



## MEDIA RELEASE

### New Fuel and LPG Prices for May 2024

Tuesday, 30 April 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 May 2024. The new prices come into effect from **Wednesday, 1 May 2024** and are as follows:

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

Product	Current Price (until 30 April 2024)	New Approved Price (from 1 May 2024)	Price Change	
			(\$)	(%)
Motor Spirit	\$3.00 (VIP)	<b>\$3.03</b> (VIP)	\$0.03	1.00%
Premix	\$2.84 (VIP)	<b>\$2.85</b> (VIP)	\$0.01	0.35%
Kerosene*	\$2.05 (VAT exempt)	<b>\$2.03</b> (VAT exempt)	(\$0.02)	-0.98%
Diesel	\$2.69 (VIP)	<b>\$2.62</b> (VIP)	(\$0.07)	-2.60%
<b>Note:</b> <i>*Kerosene price is the VAT exempt price.</i>				

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

Product	Current Price (until 30 April 2024)	New Approved Price (from 1 May 2024)	Price Change (Increase)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.81 (VAT exempt)	<b>\$15.87</b> (VAT exempt)	\$0.06	0.38%
12 Kg Cylinder*	\$42.16 (VAT exempt)	<b>\$42.33</b> (VAT exempt)	\$0.17	0.40%
Bulk** (Kg)	\$3.25 (VEP)	<b>\$3.27</b> (VEP)	\$0.02	0.62%
Autogas*** (Litre)	\$2.28 (VIP)	<b>\$2.29</b> (VIP)	\$0.01	0.44%
<b>Note:</b> <i>* Cylinder price is VAT exempt price. **Bulk price is <b>Wholesale VAT exclusive price (VEP)</b>. *** 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 May 2024 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in 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 fluctuations noted in the prices of refined fuel products in the Fijian market in May 2024 based on March 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 May 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. Favourable movement was noted in the international freight rate marker for motor spirit, that is international freight rate marker decreased 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 decrease in May 2024, and this has been attributed to following factors:

- a. Favourable movement was noted in the international refined fuel price of kerosene and diesel, that is, the cost price of refined kerosene and diesel decreased compared to last month's review.
- b. Favourable movement was noted in the international freight rate marker for 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 kerosene and diesel.

## **Crude Oil Market**

The crude oil prices increased in March 2024. This was boosted by the rally in crude oil futures prices and improving sentiments regarding oil market fundamentals. The crude oil price increased in March 2024 due to following factors:

- a. Ongoing geopolitical tensions added to the supply risk premium.
- b. The steady recovery of crude oil demand from refineries, mainly in the United States (US), which coincided with the gradual exit from the heavy refinery maintenance, alongside the prospect of strong supply/demand fundamentals in the second quarter 2024 and the third quarter of 2024, further lifted the market sentiment in March 2024 for the crude oil market.

- c. Lower US crude stocks and a steady recovery in US crude intakes sustained prices over the month of March 2024. US refinery net input of crude oil rose by 1.22 million barrels / day between the weeks of 23 February and 29 March, 2024.
- d. The crude oil spot prices in the Atlantic Basin came under pressure, as crude oil demand in the crude oil spot market softened in Europe, due to unplanned refinery outages that came in addition to the seasonal spring maintenance season.
- e. Nonetheless, this was counterbalanced by firm crude demand from Asia-Pacific buyers. Moreover, lower refining margins in March, also limited the crude oil spot price gains in March 2024.

The sweet-sour crude differentials showed mixed movement across regions. In Europe and the US Gulf Coast (USGC), the spread widened on a weak sour crude market and the high availability of medium sour crude, amid refinery outages in Europe. In Asia, the sweet-sour crude spread contracted due to the narrowing of the product margins between light/medium distillate and heavy distillate, as such affecting the price of refined products in March 2024. Despite on average increase noted in the crude oil price in March 2024, the refined price for kerosene and diesel decreased in March 2024, together with the freight marker, as such the price for Kerosene and Diesel decreased in March 2024. These global economic factors in March 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 May 2024.

### **LPG Price Change Factors**

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

- a. Butane Contract Price (CP) remained unchanged at USD 640 compared to last month's review,
- b. Increase noted in the average international freight compared to last month's review,
- c. Strengthening of the USD against the Fijian dollar.

### **Butane Contract Price Movement**

Saudi Arabia's state-controlled Saudi Aramco kept the March 2024 Propane and Butane Contract Prices (CP) at \$630/tonne and \$640/tonne respectively, unchanged from last month. Strong demand from India supported the monthly posting as the Mideast Gulf expanded following the end of seasonal refinery maintenance at various producers.

Asia-Pacific propane prices slipped by one percent month-on-month to the end of February 2024 despite slightly firmer crude values. While February 2024 exports from the US were near-record levels, rising demand from China to meet the feedstock needs of new petrochemical plants kept cargo premiums for March 2024 propane shipments to east China in the positive territory compared to February 2024 shipments, which mainly were fetched at discounts to the February 2024 Argus Far East Index (AFEI).

The front-month Asian propane-naphtha spread averaged a \$70/tonne discount in February 2024 which incentivised crackers to switch feedstock to LPG. South Korean cracker operators planned to raise run rates in March 2024 in the wake of improving margins as ethylene and butadiene prices firmed. Increased demand for butane by northeast Asian crackers boosted cargo premiums for March 2024 shipments to over \$20/tonne against the March Argus Far East Index (AFEI) compared to \$4-\$8/tonne for propane only cargoes.

Exports through the Panama Canal have been moving relatively freely, but transit restrictions kept the outlook uncertain. These international market forces impacted the price of Butane and Propane Contract Price in March 2024 and LPG products in the Fijian market in May 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 9984983.

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](mailto: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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