

Government opts for no general fuel, Road Accident Fund levies hike

For the second successive year, government will not increase the general fuel and the Road Accident Fund (Raf) levies, in a bid to reduce pressure on households and businesses.



Source: [Ftxabay](#)

This will see government forego R4bn in revenue.

Finance Minister Enoch Godongwana made this announcement in his 2023 Budget Speech, delivered on Wednesday at the Cape Town City Hall.

Last year saw fuel prices soar driven by international crude oil prices, supply-demand balances and the rand-dollar exchange rate. This was as a result of steep increases in world market prices. During this period, inland unleaded petrol mostly remained above R20 per litre.

To offset the impact on consumers, government provided a four-month R10.5bn temporary relief.

Extension of diesel fuel levy refund

In the 2023 Budget Review, National Treasury said that in light of the current electricity crisis, government would introduce a refund on the RAF levy for diesel used in the manufacturing process (such as generators) and will be extended to the manufacturers of foodstuffs.

This will take effect from 1 April 2023, with refund payments taking place once the system is developed, and will be in place for two years until 31 March 2025.

“This relief is implemented to limit the impact of power cuts on food prices,” said the Treasury.

Government first implemented the diesel refund system in 2,000 to provide full or partial relief for the general fuel levy and the Raf levy to primary sectors.

The refund system is in place for the farming, forestry, fishing and mining sectors.

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