

MEDIA RELEASE

New Fuel and LPG Prices for September 2024

Saturday, 31 August 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 September 2024. The new prices come into effect from **Sunday, 1 September 2024** and are as follows:

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

Product	Current Price (Until 31 August 2024)	New Approved Price (Effective 1 September 2024)	Price Change Increase / (Decrease)	
			(\$)	(%)
Motor Spirit	\$2.87 (VIP)	\$2.90 (VIP)	\$0.03	1.05%
Premix	\$2.71 (VIP)	\$2.72 (VIP)	\$0.01	0.37%
Kerosene*	\$1.95 (VAT exempt)	\$1.93 (VAT exempt)	(\$0.02)	(1.03) %
Diesel	\$2.52 (VIP)	\$2.50 (VIP)	(\$0.02)	(0.79) %
Note: <i>*Kerosene price is the VAT exempt price and zero rated.</i>				

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

Product	Current Price (Until 31 August 2024)	New Approved Price (Effective 1 September 2024)	Price Change (Increase)	
			(\$)	(%)
4.5 Kg Cylinder*	\$14.73 (VAT exempt)	\$14.86 (VAT exempt)	\$0.13	0.88%
12 Kg Cylinder*	\$39.28 (VAT exempt)	\$39.63 (VAT exempt)	\$0.35	0.89%
Bulk** (Kg)	\$3.03 (VEP)	\$3.06 (VEP)	\$0.03	0.99%
Autogas*** (Litre)	\$2.12 (VIP)	\$2.15 (VIP)	\$0.03	1.42%
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 September 2024 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in July 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 September 2024 based on July 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 September 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 when compared to last month's review.
- b. Favourable movement was noted in the international freight rate market for motor spirit, that is international freight rate market decreased when compared to last month's review.
- c. The US dollar strengthened against the Fijian dollar on motor spirit, while the US dollar weakened against the Fijian dollar for premix.

B. Kerosene and Diesel

FCCC's independent analysis revealed that price of kerosene and diesel will decrease in September 2024 due 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. Favourable movement was noted in the international freight rate market for kerosene and diesel, that is international freight rate market 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 global economic factors in July 2024 which contributed to changes in local Fijian prices for refined fuel products in September 2024 are as follows:

- a. The crude oil spot prices rose for the second month in July 2024, as physical crude market fundamentals remained solid throughout July and August 2024 trading cycles, characterized by firm demand for crude in the spot market and a large decline in the United States (US) crude stocks. This has partly offset the negative impacts of heavy selloffs in crude futures markets, which raised uncertainty and limited price gains.

- b. The crude oil spot prices were also supported by reduced availability of prompt loading cargoes of light sweet grades in the spot markets in July 2024, including in the Atlantic Basin.
- c. Additionally, firm buying interest from European refiners for August 2024 loading cargoes provided further support to the crude oil price in July 2024.
- d. The crude oil spot prices were sustained by a large decline in the US crude and gasoline stocks in July 2024, combined with stronger refining margins in Asia and the US Gulf Coast (USGC), specifically for higher gasoline and middle distillate crack spreads.
- e. In the Atlantic Basin, most of the crude differentials strengthened in July 2024, particularly light sweet grades based on the firm buying interest in the spot market, higher demand from European refiners and supportive refining margins during the holiday season.
- f. The crude oil futures prices were volatile in July 2024, although the average price increased month-on-month.
- g. Early in July 2024, the crude oil prices extended the previous month's gains, which were driven by weather-related concerns as the Atlantic hurricane season commenced earlier than usual. The intensification of Hurricane Beryl to a Category 5 storm worsened fears of potential disruptions to the US Gulf of Mexico's crude production and refining activities.
- h. Moreover, optimism about increased oil demand during the US summer driving season, coupled with supportive inventory data from the US Energy Information Administration (EIA), contributed to the upward price momentum in July 2024. EIA weekly data showed a larger decline in US crude and petroleum product stocks in July 2024. Geopolitical developments in the Middle East further sustained the oil prices in July 2024.
- i. However, oil prices reversed in the second week of July as supply risk concerns eased following the limited impact of Hurricane Beryl on crude oil production and refinery activity in Texas after Hurricane Beryl made landfall on 8 July 2024. The decline in the refining margins, particularly in Asia and Europe, combined with slower-than-expected Chinese economic growth, dampened market optimism in July 2024.

China's National Bureau of Statistics reported a real GDP growth rate of 4.7%, year on year, in the second quarter of 2024, down from 5.3% in the first quarter of 2024. Towards the end of the month, oil futures rebounded, driven by renewed geopolitical risk premiums. A report from the EIA indicated a further decline in US crude and gasoline inventories bolstered market sentiment and provided additional support to oil futures prices. These global economic factors in July 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 September 2024.

