

## MEDIA RELEASE

### New Fuel and LPG Prices for March 2024

**Thursday, 29 February 2024**

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 March 2024. The new prices come into effect from **Friday, 1 March 2024** and are as follows:

**Table 1: New Approved Retail Fuel Price**

Product	Current Price (until 29 February 2024)	New Approved Price (from and including 1 March 2024)	Price Change (Increase)	
			(\$)	(%)
Motor Spirit	\$2.80 (VIP)	<b>\$2.91</b> (VIP)	\$0.11	3.93%
Premix	\$2.62 (VIP)	<b>\$2.73</b> (VIP)	\$0.11	4.20%
Kerosene*	\$1.96 (VAT exempt)	<b>\$1.99</b> (VAT exempt)	\$0.03	1.53%
Diesel	\$2.50 (VIP)	<b>\$2.58</b> (VIP)	\$0.08	3.20%
<b>Note:</b> <i>*Kerosene price is the VAT exempt price.</i>				

**Table 2: New Approved Retail LPG Prices**

Product	Current Price (until 29 February 2024)	New Approved Price (from and including 1 March 2024)	Price Change (Decrease)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.58 (VAT exempt)	<b>\$15.58</b> (VAT exempt)	\$0.00	0.00%
12 Kg Cylinder*	\$41.55 (VAT exempt)	<b>\$41.54</b> (VAT exempt)	(\$0.01)	-0.02%
Bulk** (Kg)	\$3.21 (VEP)	<b>\$3.21</b> (VEP)	\$0.00	0.00%
Autogas*** (Litre)	\$2.25 (VIP)	<b>\$2.25</b> (VIP)	\$0.00	0.00%
<b>Note:</b> <i>* Cylinder price is VAT exempt price.</i> <i>**Bulk price is <b>Wholesale VAT exclusive price (VEP)</b>.</i> <i>*** Autogas retail price is VAT inclusive price (VIP).</i>				

The fuel price review in Fiji follows a one-month lag period. Therefore, the local fuel prices for February 2024 are based on refined fuel imports made by fuel companies in January 2024. The FCCC used the January 2024 Saudi Aramco Butane Contract Price (CP) and January

2024 international freight rates and foreign exchange rate to determine the local LPG product prices for March 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(s) for the increase noted in the prices of refined fuel products in the Fijian market in March 2024 based on January 2024 imports are due to the following reasons:

#### **A. Motor Spirit and Premix**

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 increase in March 2024 due to following factors:

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

#### **B. Kerosene and Diesel**

The price for kerosene and diesel will also increase in March 2024, and this has been attributed to following factors:

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

### **Crude Oil Market**

The crude oil market improved in January 2024 amid signs of further strengthening in fundamentals, with prices recovering after three consecutive months of declines. The rebound was preliminarily driven by easing crude oil futures selling, providing a supportive environment for crude oil spot prices to strengthen in January 2024. The fluctuation in crude oil price in January 2024 were attributed to the following factors:

1. The crude oil prices were further sustained by stronger-than-expected macroeconomic data, specifically from the United States (US), and signs of robust physical market fundamentals.
2. Higher financial flows in oil futures contracts also supported the momentum in crude oil futures prices in January 2024.
3. Furthermore, ongoing geopolitical tensions and heightened risks in Eastern Europe following attacks on oil infrastructure in the Baltic Sea, added a risk premium to the market, bolstering crude oil prices in January 2024.
4. Supply disruptions in various regions further tightened the spot market, notably in the Atlantic Basin. The declaration of force majeure on the El Sharara oil field and the shutdown of a significant volume of oil production in North Dakota due to extremely cold weather raised supply concerns, adding upward pressure to the crude oil prices in January 2024.
5. This contributed to a reduction in the availability of prompt loading cargoes and exacerbated supply tightness, while sustained demand for February 2024 loading cargoes from refiners provided additional support to crude oil spot prices for next month.
6. Renewed demand from Asia Pacific refiners, particularly in China, increased the value of Dubai crude.
7. Crude spot prices were also supported by higher refining margins, especially in Asia and the US Gulf Coast, which contributed to increased demand for crude oil, along with a substantial draw in US crude stocks in January 2024.

Moreover, lower OECD commercial oil stocks in December 2023 signalled strong supply-demand fundamentals, reinforcing positive sentiment among market participants. The North Sea Dated was further supported by reduced availability of West Texas Intermediate (WTI) crude in Northwest Europe, supply outages in Libya and trade flow disruptions which delayed arrivals of crude from the east. Weather-related supply disruptions in the US, stronger refining margins, and lower stocks at Cushing increased WTI prices. These global economic factors in January 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 March 2024.

### **LPG Price Change Factors**

The price for 12kg cylinder will decrease in March 2024, while price of 4.5kg cylinder, Bulk and Autogas will remain the same in the Fijian market. FCCC's independent assessment revealed following findings on major contributors of LPG product price changes as follows:

- a. Butane Contract Price (CP) remained constant compared to last review,
- b. Decrease noted in the average international freight compared to last review; and

- c. Slightly strengthening of the USD against the Fijian dollar.

### **Butane Contract Price Movement**

Saudi Arabia's state-controlled Saudi Aramco raised the January 2024 Propane Contract Prices (CP) by USD 10.00MT from a month ago to USD 620.00MT in view of the shortest haul to Asian importers by freight calculations. Its butane counterpart also rose by USD 10.00MT to USD 630.00MT, keeping the premium over propane at USD 10MT to reflect regional buyer's preference of evenly split ratio cargoes.

Chinese Propane Dehydrogenation Plant (PDH) production margins worsened at the start of January 2024. Elevated delivered prices reflected higher costs of shipping US products to key Asian markets via the Cape of Good Hope or Suez Canal after transits at the Panama Canal fell owing to weather-related issues.

Poor petrochemical downstream yields forced Chinese petrochemical makers to lower operating rates which curbed propane feedstock demand. Spot demand from Japan and Korea to meet winter heating demand was limited owing to high inventory levels and mild weather. These international market forces impacted the price of Butane and Propane Contract Price in January 2024 and LPG products in the Fijian market in March 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. The following FCCC officers will conduct inspections in various divisions:

- **Central team** can be reached via mobile phone number 9984035.
- **Western Team** can be reached via mobile phone number 8911623.
- **Northern Team** can be reached via mobile phone number 9984003.

The prices issued by FCCC are maximum wholesale and retail prices, and the wholesalers and retailers can sell the refined fuel products on the maximum wholesale and retail prices or below the authorised prices. The 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](mailto: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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