeth Moolman said: "It is unreasonable of the taxi operators. There is no reason why they cannot reduce fares for commuters. People who use their own cars to work will benefit and taxi commuters should too."

Unleaded petrol went down by R1.35/l in coastal areas, and dropped from R7.11/l to R5.76/l last night.

The petrol price peaked at R10.70/l in July. The last time commuters paid less than R6/l for petrol was in March 2007. Diesel went down by R1.67/l, while paraffin decreased by R1.31/l.

Nelson Mandela Bay's Uncedo Taxi Association chairman, Nyaniso Mashalaba, said on Tuesday there would be no taxi fare cuts.

Targeted 'unfairly'?

"We will not drop taxi fares because when the petrol prices go up we have never increased our fares," he said.

Southern Cape taxi operators said they had no immediate plans to drop fares.

Knysna Taxi Association member Ben Domingo said: "We don't plan to drop yet. The taxi associations will get together to talk about it."

Garden Route Taxi Association chairman Bernard Jantjies said a meeting of Knysna taxi organisations would take place towards the end of this month, when the effect of lower fuel prices “will be on the table for discussion”.

He said taxi associations were being targeted unfairly.

In George, both Stan Fortuin, of Fortuin’s Taxi Service in Blanco, and Kyleen Williams, of George Taxis, said they were not reducing their fares at this stage, but would wait for guidance from the taxi industry.

No change

Algoa Bus chief executive Sicelo Duze said the transport industry had absorbed losses as a result of last year’s petrol hike.

“When prices of petrol shot up last year, you never heard us increasing the bus fares. We had to absorb the losses as the result of the fuel increases,” he said. “The price of fuel may have dropped, but the cost of purchasing and maintaining buses remains high.”

Comair spokesman Glenda Zvenyika said air fares would also remain unchanged.

“It takes some months for us to realise the fluctuation in oil prices.” Comair operates British Airways domestic and kulula.com.

No direct link

SA Airways spokesman Sarah Uys said there was no direct link between jet fuel used by aircraft and the petrol used in cars as they move in different markets and their pricing structures differed.

“Airline fares are route-specific. SAA tracks each route to measure its performance. We will consider fares on a route-by-route basis.”

Minerals and energy department spokesman Bheki Khumalo said the reason for lowering the petrol price was the decrease in price of crude oil.

Crude dropped from \$147/barrel in June to \$47,87.

No decrease in food prices, but lower rate of *increases*

Meanwhile, Spar group merchandise executive Mike Prentice maintained that although food prices continue to fluctuate: “I haven’t seen a dramatic decrease in the prices of food. What we’ve seen is the rate of increases has slowed down and the level of the increases has been lower than it has been previously.”

Asked about food prices at Pick n Pay stores, group finance director Dennis Cope said although the economic climate has changed significantly since the last petrol price cut last month, the chain did not anticipate any price cuts. Some basic products had come down.

Shoprite marketing manager Brian Weyers said: “The cost of fuel is but one of the factors that influence prices and is a small percentage of input costs, having only a small effect on the price of food.”

Additional reporting by Katherine Wilkinson and Cathy Dippnall.

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