LPG Price Change Factors

The FCCC used straight average price methodology to determine the LPG price for September 2024. The major reason(s) for the increase noted in the proposed prices for all LPG products in September 2024 based on July 2024 imports for the Fijian economy are due to following reasons:

- a. Butane Contract Price (CP) remained constant compared to the last review,
- b. The average international freight increased when compared to the last review, and
- c. The USD strengthened against the FJD when compared to the last review.

Butane Contract Price Movement

Saudi Arabia's state-controlled Saudi Aramco maintained the July 2024 Propane and Butane Contract Prices (CP) at \$580/tonne and \$565/tonne, respectively. Moderate summer demand saw evenly split ratio cargoes loading in July 2024 from the Middle East Gulf region.

Asian delivered propane prices gained 3.3 percent in June 2024 from a month ago, lagging gains in the front-month Brent contract, which rose by 6.4 percent over the same period. The July 2024 delivery market was well-supplied by ample exports from the United States of America (USA), which capped prices even as the demand for imports from China remained robust.

US exports to Asia in June 2024 were estimated at 3.12 million tonnes, above the 6-month rolling average of 2.99 million tonne, while China imports in June 2024 rose to the year's high of 3.1 million tonnes amid strong petrochemical demand.

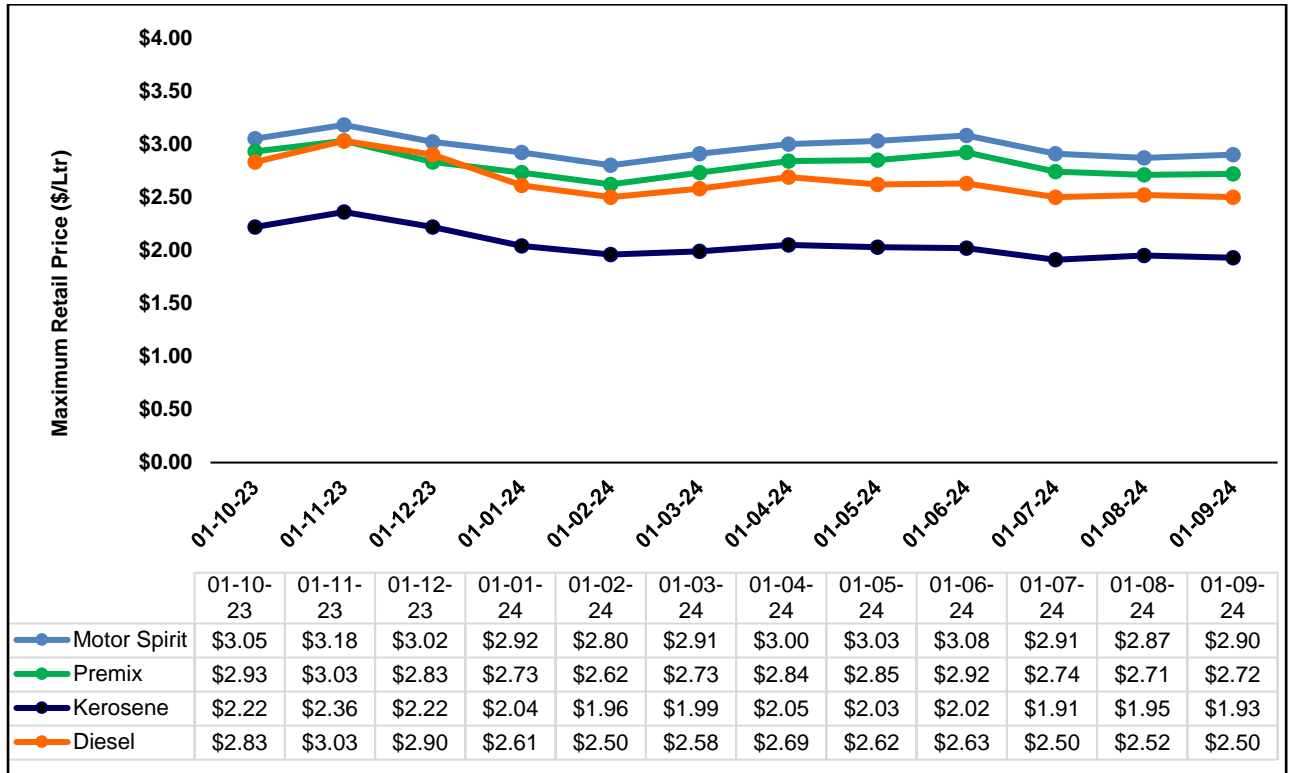
Strong naphtha values on the back of crude's rally rendered LPG a cheaper alternative feedstock for flexible crackers. The front-month Asian propane-naphtha swaps spread averaged (USD 51/tonne) in June 2024, while cracking butane was more economical as the butane-naphtha swaps spread averaged USD 65/tonne.

