



MEDIA RELEASE
New Fuel and LPG Prices for January 2024
Friday, 29 December 2023

The Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications, in conjunction with the Fijian Competition and Consumer Commission (FCCC) has determined the new regulated price for Unleaded Petrol (Motor Spirit), Premix, Kerosene, Diesel and LPG products for January 2024.


The new prices come into effect from **Monday, 1 January 2024** and are as follows:

Table 1: New Approved Retail Fuel Price

Product	Current Price	New Approved Price (From 1/1/24)	Price Change (Decrease)	
			(\$)	(%)
Motor Spirit	\$3.02 (VIP)	\$2.92 (VIP)	(\$0.10)	(3.31)%
Premix	\$2.83 (VIP)	\$2.73 (VIP)	(\$0.10)	(3.53)%
Kerosene*	\$2.22 (VAT exempt)	\$2.04 (VAT exempt)	(\$0.18)	(8.11)%
Diesel	\$2.90 (VIP)	\$2.61 (VIP)	(\$0.29)	(10.00)%
Note: *Kerosene price is the VAT exempt price.				

Table 2: New Approved Retail LPG Prices

Product	Current Price	New Approved Price (From 1/1/24)	Price Change (Decrease)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.82 (VAT exempt)	\$15.60 (VAT exempt)	(\$0.22)	(1.39)%
12 Kg Cylinder*	\$42.18 (VAT exempt)	\$41.60 (VAT exempt)	(\$0.58)	(1.38)%
Bulk** (Kg)	\$3.25 (VEP)	\$3.21 (VEP)	(\$0.04)	(1.23)%
Autogas*** (Litre)	\$2.28 (VIP)	\$2.25 (VIP)	(\$0.03)	(1.32)%
Note: * Cylinder price is VAT exempt price. **Bulk price is Wholesale VAT exclusive price (VEP) . *** Autogas retail price is VAT inclusive price (VIP).				



"We welcome the new year with good news with the reduction in fuel and LPG prices this month, reflecting our commitment to lessen the financial burden on Fijians. The Ministry, in partnership with the FCCC, will continue to look at ways in which we can further ease costs for our citizens," said Deputy Prime Minister and Minister for Trade, Co-operatives, Small and Medium Enterprises and Communications, Hon. Manoa Kamikamica.

FCCC CEO, Joel Abraham, said that as a nation sensitive to global market trends, these reductions are welcome news for both consumers and businesses.

"As we move into 2024, FCCC remains dedicated to ensuring that fuel and LPG prices in Fiji are fair and reflective of the international market conditions. We will continue to closely monitor these conditions and make necessary adjustments that are fair to both consumers and the industry," stated Abraham.

"FCCC does not just determine prices; we are equally committed to enforcing and ensuring compliance. Our enforcement team will be on the ground, actively monitoring the market to guarantee that the new prices are adhered to, safeguarding consumers against unfair practices."

The fuel price review in Fiji follows a one-month lag period. Therefore, the local fuel prices for January 2024 are based on imports made by fuel companies in November 2023. FCCC used the December 2023 Saudi Aramco Butane Contract Price (CP) and November 2023 international freight rates and foreign exchange rate to determine the local LPG product prices for January 2024.

Fuel Price Change Factors

Fuel prices in Fiji are impacted by movements in the Means of Platts Singapore (MOPS), international freight rates and foreign exchange rates. The major reason for the decrease noted in the price of refined fuel products in the Fijian market in January 2024 is due to the following factors:

Motor Spirit and Premix/ Kerosene and Diesel


The price of motor spirit and premix is based on same international refined price and international freight benchmarks. FCCC's independent analysis revealed that price of motor spirit and premix will decrease in January 2024 due to following reasons:

- a. Favourable movement was noted in the international refined fuel price of motor spirit, kerosene and diesel, that is the cost price decreased compared to last month's review.
- b. Favourable movement was noted in the international freight rate marker for motor spirit, kerosene and diesel, that is international freight rate marker decreased when compared to last month's review.
- c. The US dollar weakened against the Fijian dollar for motor spirit, premix, kerosene and diesel.

