



PRESS RELEASE

NEW FUEL AND LPG PRICES

THURSDAY, 30 SEPTEMBER 2021

The Fijian Competition and Consumer Commission (FCCC) has determined the new regulated prices of Unleaded Petrol, Premix, Kerosene, Diesel and LPG for October 2021.

The new Fuel and LPG prices comes into effect from **Friday, 1 October 2021** and are as follows:

Retail Fuel Prices

- Motor Spirit from \$2.54 to \$2.49 per litre, a decrease of 5 cents per litre;
- Premix from \$2.15 to \$2.11 per litre, a decrease of 4 cents per litre;
- Kerosene price remains the same as \$1.55 per litre; and
- Diesel from \$2.06 to \$2.04 per litre, a decrease of 2 cents per litre.

Retail LPG Prices

- 4.5kg Cylinder from \$15.19 to \$16.07, an increase of 88 cents per 4.5kg Cylinder;
- 12kg Cylinder from \$40.51 to \$42.84, an increase of \$2.33 per 12kg Cylinder;
- 13kg Cylinder from \$43.89 to \$46.41, an increase of \$2.52 per 13kg Cylinder;
- Bulk Gas from \$2.86 to \$3.03, an increase of 17 cents per kg; and
- Autogas from \$1.92 to \$2.03, an increase of 11 cents per litre.

The Fuel and LPG price review implemented by FCCC follows a one-month lag period, as such the October 2021 Fuel and LPG regulated prices are based on the importations made in August 2021 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 decrease noted in local fuel prices for October 2021 are due to favourable movements noted in the international prices for Motor Spirit and Diesel and unfavourable movement in the international freight rates for Motor Spirit and Diesel. Favourable movement in international refined oil prices for Motor Spirit and Diesel

were further supported by the weakening of the USD against the Fijian dollar for Motor Spirit and Diesel based on August 2021 imports.

Crude Oil Market

The crude oil prices fell to their lowest monthly average since May 2021 and crude oil prices were under pressure in August 2021 due to the following reasons:

1. Slowdown in buying interest from Asia, specifically from China, and the rising volumes of unsold crude cargoes for August and September loadings with selling struggling to clear crude.
2. The reinstatement of lockdown measures and mobility restrictions in several major Asia oil consumer countries resulted in softening demand for transportation fuels.
3. Strong buying from Chinese refiners that supported the market in previous months slowed in August 2021, amid limited crude import quotas for independent refiners in China, lower refinery runs, and prospects for weaker oil demand, due to lower mobility levels resulting from COVID-19 lockdowns, as well as bad weather.
4. Data from China's National Bureau of Statistics (NBS) showed a m-o-m decline in China's processing volumes of crude oil to 59.06 million tons in July, compared to 60.82 million tons in June.

The global oil production continued to rise gradually. OPEC and non-OPEC participating countries in the Declaration of Cooperation (DoC) agreed to adjust upward overall production by 0.4 mb/d on a monthly basis starting August 2021. Several other non-OPEC producers also raised their production in July. As such, oversupply of crude oil and slight demand destruction caused crude oil prices to decline on average in August 2021. These global economic factors in August 2021 contributed to the change in the local Fijian prices for refined oil products which will be effective from 1 October 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 October 2021 in Fiji are due to the unfavourable movement of Saudi Aramco Butane CP and unfavourable movement in the international freight rate. Unfavourable movement in Saudi Aramco Butane CP and international freight were further supported by the strengthening of the US dollar against the FJ dollar based on August 2021 imports.

On the supply side, the Middle East had healthy supply. Saudi Aramco announced acceptances of August lifting term cargo nominations without cuts or delays. This came after Abu Dhabi National Oil Company (ADNOC) and Qatar Petroleum (QP) had announced no cuts or delays as well, while Qatar Petroleum had also sold ample propane cargo for August loading.

Reports also said that Asia remains a more attractive destination for US LPG due to the better netbacks compared with Europe. While volumes from the US to Europe were reportedly up month-on-month in July, amid strong demand from petrochemical crackers in Europe, the outlook for further arbitrage activity is declining in view of decreasing positive netbacks.

Platts noted that the pick-up in Middle East and US loading activity has given further bounce in Very Large Gas Carriers (VLGC) rates towards \$40/bbl. These international market forces impacted the price of LPG products in the Fijian market October 2021.

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 November 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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