



PRESS RELEASE
NEW FUEL AND LPG PRICES
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The Fijian Competition and Consumer Commission (FCCC) has determined the new regulated prices of Unleaded Petrol, Premix, Kerosene, Diesel and LPG for June 2021.

The new Fuel and LPG prices will come into effect from Tuesday, 1 June 2021 and are as follows:

Retail Fuel Prices

- Motor Spirit from \$2.35 to \$2.36 per litre, an increase of 1 cent per litre;
- Premix from \$1.96 to \$1.97 per litre, an increase of 1 cent per litre;
- Kerosene at \$1.43, remains unchanged; and
- Diesel from \$1.94 to \$1.89 per litre, a decrease of 5 cents per litre.

Retail LPG Prices

- 4.5kg Cylinder from \$14.41 to \$13.81, a decrease of 60 cents per 4.5kg Cylinder;
- 12kg Cylinder from \$38.43 to \$36.83, a decrease of \$1.60 per 12kg Cylinder;
- 13kg Cylinder from \$41.64 to \$39.90, a decrease of \$1.74 per 13kg Cylinder;
- Bulk Gas from \$2.70 to \$2.60, a decrease of 10 cents per kg; and
- Autogas from \$1.81 to \$1.74, a decrease of 7 cents per litre.

The Fuel and LPG price review implemented by FCCC follows a one-month lag period, as such the June 2021 Fuel and LPG regulated prices are based on the imports made in April 2021 by the Fuel 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 fluctuations noted in local fuel prices for June 2021 are due to unfavourable movement noted in the international prices for Motor Spirit and Premix, however favourable movement was noted in the international price for Diesel. Furthermore, an unfavourable movement was noted in the international freight rate on all refined products. These fluctuations in international prices and international freight rate were supported by the strengthening of the USD against the Fijian dollar based on April 2021 imports.

Crude Oil Market

The crude oil prices declined in April 2021 for the first time in six months due to the following reasons:

1. In the first half of April 2021, the COVID-19 virus continued to spread in India, Latin America and Japan and other parts of the world. Slow global vaccination rates and vaccine issues in terms of distribution and side effects also added to concerns.
2. The surge in COVID-19 infections in several countries raised concerns about slowing near-term crude demand from Europe and some Asian refiners due to refinery maintenance season. This led to extended lockdowns in Europe.
3. With lockdowns imposed in major developed and developing economies, a general decline in land mobility added concerns about potential reductions in refinery throughputs and weaker demand for road transportation fuels in April 2021.
4. In the second half of April, the pandemic situation worsened in India, the third-largest oil consumer as India's daily infections rose to record levels. The surge in infections raised concerns about the impact on oil demand, and potential stricter and longer mobility restrictions and lockdowns, which led to a significant decline in land mobility in India.

On the supply side, investors assessed the prospect of a rising oil supply from the participating, producing countries in the (DoC) in the coming months. However, the oil price decline was limited as prices recouped part of their losses in the second part of April and this was sustained by solid economic data from the US and China, the world's two largest economies, and from Europe. Authorities in the US and Europe also planned a gradual lifting of lockdown measures, which stoked optimism about the consolidation of the oil demand recovery and strengthened the demand outlook for the coming summer holidays season.

The progress on vaccinations in the US, UK and some European countries added optimism. Market sentiment was bolstered after the International Monetary Fund (IMF) upgraded its projection for global economic growth in 2021 to 6%, and both OPEC and the International Energy Agency (IEA) April monthly reports showed upward revisions of global oil demand outlooks. These global economic factors in April 2021 contributed to the change in the local Fijian prices for refined oil products which will be effective from 1 June 2021.

LPG Price Change Reasons

The LPG price in Fiji is impacted by the movement in Saudi Aramco Butane Contract Price (CP), the international freight rate and the exchange rate.

The major reasons for the movement in prices for all LPG products in June 2021 in Fiji are due to the favourable movement of Saudi Aramco Butane CP and unfavourable movement in the international freight rate. Favourable movement in Saudi Aramco Butane CP was further supported by the slight weakening of the US dollar against the FJ dollar based on April 2021 imports.

The April 2021 butane price is the first decline after eight consecutive months of increases, reflecting pressure from the Middle East market amid healthy supply from Qatar, Kuwait, and Abu Dhabi offsetting shortfalls from Saudi Arabia in line with Saudi Arabia's crude output cuts over February to April to meet OPEC+ commitments.

According to Platts, only a few Very Large Gas Carriers (VLGC) pass through the Suez Canal carrying LPG from North Africa, North-West Europe, and the US to Asia. A number of carriers are relying instead on the Panama Canal, the Persian Gulf and Cape of Good Hope to transit cargoes. As such, Platts revealed that the impact of LPG on stranded container ships blocking the waterway was limited.

Platts further revealed that the international freight rates or VLGC rates on the key Middle East-Japan route has been increased and this is driven by the resumption of US loadings after winter disruptions and busier Middle East – India activity. Platts also revealed that India's LPG demand rose almost 12%. The rise in LPG imports in India was due to the Indian economy bracing for new measures to control the COVID-19 pandemic as the country saw a fresh source of a surge in cases and deaths in March and April 2021. Demand in South Korea however dropped despite the cold weather in the country. These international market forces impacted the price of LPG products in the Fijian market.

Fiji is directly impacted by the 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. The FCCC will conduct the next Fuel and LPG price review on 1 July 2021.

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

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