Strong demand for butane in July 2024 helped soak up abundant supply and helped narrow butane's discount to propane to less than USD 10/tonne at the month's end compared to USD 24/tonne at the start of June 2024. These international market forces impacted the price of Butane and Propane Contract Price in July 2024, which will have an impact on the LPG products prices in the Fijian market in September 2024.

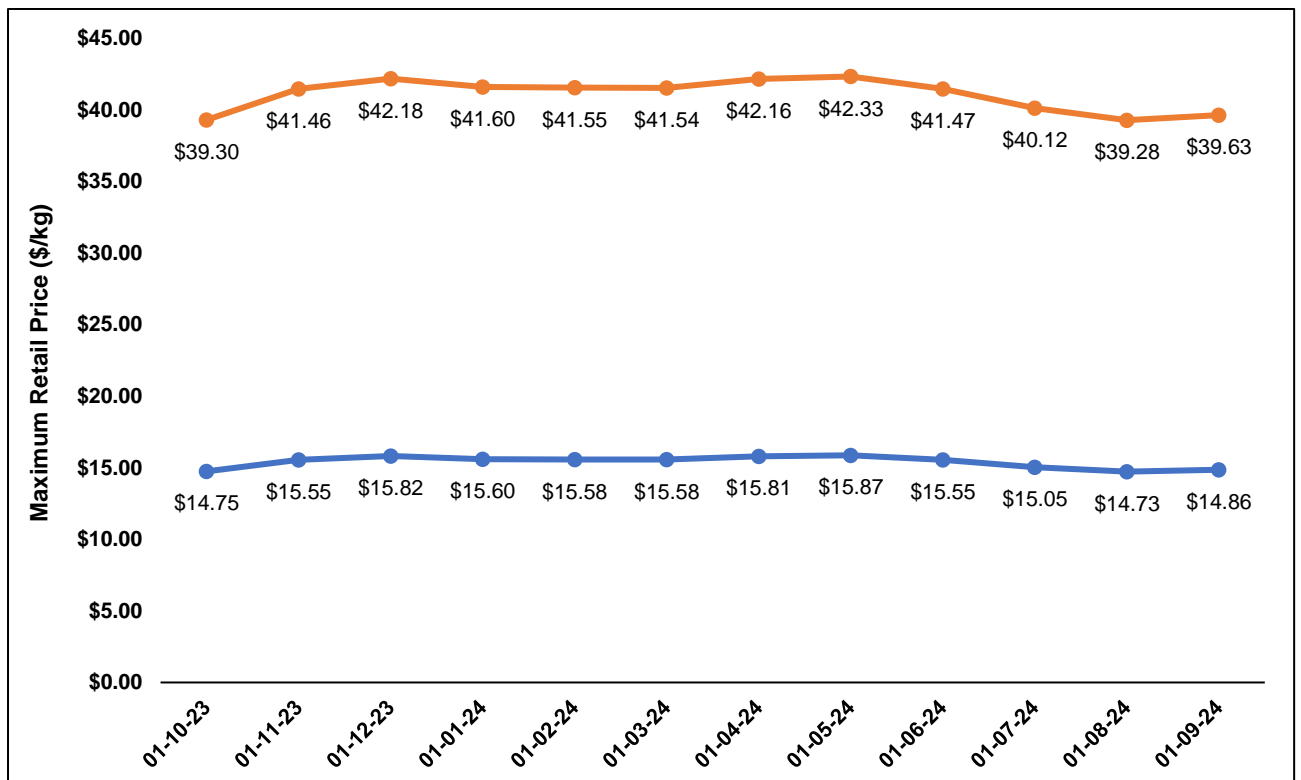
While the Butane Contract Price remained constant in July 2024 and the international freight has slightly increased in USD, however both Butane CP and the international freight had increased in Fijian dollars due to strengthening of the exchange rate in July 2024, which had negatively impacted the price of LPG products in September 2024, as such the price of LPG products will slightly increase in September 2024 in the Fijian market.

The graphs below illustrate fuel products and LPG 4.5kg & 12kg cylinder price movement from October 2023 to September 2024.

Graph 1: Maximum Retail Price for Refined Fuel Products in Fiji from 1 Oct 2023 to 1 Sep 2024.



Graph 2: Maximum Retail Price of 12kg and 4.5kg Cylinder in Fiji from 1 Oct 2023 to 1 Sep 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 and LPG products on the maximum wholesale and retail prices or below the authorised prices. The FCCC inspectors will continue to conduct inspections and spot 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.

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