



PRESS STATEMENT
NEW FUEL AND LPG PRICES
31 July 2020

Bula Vinaka to Members of the Media.

The Fijian Competition and Consumer Commission (FCCC) has determined the new regulated prices of Unleaded Petrol, Premix, Kerosene, Diesel and LPG for August 2020.

The new Fuel and LPG prices come into effect from **Saturday, 1 August 2020** and are as follows:

Retail Fuel Prices

- Motor Spirit from \$1.84 to \$1.96 per litre, an increase of 12 cents per litre;
- Premix from \$1.47 to \$1.61 per litre, an increase of 14 cents per litre;
- Kerosene price remains the same as \$0.91 per litre; and
- Diesel from \$1.52 to \$1.63 per litre, an increase of 11 cents per litre.

Retail LPG Prices

- 4.5kg Cylinder from \$11.86 to \$11.54, a decrease of 32 cents per 4.5kg Cylinder;
- 12kg Cylinder from \$31.64 to \$30.79, a decrease of 85 cents per 12kg Cylinder;
- 13kg Cylinder from \$34.28 to \$33.35, a decrease of 93 cents per 13kg Cylinder;
- Bulk Gas from \$2.16 to \$2.13, a decrease of 3 cents per kg; and
- Autogas from \$1.45 to \$1.43, a decrease of 2 cents per litre.

The Fuel and LPG price review implemented by FCCC follows a one-month lag period, as such the August 2020 Fuel and LPG regulated prices are based on the importations made in June 2020 by the Fuel Companies and LPG Companies in Fiji.

Fuel Price Change Reasons

The Fuel price in Fiji is impacted by the movement in Means of Platts Singapore (MOPS), the international freight rate and the exchange rate. The increase in Local Fuel price for August 2020 is due to unfavourable movement in the international prices for Motor spirit, Premix, Kerosene and Diesel; favourable movement in the international freight rates; and weakening of the USD dollar against the Fijian dollar based on June 2020 imports.

The crude oil prices continued to rise in June for the second consecutive month, given the continued improvement noted in physical crude market fundamentals and gradual reductions in global supply overhang as the oil market was strongly supported by a reduction of the global crude oil surplus due to historic voluntary production adjustment agreement by OPEC and participating non-OPEC countries in the Declaration of Cooperation.

The increase in the price of crude oil in June 2020 was driven by a drop in global oil surplus, signs of further improvements in oil market fundamentals, as well as prospects that the oil market would tighten further in the second half of 2020. However, the continued spread of COVID-19 had limited gains in crude oil prices. These global economic factors in June 2020 contributed to the significant change in the local Fijian prices for refined oil products which will be effective from 1 August 2020.

LPG Price Change Reasons

The LPG price in Fiji is impacted by the movement in Saudi Aramco Butane Contract Price, the international freight rate and the exchange rate. The major reasons for the decrease in prices for all LPG products in August 2020 are due to decrease in butane price, international freight, and a slightly weakened US dollar against the Fijian dollar based on June 2020 imports.

The decrease noted in butane price for the month of June 2020 is due to reduction noted in oil output in Saudi which is in line with the move by OPEC+ producers to have reduced production of natural gas liquids, including propane and ethane, limiting feedstock supply to domestic petrochemical plants.

Butane is better volume for export as butane is used less in the domestic petrochemical sector. The demand from major importers of propane and butane cargoes, such as India and Indonesia had slowed down after a rush in imports were noted in April-June delivery, creating excess stock for butane. This market imbalance led to reduction in butane contract price for July 2020.

Fiji is directly impacted by world market prices for both refined oils and LPG. As such, any changes to the world market prices will be reflected in Fuel and LPG prices in Fiji.

FCCC will conduct the next Fuel and LPG price review on 1 September 2020.

For more information/details on this please contact FCCC at their Facebook page: <https://www.facebook.com/FijianCCC>, on their website: www.fccc.gov.fj or call 8921991.

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