Crude Oil Market

The crude oil prices experienced a significant downturn in November 2023, marked by heavy selloffs amongst a highly volatile crude oil futures market. The market dynamic was fuelled by exaggerated concerns about oil demand growth, which negatively impacted market sentiments in November 2023. The decrease in crude oil price in November 2023 was attributed to the following factors:

1. The crude oil prices averaged lower in November 2023, extending the previous month's losses. The decline in crude oil prices was more pronounced in light sweet benchmarks with a sign that the supply of light sweet crude oil in and around their respective trading hubs was higher than the demand. This was also reflected in the market structure of West Texas Intermediate (WTI), which flipped into contango.
2. Weak gasoline and naphtha crack spreads in the United States added downward pressure on light sweet crudes oil prices in November 2023.
3. High crude supply availability in Northwest Europe, mainly supply from the US Gulf Coast (USGC), weighed on the value of crude differentials in the Atlantic Basin which pushed the value of the North Sea Dated crude oil benchmark lower.
4. A large build up in the US crude stocks along with the rise of Cushing, Oklahoma crude stocks, the delivery point of WTI, reduced the value of WTI in November 2023.
5. The Dubai benchmark fell the least among the other benchmarks as demand from Asian refiners declined.

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6. Traders reacted to mixed signals in November 2023, leading to a volatile market. Easing worries about oil flows, signs of a well-supplied market, and soft refining margins further influenced market sentiments in November 2023.

The expected Fed's policy direction, along with disappointing economic data from China and Germany, also contributed to the downward pressure on oil prices in November 2023. The crude prices settled lower in November 2023 due to relaxed economic outlooks and easing global supply concerns. These global economic factors in November 2023 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 January 2024.

LPG Price Change Factors

The price for all LPG products in January 2024 will decrease in the Fijian market. FCCC's independent assessment revealed that the LPG Products in January 2024 will decrease due to the following reasons:

- a. Butane Contract Price (CP) for December 2023 remained unchanged at USD620/MT compared to last review.
- b. Decrease noted in the average international freight compared to last review, and
- c. Weakening of the USD against the Fijian dollar.

Butane Contract Price Movement

Saudi Arabia's state-controlled Saudi Aramco kept the December 2023 propane and butane Contract Prices (CP) unchanged from the previous month at \$610/tonne and \$620/tonne, respectively. Stable demand for evenly split ratio cargoes from India and Indonesia for December 2023 and January 2024 supplies kept butane at a premium to propane. Butane-heavy cargoes continued to command a higher premium than propane-only ones because of limited inflows from the US and Mideast Gulf.

The Asian market faced severe volatility in November 2023 following the announcement by the Panama Canal Authority of a phased reduction to transit slots, which affected December 2023 shipments. An immediate reaction to extended shipping times due to re-routing trade flows via the Suez Canal and Cape of Good Hope initially sent propane prices soaring, squashing demand from China.



Propane prices then fell over 7 percent in November 2023 from a month ago due to lower import demand from China's petrochemical sector. Prolonged drought at the Panama Canal limited the number of daily transits complicating shipping from the US to Asia and allowed re-routing to Europe at a sharp discount early in November to entice buyers, as demand for the lighter grade was very muted.

The Asia Pacific regions saw a drop in LPG prices and financial market volatility dampened the LPG demand. Furthermore, the volatility of crude oil prices has weighed on LPG pricing, affecting regional costs. The reason for low LPG prices was abundant supplies in the Middle East and the United States, as well as low petrochemical demand from China.

LPG prices in the American market were low as there was ample supply to meet the demand of the local market as well as the international demand. These international market forces impacted the price of Butane and Propane Contract Price in December 2023 and LPG products in the Fijian market in January 2024.

Enforcement and Compliance

As part of the FCCC's enforcement and compliance of fuel prices, our Enforcement Team will conduct inspections at wholesale / retail outlets and service stations to ensure prices of authorised petroleum and LPG products comply with the allowable maximum prices and ensure compliance with the FCCC Act 2010. The FCCC officers that will conduct inspections in various divisions can be contacted as follows:

- **Central team** - 9984035.
- **Western Team** - 8911623.
- **Northern Team** - 9984003.

The prices issued by FCCC are maximum wholesale and retail prices, and the wholesalers and retailers can sell the refined fuel and LPG products at the maximum wholesale and retail prices or below the authorised prices determined independently by the FCCC. The FCCC inspectors will continue to conduct checks during the coming weeks to ensure ongoing compliance.

Consumers are advised to report any instances of unfair trading practice, such as hoarding and overcharging by traders to the FCCC enforcement team via mobile phone 8921991 or via email at

helpdesk@fccc.gov.fj. Our regional offices, located in the Western Division and Northern Division, can be contacted via mobile phone numbers 8911623 and 8911624.

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