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PRESS RELEASE

“UNAVOIDABLE” OPEC SUPPLY CONSTRAINTS TRIGGER RISE IN FUEL PRICES

Due to unavoidable supply constraints from Organisation of Petroleum Exporting Countries (OPEC), the prices of petroleum products will increase from Monday 15 October, 2018.

The price of Motor Spirit will increase by 6 cents per litre, premix outboard fuel will increase by 5 cents per litre, diesel will increase by 7 cents per litre while kerosene will increase by 4 cents per litre.

The new price of motor spirit will now be \$2.24 per litre, premix outboard fuel will be \$2.07, diesel will cost \$1.97 while kerosene will be \$1.72 per litre.

The Fijian Competition and Consumer Commission (FCCC) constantly monitors international prices and will always pass on reductions where possible. CEO Mr. Joel Abraham said that it is important to remember that these prices are determined by the international markets, where they can just as easily rise as fall. “Unfortunately, this time, we have had an upward movement,” he said.

The sole reason for the increase in petroleum price is due to OPEC’s failure in meeting its global production commitments. In recent years, OPEC has sought to reduce supply in a bid to drive up the global oil prices. In June 2018, OPEC met again and agreed to increase production output. FCCC was anticipating the prices to be stable as OPEC had made a global commitment to produce one million metric tons per day of crude oil from July 1, 2018, however, these target were not complied with as per the production statistics for July and August leading to increase in the world market price.

Mr. Abraham said that unfortunately, this rise in prices is out of Fiji’s control as we are a price taker in the global fuel market.

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