

MEDIA RELEASE

New Fuel and LPG Prices for June 2024

Thursday, 30 May 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 June 2024. The new prices come into effect from **Saturday, 1 June 2024** and are as follows:

Table 1: New Approved Retail Fuel Price for June 2024.

Product	Current Price – (until 31 May 2024)	New Approved Price – (From & including 1 June 2024)	Price Changes	
			(\$)	(%)
Motor Spirit	\$3.03 (VIP)	\$3.08 (VIP)	\$0.05	1.65%
Premix	\$2.85 (VIP)	\$2.92 (VIP)	\$0.07	2.46%
Kerosene*	\$2.03 (VAT exempt)	\$2.02 (VAT exempt)	(\$0.01)	-0.49%
Diesel	\$2.62 (VIP)	\$2.63 (VIP)	\$0.01	0.38%
Note: <i>*Kerosene price is the VAT exempt price.</i>				

Table 2: New Approved Retail LPG Prices for June 2024.

Product	Current Price – (until 31 May 2024)	New Approved Price – (From & including 1 June 2024)	Price Change (Decrease)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.87 (VAT exempt)	\$15.55 (VAT exempt)	(\$0.32)	-2.02%
12 Kg Cylinder*	\$42.33 (VAT exempt)	\$41.47 (VAT exempt)	(\$0.86)	-2.03%
Bulk** (Kg)	\$3.27 (VEP)	\$3.20 (VEP)	(\$0.07)	-2.14%
Autogas*** (Litre)	\$2.29 (VIP)	\$2.24 (VIP)	(\$0.05)	-2.18%
Note: <i>* Cylinder price is VAT exempt price.</i> <i>**Bulk price is Wholesale VAT exclusive price (VEP).</i> <i>*** 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 June 2024 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in April 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 June 2024 based on April 2024 imports are due to the following reasons:

A. Motor Spirit and Premix

The price of motor spirit and premix is based on same the international refined price and international freight benchmarks. FCCC's independent analysis revealed that price of motor spirit and premix will increase in June 2024 due to the 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 will decrease in June 2024, while the price for diesel will increase in June 2024 in the Fijian market, and this has been attributed to the 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. 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 strengthened against the Fijian dollar for kerosene and diesel.

Crude Oil Market

In April 2024, the crude oil price increased, with major benchmarks climbing over 5%, month-on-month, primarily supported by increased risk premiums earlier in the month amid geopolitical tensions. The crude oil price increased in April 2024 due to following reasons:

- a. The global economy showed signs of resilience amid a continuous rebound in the manufacturing activity in emerging economies.
- b. The trader sentiment remained optimistic about the outlook of crude market fundamentals ahead of the driving season, despite some signs of weakness were noted in the diesel market in April 2024.
- c. The crude oil spot market was also maintained by a firm demand for May 2024 loading barrels, specifically for sour crude, as in some regions the refinery maintenance season

reached its peak, prompting a steady increase in crude intake, signalling a recovery in refining activity ahead of the summer holiday season.

- d. Demand from Asia-Pacific refiners remained sustained, helping absorb available supply in the Atlantic basin amid refinery maintenance in Europe.
- e. The crude oil price gains were however capped by the decline in refining margins across major trading hubs, specifically for gasoil products.
- f. The diesel/gasoil margin also dropped in Asia and the US Gulf Coast, potentially posing a challenge, squeezing refiner profitability, thereby dampening overall market sentiment in April 2024.

Additionally, softened demand from European refiners added to the headwinds, amid seasonal refinery maintenance. The substantial build up in the US crude oil stocks in April 2024 also weighed on the value of crude oil prices in April 2024. These global economic factors in April 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 June 2024.

LPG Price Change Factors

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

- a. Butane Contract Price (CP) decreased from USD 640/MT to USD 620/MT or 3.13% when compared to last review,
- b. The average international freight decreased when compared to the last review, and
- c. The exchange rate slightly weakened against the USD dollar when compared to the last review.

Butane Contract Price Movement

Saudi Arabia's state-controlled petroleum and natural gas company, Saudi Aramco lowered the April 2024 Propane Contract Prices by USD 15/tonne and Butane Contract Price by USD 20/tonne from March 2024.

The Butane Contract Price reduced from USD 640/tonne in March 2024 to USD 620/tonne in April 2024 to reflect increased availability of evenly split ratio cargoes from the Mideast Gulf region where April 2024 loading cargoes had traded at USD 20/tonne discount to the April 2024 Contract Price.

Asian delivered propane prices eked out a 1.3 percent increase in March 2024 when compared to a month ago, lagging gains in the front month Brent contract which rose by 3.8 percent over the same period. The April 2024 delivered market was well-supplied by high exports from the US and Mideast Gulf region. China imports in March 2024 rose to a 6-month high, while India registered import growth of 13 percent year on year, while exports from the US rose to near-record levels in March 2024.

Oslo listed BW LPG, the world's largest owner of Very Large Gas Carriers (VLGC) with a fleet of 43, recently announced that it had invested USD 30 million in Indian private sector, LPG distributor Confidence Petroleum and was to develop an import terminal which will be able to store 62,000 tonnes of LPG and discharge 93,000m³ VLGCs.

Northwest European butane large cargo prices dropped sharply over the second half of last month as demand weakened at the end of the winter and prompt supply increased. Firm Naphtha values rendered LPG a cheaper alternative feedstock for flexible crackers. Strong demand for butane tightened availability and kept butane prices at a premium to propane. These international market forces impacted the price of Butane and Propane Contract Price in April 2024 and LPG products prices in the Fijian market in June 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:

- The Central team** can be reached via mobile phone number 9984035.
- The Western Team** can be reached via mobile phone number 8911623 or 9982437 for **Sigatoka residents**.
- The 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 teams via mobile phone 8921991 or via email at helpdesk@fcc.gov.fj. Our regional offices, located in the Western Division can

be contacted on 8911623 (9982437 for Sigatoka residents) and Northern Division can be contacted via mobile on 8911624.

Follow FCCC on Facebook at www.facebook.com/FijianCCC/ for the latest update.

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