



PROVINCIAL FUEL LEVY AN OUTDATED CONCEPT

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The idea of a provincial fuel levy is not new but it is rapidly becoming an outdated concept.

The idea was proposed and approved by the Treasury 13 years ago when the ANC ran the provincial government, but it was never implemented and a lot of things have changed since then.

In the present circumstances it will be unfair and hard on the poor. Cars have changed a lot in the last 13 years. Modern diesel and turbo-charged petrol vehicles have become a great deal more fuel efficient, but the poor mainly drive older cars which are not fuel efficient. That means they will be paying more than the people who can afford new cars.

The Province predicted it will be four or five years before the levy, if approved, will be introduced and by that time there would be further changes to cars. In five years we can expect to see more electric cars on the road and in 10 years there will be a lot of electric cars. A fuel levy will look pretty silly then.

Another way to avoid the levy would be to run cars on LPG which would avoid the fuel levy altogether. In Europe cars are available that can change from petrol to gas at the flick of a switch. Gas is cleaner than petrol and diesel and its use should be encouraged. Gas-fuelled vehicles are common in Mozambique and the idea will come to South Africa very quickly if the Government and the Provinces continued to increase fuel levies.

I understand that roads are expensive to build and maintain but a fuel levy is not the answer any more. The Province must think again and think ahead. Things are changing.

We are warning Province about unintended consequences. When the ANC was in power in the province they drastically increased car and truck licence fees and the result was that people started registering their vehicles in the Eastern Cape where licence fees were a lot lower. It probably cost the Western Cape more than they gained from the higher licence fees.

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President of the Cape Chamber



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