



# Perspektief | Perspective

Nuusbrief Newsletter

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### What is currently the position regarding diesel rebates

**Corné Louw (senior economist, Industry Services, Grain SA)**

»The Grain SA is eagerly awaiting the implementation of an alternative system with which to settle diesel rebate audits of before April 2013. The original agreement with the South African Revenue Service (SARS) to use alternative information to support diesel claims, has failed due to a lack of information for some industries.

The latest feedback is that SARS has made an alternative proposal to Treasury and are now awaiting their response. When the proposal is approved, it will be published for public commentary, after which it can be implemented.

Further it is widely experienced that the new VAT claims of producers who have been audited before April 2013 and who have failed the audit, are being retained. This issue has been taken up with SARS and they've appointed a dedicated person to follow up these cases on an individual basis so that VAT claims can be paid out again. Please bring problems regarding this issue, to Grain SA's attention.

It is of critical importance that producers strictly log their diesel usage as from 1 April 2013. Agri SA and Grain SA commented on how a logbook should look, but it has not been cleared by SARS. In the meantime, producers are encouraged to keep track of the minimum information that is currently required by the law, by keeping a logbook at the main distribution points, stating:

- Date that the diesel was pumped.
- Amount of diesel that was pumped.
- Description of the vehicle.
- What the diesel was used for.

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### Fuel price expectations for November 2013

**Wandile Sihlobo (economist, Industry Services, Grain SA)**

»According to the Central Energy Fund's fuel update report on **16 October 2013**, the petrol price might **DECREASE** on 6 November 2013 by 20 cents per litre and the diesel price might also **DECREASE** by 6 cents per litre.

International fuel prices are still seen to be the major contributor to the expected domestic fuel price changes. This report shows that international petrol price decreases are contributing 22 cents per litre to this expected domestic decrease, while international diesel price decreases are at the same time contributing 8 cents per litre.

These decreases in international fuel prices are largely caused by some concerns over uncertainty surrounding the US budget and debt-ceiling deals that is affecting the economy and oil demand. Furthermore, negotiations with Iran over its nuclear programme alleviate concerns over oil supplies.

The exchange rate has a slight impact on the current fuel expectations; the rand is currently weaker and is seen trading at around R9,97 against the dollar. The rand is still expected to continue weakening, owing to the large current account and fiscal deficits, low economic growth, infrastructure constraints, domestic labour markets, high unemployment rate and elevated inflation.

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