

MEDIA RELEASE
New Fuel and LPG Prices for April 2024
Saturday, 30 March 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 April 2024. The new prices come into effect from **Monday, 1 April 2024** and are as follows:

Table 1: New Approved Retail Fuel Price

Product	Current Price (until 31 March 2024)	New Approved Price (from 1 April 2024)	Price Change (Increase)	
			(\$)	(%)
Motor Spirit	\$2.91 (VIP)	\$3.00 (VIP)	\$0.09	3.09%
Premix	\$2.73 (VIP)	\$2.84 (VIP)	\$0.11	4.03%
Kerosene*	\$1.99 (VAT exempt)	\$2.05 (VAT exempt)	\$0.06	3.02%
Diesel	\$2.58 (VIP)	\$2.69 (VIP)	\$0.11	4.26%
Note: <i>*Kerosene price is the VAT exempt price.</i>				

Table 2: New Approved Retail LPG Prices

Product	Current Price (until 31 March 2024)	New Approved Price (from 1 April 2024)	Price Change (Increase)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.58 (VAT exempt)	\$15.81 (VAT exempt)	\$0.23	1.48%
12 Kg Cylinder*	\$41.54 (VAT exempt)	\$42.16 (VAT exempt)	\$0.62	1.49%
Bulk** (Kg)	\$3.21 (VEP)	\$3.25 (VEP)	\$0.04	1.25%
Autogas*** (Litre)	\$2.25 (VIP)	\$2.28 (VIP)	\$0.03	1.33%
Note: <i>* Cylinder price is VAT exempt price. **Bulk price is Wholesale VAT exclusive price (VEP). *** Autogas retail price is VAT inclusive price (VIP).</i>				

The Fuel & LPG product price review in Fiji follows a one-month lag period. Therefore, the local Fuel and LPG prices for April 2024 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in February 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 April 2024 based on February 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 April 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 April 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 prices maintained their upward trajectory in February 2024, consolidating gains from the previous month as market fundamentals continued to strengthen, with stronger global demand however disruptions were noted in the supply market for crude oil. The crude oil price increased in February 2024 due to following factors:

- a. Persistent geopolitical tensions remained a key driver in February 2024, prompting concerns about potential disruptions to oil supply, thus providing sustained support to the oil risk premium.
- b. Several planned and unplanned oil supply outages along with geopolitical developments in some producing regions raised concerns about global oil supply outlooks.

- c. The crude oil spot prices also found support from the reduced supply of light sweet crude in the Atlantic Basin that was intensified by supply outages in various regions in recent months, including the United States (US), North Sea, and North Africa.
- d. The gradual recovery of demand from US refiners, coupled with active interest from Chinese refiners in the spot market, specifically following robust demand during the Lunar New Year holiday, further supported oil prices in February 2024.
- e. Renewed buying interest from Chinese refiners in the spot market, including in the West African market and the strengthening of refining margins across major trading hubs, specifically middle distillate margins further supported spot prices in February 2024. Diesel and gasoline cracks remained resilient, countering the weaker High Sulphur Fuel Oil (HSFO) markets.

Despite these supportive factors, oil price gains encountered resistance due to a notable build in US crude stocks and the slow recovery of refinery operations following an extensive maintenance season and unplanned outages. These global economic factors in February 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 April 2024.

LPG Price Change Factors

The FCCC used the February 2024 Saudi Aramco Butane Contract Price (CP), international freight rates and foreign exchange rate to determine the local LPG product prices for April 2024. The price for LPG products will increase in April 2024 in the Fijian market and major contributors of LPG product price changes in April 2024 are as follows:

- a. Increase noted in Butane Contract Price (CP) compared to last review from USD 630 to USD 640 or 1.59%,
- b. Increase noted in the average international freight compared to last review,
- c. Strengthening of the USD against the Fijian dollar.

Butane Contract Price Movement

Saudi Arabia's state-controlled Saudi Aramco raised the February 2024 Propane and Butane Contract Prices (CP) by \$10/tonne from January 2024. Butane Contract Price was increased to USD 640/tonne, reflecting strong demand for evenly split ratio cargoes from Mideast Gulf producers. This recent increase in Saudi LPG was partially attributed to rising Crude oil costs, which led the official benchmark to raise the offered quotations for Propane and Butane CP in February 2024. Moreover, the surging demand for LPG from the Asian market further contributes toward an uptrend.

At the beginning of February 2024, Saudi Aramco, the major player in the LPG market, announced its official selling prices for February hike by USD 10 per tonne for both propane and butane, pushing current prices to USD 630/tonne and USD 640/tonne respectively. This directly impacted regional LPG prices as propane and butane are derived from Crude oil. While crude oil price movements influence LPG costs, they are not the sole factor.

Regional supply and demand variations, infrastructure, and storage capacities also played a significant role. The rise in the LPG price was attributed to the ongoing global market implications. The war in the Middle East has disrupted supply chains and created uncertainty in the global LPG market, pushing prices upward. The announcement of reduced transit slots triggered initial panic. Re-routing via Suez and Cape of Good Hope extended shipping times, leading to a spike in Asian propane prices.

Moreover, the limited Panama Canal transits added additional shipping time which further impacted the manufacturers to raise the prices for LPG quotations. As a ripple effect, higher Butane and Propane contract prices in the international market forced led to increased contract prices for these key ingredients. This was further compounded by the fact that propane and butane are sourced from various countries, adding to the complexity of price fluctuations.

As per the data, the contribution of US Refinery activity has further supported the uptrend. The recent decline in US crude oil refinery inputs which were down by 428,000 barrels per day suggested a potential tightening of global supply, which has directly affected LPG prices. The US commercial crude oil inventories are still below the five-year average, despite recent increases indicating potential supply constraints. Additionally, propane inventories also decreased, contributing to the price pressure as the increased demand, particularly in Asia for heating and petrochemical processes, further strained supply and pushed the LPG prices higher.

As per ChemAnalyst, the LPG quotations for March 2024 are also expected to showcase a bullish trend amid the ongoing supply disruptions noted in the international market. Moreover, the continuously rising cost of crude oil production is foreseen to play a role in the high LPG prices in Saudi Arabia in the upcoming period. These international market forces impacted the price of Butane Contract Price in February 2024, and these changes directly impacted the LPG products prices 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@fcc.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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