

Government issues urgent call for calm in South Africa



The Department of Mineral and Petroleum Resources (DMPR) and the Fuels Industry Association of South Africa have urged motorists not to panic-buy amid claims of fuel shortages in the country.

The department issued a statement on Friday (20 March), assuring South Africans that, contrary to claims being made on social media, the country is not experiencing a national fuel shortage.

It added that statements by “certain organisations and individuals” encouraging drivers to rush to filling stations due to the shortages and looming fuel price increases should be ignored.

“The Department and Fuels Industry Association wish to firmly reiterate that South Africa’s fuel supply remains stable in the immediate term, and there is no basis for panic-buying,” it said.

The department conceded that there may be “isolated localised logistical challenges” affecting the movement or availability of fuel in certain areas.

However, it stressed that these are operational in nature and do not constitute a national supply shortage.

“These issues are being actively managed through established industry and regulatory channels,” it said.

The department said that the isolated instances are not tied to the broader geopolitical events that have dominated commodity markets and the extreme surges in fuel price under-recoveries this month.

“Such claims risk creating unnecessary alarm and confusion among the public,” it said.

“Calls for the public to rush to the pumps are irresponsible. They place undue pressure on supply systems, cause congestion at service stations, and anxiety among consumers.”

The department said that members of the public are encouraged to continue purchasing fuel in the normal course.

“The Department and the Fuels Industry Association will continue to monitor the situation closely and will communicate any confirmed developments through official channels.”

Despite the DMPR’s assurances that fuel supplies are normal, **the looming surge in fuel prices for April is unavoidable** without government intervention.

The latest data from the Central Energy Fund (CEF) shows that fuel price under-recoveries have deepened further by the end of the third week of March.

Petrol prices are showing an under-recovery of between R4.68 and R5.20 per litre, while diesel prices are showing an under-recovery of R8.52 to R8.64 per litre.

These under-recoveries are before the 1 April tax hikes of 21 cents per litre come into effect.

There have been calls from civil society groups like AfriForum for the government to step in and soften the coming blow for motorists and industry at large.

A frequently cited example of government intervention is how the National Treasury cut the general fuel levy by R1.50 per litre after global markets were rocked by Russia’s invasion of Ukraine.

However, a similar move is looking increasingly unlikely, as the National Treasury says there is little room in the budget to offer relief or to cushion the blow.

Treasury director-general Duncan Pieterse said this week that it would cost the government millions of rand to offset the coming blow, a weight the fiscus cannot currently bear.

“Unless you have those kinds of resources, which currently we do not have available as part of our fiscal buffers, you are either looking at no relief, or you’re looking at a very small amount of relief,” he said.

If any relief were to be provided, a template like that of 2022 would be used, and the package would be limited, temporary, and funded within the existing fiscal framework, Pieterse said.